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KSK Power Ventur plc

("KSK", the "Company" or the "Group")
Interim Results
for the six months ended 30 September 2009

KSK Power Ventur plc (AIM: KSK), the power project development company with interests in multiple power plants across India, today announces its unaudited interim financial results for the six months ended 30 September 2009.

Financial Highlights

- Turnover maintained at $24.4m (2008: $25m)
- Gross profit up 39 % at $12.1m (2008: $8.7m)
- Profit from operations up 350% at $15m (2008: $3.3m)
- Profit before tax up 483% at $40.34m (2008: $6.91m)
- Net profits up 340% at $18.25m (2008: $4.14m)

Operational Highlights

- Operational capacity of 144 MW
- Power generation revenue and profitability on these assets higher than previous year as a result of increased productivity and tariff realisation on surplus power sales
- Plants under construction of 718 MW, expected to begin commissioning shortly.
- Wardha Power 3,600 MW power plant in Chhattisgarh.
- Projects in the pipeline - 5,400 MW thermal and 1,000+ MW renewable energy.
- Total 10+ GW, as a combination of projects under operation, construction, development and in the pipeline.

- Settlement of the fund business with liquidators and acquisition of the associated investments.

- Equity fund raising by Indian subsidiary KSKEV in November 2009, raising approximately $112m of new monies under Qualified Institutional Placement.

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

"The period under review saw definitive forward movement of the Company, its power plant capacity plans and new initiatives but we also saw delays in commissioning two of its power plants VS Lignite and Wardha Warora.

These commissioning delays and disruptions have been primarily on account of the new government policies governing employment visas issued to the EPC contractor project execution personnel coming from outside India. It is now expected that these severe restrictions, both quantitative and qualitative, will last longer than anticipated and hence could impact on the commissioning of the later units of the power projects under construction. The Group has initiated a plan to mitigate such commissioning disruptions and has also currently initiated effort for a long term mitigation plan including local resource mobilization to address not only the immediate two power plants but also the construction of the larger capacity 3.6 GW power plants being pursued and expected to commence power generation during 2012 and 2013

We now look forward to 2010 being a substantial year for commissioning and commencement of power production by three of the power projects under construction of VS Lignite, Wardha Power and Arasmeta, expansion, with respective cash flows and internal accruals commencing. The untied surplus from these projects are expected to actualise superior realization on power sales and provide the much required incremental cash flow support for equity requirements of the Chhattisgarh project. Further, we anticipate that the effort on KSK Mineral and KSK Solar initiatives would gather momentum and the Company would explore opportunities to bring in investors (financial or strategic) to further the plans of these businesses.

These are exciting and challenging times for the Company, with commissioning of a number of projects underway. We expect to remain on course in 2010 and are confident in our ability to meet the longer term goals."

For further information, please contact: www.ksk.co.in

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Directors Review

Introduction

The period under review has been mixed for the Group, accounting for significant positive performance improvements of the operating power plants while also experiencing delays in commissioning of the various construction projects, primarily on account of restrictions on availability of Chinese EPC contractor personnel on site at this most critical stage of project execution.

The results for the period detail the unaudited consolidated results for the Company for the six months period ending 30 September 2009. Overall, the financial performance for the period has been good, with continuing development activities as well as the profitable underlying power plant operations. The current results show the consolidated position for the underlying power generation business and development revenue of KSK's energy business. Over the next few years and upon commencement of generation activities at the various large power plants, KSK EV is expected to enjoy enhanced revenues that would greatly enhance the consolidated financial results for the Group.

Review of Projects

The Group is currently working with project pipeline opportunities of 10,000+ MW total capacities, as detailed below.

Projects under Operation

Three plants (with primary off take by respective industrial consumers and surplus sale to local utilities)

- Arasmeta 43 MW coal based power plant in the state of Chhattisgarh operating with supplies to Lafarge India.

- Sai Regency 58 MW natural gas based power plant in the state of Tamil Nadu operating with supplies to multiple industrial customers.

- Sitapuram 43 MW coal based power plant in state of Andhra Pradesh with supplies to Zuari Cements & Sri Vishnu Cements (Italcementi Group).

Total 144 MW

Projects under Construction and expected to commission shortly

Three plants (with off take by respective industrial consumers with deferred consumption and surplus sale to tied up with local utilities)

- VS Lignite, 135 MW lignite based power plant in Rajasthan with supplies to multiple industrial customers. This plant is now due for completion Jan-Mar 2010. The works on boiler light up and synchronisation are expected to be taken up in the next fortnight

- Wardha Power, 540 MW Warora power plant, the coal based power plant in Maharashtra is due for completion and commissioning during calendar year 2010. Erection and commissioning and construction works on the first two units fairly completed and currently underway on the balance two units. With part of the visa issues addressed we anticipate that the first two units would commission between Jan-Mar 2010

- Arasmeta expansion, 43 MW coal based power plant in Chhattisgarh with supplies to Lafarge and other industrial or utility customers. This plant is now due for completion around June 2010.

Total 718 MW

Projects under Development

Two plants:

- Wardha Power Chattisgarh power project (shortly to be demerged into a separate company KSK Mahanadi Power), 3,600 MW power plant in Chhattisgarh has witnessed significant progress with respect to land acquisition, permitting including environmental clearances, water linkages, fuel supply, evacuation, and granting various statutory approvals required for the project. This project has completed equipment ordering in its entirety, released various requisite advances and is now proceeding on construction activity at site.

- KSK Dibbin Hydro Power, 130 MW hydro electric power plant in Arunachal Pradesh has witnessed substantial progress over the last few months. A detailed project report was prepared by Pyory Energy AG, Switzerland and the relevant compliance report to the Central Electricity Authority. The next immediate steps on the project would include, amongst others, land acquisition, completion of equipment ordering and beginning of preliminary project preparatory works at site.

Total 3,730 MW

Planned Projects

Three Thermal power projects based on planned long term coal supplies from State Mineral Development Corporations (the same contingent upon progress from Memorandum of Understanding to Definitive Fuel Supply Agreements) and two Hydro Power project opportunities in Arunachal Pradesh

Total 6,345 MW

Divestments

We have completed the divestment of our 50% interest in each of the 20 MW power projects of RVK and KPCL in favour of the other joint venture partner with an objective to focus management time and effort on the larger power project initiatives and other new business opportunities being pursued. With the completion of this divestment, all power generation plants of the group are now held under KSK Energy Ventures, the Indian subsidiary.

KSK Mineral and KSK Solar initiative

The Groups envisages an ever increasing shortage of coal, a vital raw material for various thermal projects in India (both for peak and base load requirements) and hence additional spur in demand for businesses that can enable such fuel linkages and development. Leveraging its experience in the power generation and the recent experience in development and operating the Gurha(E) lignite block in India, the Company has now finalised plans for a foray into the mineral business in India and currently working on contracts for various mine development operations..

As part of the strategy to address global environmental concerns on carbon and emissions as well as having a balanced portfolio including renewable sources and complement the Group's extensive footprint in thermal power, the group has finalised contract with leading manufacturer of solar panel manufacturing equipment for a potential setup of a facility in India. While the short term opportunity is envisaged towards an export oriented business, the group envisages a long term viable business opportunity of solar power generation in India. Also integral to such strategy, the group continues to explore other renewable opportunities of hydro and wind energy opportunities.

Financial Overview

The consolidated operating revenue for the reporting period of the Company from power generating activities and project development activities stood at $24.4m. Gross Profit on the Operating Revenue stood at $12.2m. Operating income for the period stood at $15.0m while Profit before Tax stood at $40.3m

The finance income for the reporting period stood at $32.2m on account of sale of investment, foreign exchange gains as well as interest income.

Profit after tax and minority interest stood at $18.2m and earnings per share for the period was $0.13m.

The consolidated cash balance at the end of the period to 30 September 2009 stood at $81.9m (as against $154m at the beginning of the period) reflecting the higher investments in property plant and equipment as against the cash provided by financing activities. It is anticipated that this should ensure the implementation by KSK EV of the various power plants remains unhindered and provides positive cash flows that are expected to accrue from the various power plants in due course of 2010 and 2011.

Outlook

With increasing participants in the private power generation sector in India during recent months and the evolution of market dynamics based operation and maintenance of power projects across the country, the Group intends to maintain its differentiation form competitive peers through a focussed on ground execution of projects, actively engage on fuel security and leverage the brown field expansion opportunities in active consultation and support of the vital public stakeholders.

A full set of interim figures can be found on the company website and below is a summary of the interim accounts.

CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 Sep 2009

(All amount in thousands of U.S. $, unless otherwise stated)

		Consolidated		Separate	
	Notes	**30 Sep 2009**	**30 Sep 2008**	**30 Sep 2009**	**30 Sep 2008**
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue		24,379	25,708	-	-
Cost of revenue	7	(12,222)	(16,941)	-	-
Gross profit		**12,157**	**8,767**	-	-
Other operating income/ (expenses)	8	8,936	570	-	-
Distribution costs		(1,141)	(1,046)	-	-
General and administrative expenses		(4,904)	(4,954)	(371)	(292)
Operating profit/(loss)		**15,048**	**3,337**	**(371)**	**(292)**
Finance costs	9	(6,948)	(6,148)	(2,285)	(768)
Finance income	10	32,242	9,730	1,134	483
Profit/(loss) before tax		**40,342**	**6,919**	**(1,522)**	**(577)**
Tax (expense) / income	11	(11,350)	2,700	-	-
Profit/(loss) for the period		**28,992**	**9,619**	**(1,522)**	**(577)**
Attributable to:					
Equity holders of the parent		18,225	4,141	(1,522)	(577)
Minority interest		10,767	5,478	-	-
		28,992	**9,619**	**(1,522)**	**(577)**
Other comprehensive income					
Available for sale financial assets					
Current period gains/(losses)		311	(10,803)	-	-
Exchange difference on translating foreign operation		38,059	(64,911)	4,453	(1,318)
Reclassification of reserves on disposal of interest in Joint Venture		(1,284)	-	-	-
Fair value gain on sale of available for sale financial assets		9,518	-	-	-
Reclassification adjustment to Statement of Comprehensive income		(9,518)	-	-	-
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income, net of tax		**37,086**	**(75,714)**	**4,453**	**(1,318)**
Total comprehensive income for the period		**66,078**	**(66,095)**	**2,931**	**(1,895)**
Attributable to:					
Equity holders of the parent		41,027	(30,194)	2,931	(1,895)
Minority interest		25,051	(35,901)	-	-
		66,078	**(66,095)**	**2,931**	**(1,895)**
Earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		**137,496,260**	**128,878,505**		
Basic and diluted (U.S. $)		**0.13**	**0.03**		

(See accompanying selected notes to the interim condensed consolidated and separate financial statements)

Approved by the Board of Directors on 19 December, 2009 and signed on behalf by:

S. Kishore — Director

K. A. Sastry — Director

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30 Sep 2009

(All amount in thousands of U.S. $, unless otherwise stated)

	Notes	Consolidated		Separate	
		30 Sep 2009 (Unaudited)	31 Mar 2009 (Audited)	30 Sep 2009 (Unaudited)	31 Mar 2009 (Audited)
ASSETS					
Non-current assets					
Goodwill	12	78,477	73,030	-	-
Property, plant and equipment, net	13	788,062	471,658	-	-
Other non-current assets	15	12,065	9,132	-	-
Investments and other financial assets	14	35,936	24,879	49,528	49,861
Trade and other receivables, net	16	2,485	4,852	-	-
Deferred tax asset	11	7,729	8,387	-	-
		924,754	591,938	49,528	49,861
Current assets					
Inventories	17	3,210	2,286	-	-
Trade and other receivables	16	13,799	18,960	281	-
Investments and other financial assets	14	170,547	113,662	29,600	30,000
Cash and short-term deposits	18	262,663	204,201	49,368	250
Other current assets	15	11,543	9,283	1,021	1,140
		461,762	348,392	80,270	31,390
Non-current assets classified as held for sale.		21,663	20,125	-	-
		483,425	368,517	80,270	31,390
Total assets		**1,408,179**	**960,455**	**129,798**	**81,251**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	19	232	216	232	216
Securities premium	19	167,228	120,967	98,958	52,697
Translation reserve		(18,198)	(42,639)	6,107	1,654
Revaluation reserve		9,863	9,990	-	-
Other reserves		133,866	135,505	-	-
Retained earnings/ (Accumulated deficit)		67,198	48,846	(2,581)	(1,059)
		360,189	272,885	102,716	53,508
Minority interests		205,318	180,267	-	-
Total equity		565,507	453,152	102,716	53,508
Non-current liabilities					
Trade and other payables	21	2,485	2,220	-	-
Interest-bearing loans and borrowings	20	383,849	229,903	-	-
Deferred revenue		4,801	3,227	-	-
Provisions		1,663	1,542	-	-
Employee benefit liability		93	36	-	-
Deferred tax liability	11	21,054	15,694	-	-
		413,945	252,622	-	-

Current liabilities					
Trade and other payables	21	70,381	97,820	661	771
Interest-bearing loans and borrowings	20	323,103	123,641	-	-
Other current financial liabilities	22	25,000	25,000	26,421	26,912
Other current liabilities	23	8,918	7,800	-	60
Taxes payable		1,325	420	-	-
		428, 727	254,681	27,082	27,743
Total liabilities		842,672	507,303	27,082	27,743
Total equity and liabilities		**1,408,179**	**960,455**	**129,798**	**81,251**

(See accompanying selected notes to the interim condensed consolidated and separate financial statements)
Approved by the Board of Directors on 19 December, 2009 and signed on behalf by:

S. Kishore — Director

K. A. Sastry — Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 Sep 2009

(All amount in thousands of U.S. $, unless otherwise stated)

	Attributable to equity holders of the parent									
	Issued capital (No. of shares)	Issued capital	Securities premium	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Total attributable to the equity holders of the parent	Minority interests	Total equity
At 1 April 2008 (Audited)	**128,878,505**	**216**	**120,967**	**9,399**	**11,252**	**6,244**	**42,808**	**190,886**	**89,797**	**280,683**
Minority interest arising on direct issuance of equity shares by a subsidiary (see note 5)	-	-	-	-	(1,024)	-	-	(1,024)	144,680	**143,656**
Gain of direct issuance of equity shares by a subsidiary, net of transaction costs (see note 5)	-	-	-	-	-	140,998	-	140,998	-	**140,998**
Net depreciation transfer for property, plant and equipment	-	-	-	-	(146)	-	146	-	-	-
Transaction with equity holders of the parent	**128,878,505**	**216**	**120,967**	**9,399**	**10,082**	**147,242**	**42,954**	**330,860**	**234,477**	**565,337**
Profit for the period	-	-	-	-	-	-	4,141	4,141	5,478	**9,619**
Other comprehensive income	-	-				-		-	-	-
Exchange difference on translation of foreign operation	-	-	-	(28,366)	-	-	-	(28,366)	(36,545)	**(64,911)**
Loss on restatement of Available for Sale of Investments	-	-	-	-	-	(5,969)	-	(5,969)	(4,834)	**(10,803)**
Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period	**-**	**-**	**-**	**(28,366)**	**-**	**(5,969)**	**4,141**	**(30,194)**	**(35,901)**	**(66,095)**
Balance as at 30 Sept 2008 (Unaudited)	**128,878,505**	**216**	**120,967**	**(18,967)**	**10,082**	**141,273**	**47,095**	**300,666**	**198,576**	**499,242**

	Attributable to equity holders of the parent									
	Issued capital (No. of shares)	Issued capital	Securities premium	Translation reserve	Revaluation on reserve	Other reserves	Retained earnings	Total attributable to the equity holders of the parent	Minority interests	Total equity
At 1 April 2009(Audited)	**128,878,505**	**216**	**120,967**	**(42,639)**	**9,990**	**135,505**	**48,846**	**272,885**	**180,267**	**453,152**
Issue of Share Capital	10,655,738	16	46,261	-	-	-	-	46,277	-	**46,277**
Net depreciation transfer for property, plant and equipment	-	-	-	-	(127)	-	127	-	-	-
Transaction with equity holders of the parent	**139,534,243**	**232**	**167,228**	**(42,639)**	**9,863**	**135,505**	**48,973**	**319,162**	**180,267**	**499,429**

Profit for the period							18,225	18,225	10,767	**28,992**
Other comprehensive income										
Exchange difference on translation of foreign operation	-	-	-	23,775	-	-	-	23,775	14,284	**38,059**
Fair value gain on sale of available for sale financial assets	-	-	-	-	-	9,518	-	9,518	-	**9,518**
Reclassification adjustment to Statement of Comprehensive income	-	-	-	-	-	(9,518)	-	(9,518)	-	**(9,518)**
Net gain of available-for-sale financial assets	-	-	-	-	-	311	-	311	-	**311**
Reclassification of reserves on disposal of interest in Joint venture	-	-	-	666	-	(1,950)	-	(1,284)	-	**(1,284)**
Income tax relat ing to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive income for the period	**-**	**-**	**-**	**24,441**	**-**	**(1,639)**	**18,225**	**41,027**	**25,051**	**66,078**
Balance as at 30 Sep 2009 (Unaudited)	**139,534,243**	**232**	**167,228**	**(18,198)**	**9,863**	**133,866**	**67,198**	**360,189**	**205,318**	**565,507**

(See accompanying selected notes to the interim condensed consolidated and separate financial statements)

SEPARATE STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 Sep 2009

(All amount in thousands of U.S. $, unless otherwise stated)

	Attributable to equity holders of the parent					
	Issued capital (No. of shares)	**Issued capital**	**Securities premium**	**Translation reserve**	**Accumulated deficit**	**Total equity**
At 1 April 2008 (Audited)	**128,878,505**	**216**	**52,697**	**5,937**	**(632)**	**58,218**
Net income and expense for the year recognised directly in equity						
Loss for the period	**-**	-	-	-	(577)	**(577)**
Other comprehensive income	**-**	-	-	-	-	**-**
Exchange difference on translation of foreign operation	**-**	-	-	(1,318)	-	**(1,318)**
Income tax relating to components of other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 30 Sep 2008 (Unaudited)	**128,878,505**	**216**	**52,697**	**4,619**	**(1,209)**	**56,323**

At 1 April 2009(Audited)	**128,878,505**	**216**	**52,697**	**1,654**	**(1,059)**	**53,508**
Issue of Share Capital	10,655,738	16	46,261	**-**	**-**	**46,277**
Net income and expense for the year recognised directly in equity						
Loss for the period	-	-	-	-	(1,522)	**(1,522)**
Other comprehensive income						
Exchange difference on translation of foreign operation	-	-	-	4,453	-	**4,453**
Income tax relating to components of other comprehensive income	-	-	-	-	-	-
Balance as at 30 Sep 2009 (Unaudited)	**139,534,243**	**232**	**98,958**	**6,107**	**(2,581)**	**102,716**

(See accompanying selected notes to the condensed interim consolidated and separate financial statements)

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
for the six months ended 30 Sep2009
(All amount in thousands of U.S. $, unless otherwise stated)

	Consolidated		**Separate**	
Particulars	30 Sep 2009 (Unaudited)	30 Sep 2008 (Unaudited)	30 Sep 2009 (Unaudited)	30 Sep 2008 (Unaudited)
(A) Cash inflow/ (outflow) from operating activities				
Net profit/(loss) before tax	40,342	6,919	(1,522)	(577)
Adjustments				
Depreciation and amortization	2,394	2,851	-	-
Finance costs	6,948	6,148	2,285	768
Finance income	(20,713)	(9,730)	(1,134)	(483)
Loss on sale of JVs	2,743	-	-	-
Others	(8,388)	-	601	(9)
Changes in assets/liabilities				
Trade and other receivables	(498)	2,063	-	-
Inventory	(1,315)	(90)	-	-
Other assets	(4,106)	(1,485)	201	(632)
Trade payables and other liabilities	3661	(17,918)	(171)	75
Provisions	178	1,655	-	-
Taxes paid	(4,726)	(6,019)	-	-
Net cash provided by/(used in) operating activities…	**16,520**	**(15,606)**	**260**	**(858)**
(B) Cash inflow/ (outflow) from investing activities				
Movement in restricted cash	(131,228)	(179,414)	-	-
Purchase of property, plant and equipment	(272,784)	(57,363)	-	-
Sale of equity interest in joint venture	3,037	-	-	-
Purchase of financial assets	(93,523)	(76,641)	-	(30,020)
Proceeds from sale of financial assets	45,855	30,313	1,204	5,506
Payment for acquisition of minority interest in business combination	(21,686)	(48,311)	-	-
Dividend income	246	573	-	-
Finance income	12,653	1,001	133	5
Net cash (used in) investing activities	**(457,430)**	**(329,842)**	**1,337**	**(24,509)**
(C) Cash inflow/ (outflow) from financing activities				
Proceeds from interest-bearing loans and borrowings	413,428	187,378	-	24,553
Repayment of interest-bearing loans and borrowings	(84,236)	(79,808)	-	-
Proceeds from finance lease arrangement	-	256	-	-

Finance charges	(26,633)	(17,214)	(1,984)	(105)
Net proceeds from issue of shares	46,277	-	46,277	-
Net proceeds from issue of shares in subsidiary to minority interest	-	281,045	-	-
Net cash provided by financing activities	**348,836**	**371,657**	**44,293**	**24,448**
(D) Effect of exchange rate changes on cash	**19,306**	**(28,366)**	**3,228**	**114**
Net increase in cash and cash equivalents	**(72,768)**	**(2,157)**	**49,118**	**(805)**
Cash and cash equivalents at the beginning of the period	154,675	58,403	250	898
Cash and cash equivalents at the end of the period (see note 18)	81,907	56,246	49,368	93

Disclosure of non cash transaction:
Purchase of financial assets U S $ 8,388 (see note 8)

(See accompanying selected notes to the condensed interim consolidated and separate financial statements)

(All amount in thousands of U.S. $, unless otherwise stated)

1. Corporate information

1.1 Nature of operations

KSK Power Ventur plc ('the Company' or 'KPVP'), its subsidiaries and joint ventures (collectively referred to as 'the Group') are primarily engaged in the development, operation and maintenance of private sector power projects, predominantly through jointly controlled entities with heavy industrial companies in India.

The Group strategy for growth is to work with major international and Indian businesses and electricity distribution companies to ensure that they have access to dependable and cost effective source of electrical power through the development construction and operation of optimal sized power plants with appropriate fuel sources.

The principal activities of the Group are described in note 6.

1.2 Statement of compliance

The interim condensed consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations as adopted by the European Union (EU) and the provisions of the Companies Act 1931-2004 applicable to companies reporting under IFRS.

1.3 Financial period

The interim condensed consolidated and separate financial statements are for the six months ended 30 Sep 2009. The comparative information required by IAS 1 were determined using IAS 34 and include comparative information as follows:

Statement of financial position	:	31 March 2009 being the end of immediately preceding financial year
Statement of comprehensive income, statement of changes in equity and statement of cash flows	:	6 months ended 30 Sep 2008 being the comparable interim period of the immediate preceding financial year

1.4 General information

KSK Power Ventur plc, a limited liability corporation, is the Group's ultimate 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 15-19 Athol Street, Douglas, Isle of Man 1M1 1LB. The Company's equity shares are listed on the Alternate Investment Market ('AIM') operated by the London Stock Exchange.

The Financial statements were approved by the Board of Directors on 19 December 2009.

1.5 Basis of consolidation

The interim condensed consolidated financial statements incorporate the financial information of KSK Power Ventur plc, and its subsidiaries for the period ended 30 Sep 2009.

A subsidiary is defined as an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is acquired by the Group, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared using same reporting period as the parent company, using consistent policies.

All Intra-Group balances, income and expenses and any resulting unrealized gains arising from intra-group transactions are eliminated in full on consolidation.

Minority interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within other comprehensive income in the consolidated balance sheet, separately from parent shareholders' equity. Acquisitions of additional stake or dilution of stake from/ to minority interests/ other venturer in the Group are accounted for using the entity method, whereby, the difference between the consideration paid or received and the book value of the share of the net assets is recognised in 'other reserve' within statement of changes in equity.

1.6 List of subsidiaries and jointly controlled entities

Details of the Group's subsidiary and jointly controlled entities, which are consolidated into the Group's consolidated financial statement, are as follows:

(a) Subsidiaries

	Immediate parent	**Country of incorporation**	**% shareholding**		
			Sep 2009	**Mar 2009**	**Sep 2008**
KSK Energy Limited ('KEL')	KPVP	Mauritius	100	100	100
KSK Asset Management Services Private Limited ('KASL')	KPVP	Mauritius	100	100	100
KSK Energy Ventures Limited ('KEVL' or 'KSK India')	KEL	India	55.25	55.25	55.25
KSK Energy Company Private Limited ('KECPL')	KEL	India	100	100	100
KSK Surya Holdings Limited ('KSHL')	KEL	Mauritius	100	100	-
KSK Surya Limited ('KSL')	KEL	Mauritius	100	100	-
KSK Electricity Financing India Private Limited ('KEFIPL')	KEVL	India	100	100	100
KSK Vidarbha Power Company Private Limited, formerly *Lakhpat Power Company Private Limited* ('KVPCPL')	KEVL	India	100	100	100
KSK Narmada Power Company Private Limited ('KNPCPL')	KEVL	India	100	100	100
Bahur Power Company Private Limited ('BPCPL')	KEVL	India	100	100	100
KSK Technology Ventures Private Limited ('KTVPL')	KEVL	India	100	100	100
Sai Maithili Power Company Private Limited ('SMPCPL')	KEVL	India	100	100	100
KSK Dibbin Hydro Power Private Limited ('KDHPPL')	KEVL	India	100	100	100
Kameng Dam Hydro Power Private Limited ('KDHPL')	KEVL	India	100	100	100
KSK Surya Photovoltaic Venture Private Limited ('KSPVPL')	KECPL	India	100	100	100
Marudhar Mining Private Limited ('MMPL')	KECPL	India	100	100	100
KSK Energy Resources Private Limited ('KERPL')	KECPL	India	100	100	100
KSK Mineral Resources Private Limited, formerly *KSK Natural Resource Ventures Private Limited* ('KMRPL')	KECPL	India	100	100	100
KSK Investment Advisor Private Limited ('KIAPL')	KECPL	India	100	100	100
KSK Water Infrastructures Private Limited ('KWIPL')	KECPL	India	100	100	-

KSK Power Transmission Ventures Private Limited ('KPTVPL')	KECPL	India	100	100	-
KSK Cargo Mover Private Limited ('KCMPL')	KECPL	India	100	-	-
SN Nirman Infra Projects Private Limited ('SNNIPPL')	KECPL	India	100	-	-
KSK Emerging India Energy Private Limited I ('KSKEIEPL I')[1]	KASL	Mauritius	100	-	-
KSK Emerging Ind	KASL	Mauritius	100	-	-

[1]As of 13 July, 2009 pursuant to settlement agreement between KSK Asset Management Services Private Limited, ("KASL") an entity incorporated as a wholly owned subsidiary KSK Power Ventur Plc and KSK Emerging India Energy Fund Limited ("KSKEIEF"), entire shares held in KSK emerging India Private Limited I and KSK emerging India Private Limited II have been transferred by "KSKEIEF" to "KASL". (See note 8)…

(b) Jointly controlled entities

	Joint venturer	Country of incorporation	% shareholding		
			Sep 2009	**Mar 2009**	**Sep 2008**
RVK Energy Private Limited ('RVK')[1]	KECPL	India	-	50	50
Kasargod Power Corporation Limited ('KPCL')[1]	KECPL	India	-	50	50
Sai Regency Power Corporation Private Limited ('SRPCPL')	KEFIPL	India	73.92	73.92	73.92
Arasmeta Captive Power Company Private Limited ('ACPCPL')	KEFIPL	India	51	51	51
Sitapuram Power Limited ('SPL')	KEFIPL	India	49	49	49
VS Lignite Power Private Limited ('VSLPPL')	KEFIPL	India	74	74	74
Wardha Power Company Limited ('WPCL')[2]	KEFIPL	India	74	74	74
JR Power Gen Private Limited ('JRPGPL')	KEVL	India	51	51	51

[1] As of 1 April 2009 the group sold its interest in RVK and KPCL to the other joint venturer for a consideration of US $ 4,112. (See note 26)

[2] As of 30 Sep 2009 the group holds 85.47 percent of the outstanding share capital of WCPL, of which 7.69 percent is held temporarily on behalf of the consumer shareholders for the Wardha Warora project and 14.53 percent, is held in Wardha for Chattisgarh project which will be extinguished post approval of the scheme of demerger of Wardha Chattisgarh (See note 27). According to the contractual agreements and established legal practices, the group would ultimately hold 74 percent in WPCL and hence no adjustments have been done for the additional interest held in these financial statements.

The terms of the contractual agreements and established legal practices provides the Group and the joint venture partners (JV partners) to jointly control the key operating decisions to which both parties must agree unanimously. Accordingly, these entities have been treated as jointly controlled entities.

2. Basis of preparation

The interim condensed consolidated and separate financial statements have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit and loss account and available-for-sale financial assets measured at fair value.

The interim condensed consolidated financials statements do not include all the information and disclosures required in the annual financials statements in accordance with IFRS, and should be read in conjunction with the consolidated and separate annual financial statements as at 31 March 2009.

The financial statements have been presented in United States Dollars ('U.S. $'), 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.

3. Significant accounting policies

The interim condensed and separate financial statements have been prepared in accordance with the accounting policy adopted in the last annual consolidated and separate financial statement for the year ended 31 March 2009, except for the adoption of new standards as of 1 April 2009, noted below:

- IAS 1 *Presentation of Financial Statements* (Revised)
- IFRS 8 *Operating Segments*

The principal effects of these changes are as follows:

IAS 1 *Presentation of Financial Statements* (Revised)
The adoption of IAS 1 (Revised) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expense is unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income, for example revaluation of property, plant and equipment. IAS1 affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. In accordance with the new standard the entity does not present a 'Statement of recognised income and expenses', as was presented in the 31 March 2009 consolidated and separate financial statements. Further, a 'Statement of changes in equity' is now presented as a primary statement.

IFRS 8 *Operating Segments*

The adoption of IFRS 8 has not affected the identified operating segments for the Group. However, reported segment results are now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual and interim financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns.

The accounting policies have been applied consistently throughout the Group and the parent Company for the purposes of the preparation of these interim condensed consolidated and separate financial statements.

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 separate financial statements.

5. Dilution of ownership interest in a subsidiary

Initial Public Offering made by KSK Energy Ventures Limited ('KEVL')

As of 1 April 2008, KSK Energy Limited (KEL) held 191,221,952 equity shares (65 percent equity ownership) in KSK Energy Ventures Limited ('KEVL'). During the period ended 30 September 2008, KEVL issued additional 51,917,000 equity shares of face value of Rs. 10 (U.S. $ 0.25) each at a premium of Rs. 230 (U.S. $ 5.46) per share in the Indian domestic market by way of Initial Public Offering. The issue was fully subscribed and KEVL raised Rs. 12,460,080 (U.S. $ 291,664). The transaction cost incurred adjusted with the consideration received, net of deferred taxes amounting Rs. 154,191 (U.S. $ 3,609), is Rs. 299,445 (U.S. $7,009).

Pursuant to the issuance of the equity shares to general public the ownership interest of the Group in KEVL decreased from 65 percent to 55.25 percent resulting in a 9.75 percent deemed partial disposal of the Group's controlling interest in a subsidiary without loss of control.

The Group accounted for partial disposal of the investment in a subsidiary without loss of control as an equity transaction, and no gain or loss is recognised in the income statement. The difference of U.S. $ 140,998, between the fair value of the net consideration received (U.S. $ 284,655) and the amount by which the minority interests are adjusted (U.S. $ 143,656), has been credited to 'other reserve' within statement of changes in equity and attributed to the equity holders of the parent.

Further, an adjustment to revaluation reserve attributed to the equity holders of the parent amounting to U.S. $ 1,024 has been transferred to minority interest on the deemed disposal of the asset without loss of control.

6. 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 services

No operating segments have been aggregated to form the above reportable operating segments.

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.

The Group accounts for inter-segment sales and transfers based on market prices.

Period ended 30 Sep 2009 (Unaudited)	**Project development activities**	**Power generating activities**	**Reconciling/ Elimination activities**	**Consolidated**
Revenue				
External customer	4,199	20,180	-	24,379
Inter-segment	11,671	-	(11,671)	-
Total revenue	**15,870**	**20,180**	**(11,671)**	**24,379**
Segment results	**14,504**	**4,656**	**(11,671)**	**7,489**
Unallocated (expenses)/Income, net (refer (vi) below)				7,559
Finance costs, net				(6,948)
Finance income				32,242
Profit before tax				**40,342**
Tax (expense) / income				(11,350)
Profit after tax				**28,992**
Segment assets	11,086	1,016,752	**-**	1,027,838
Unallocated assets				380,341
Total assets				**1,408,179**
Segment liabilities	6,012	71,332	**-**	77,344
Unallocated liabilities				765,328
Total liabilities				**842,672**
Other segment information:				
Depreciation	141	2,214	39	2,394
Capital expenditure	141	273,550	13,573	287,264

Period ended 30 Sep 2008 (Unaudited)	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customer	3,205	22,503	-	25,708
Inter-segment	9,031	-	(9,031)	-
Total revenue	**12,236**	**22,503**	**(9,031)**	**25,708**
Segment results	**10,852**	**2,285**	**(9,031)**	**4,106**
Unallocated (expenses)/Income, net(refer (vi) below)				(769)
Finance costs, net				(6,148)
Finance income				9,730
Profit before tax				**6,919**
Tax expenses / (income)				2,700
Profit after tax				**9,619**
Segment assets	9,266	459,984	-	469,250
Unallocated assets				429,726
Total assets				**898,976**
Segment liabilities	7,387	60,274	-	67,661
Unallocated liabilities				332,072
Total liabilities				**399,733**
Other segment information:				
Depreciation	154	2,694	3	**2,851**
Capital expenditure	2,170	80,265	2,476	**84,911**

Notes to segment reporting:

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

(ii) Profit or loss for each operating segment does not include finance income and finance costs of U.S. $32,242 and U.S. $ 6,948 respectively (Sep 2008: U.S. $ 9,730 and U.S. $ 6,148).

(iii) Segment assets does not include deferred tax U.S. $ 7,729 (Sep 2008: U.S. $ 7,074), financial assets and other investments U.S. $ 206,483 (Sep 2008: U.S. $ 125,227), short-term deposits with bank U.S. $97,392 (Sep 2008: U.S. $ 258,968), non-current assets classified as held for sale U.S. $ 21,663 (Sep 2008: U.S. $ 22,450) Other corporate assets U. S. $ 47,074 (Sep 08:U. S. $ 16,007)

(iv) Segment liabilities do not include deferred tax U.S. $ 21,054 (Sep 2008: U.S. $ 17,660), current tax payable U.S. $ 1,326 (Sep 2008: U.S. $ 888), interest-bearing current and non-current borrowings U.S. $ 706,952 (Sep 2008: U.S. $ 286,931), Other corporate liabilities U.S. $ 35,996 (Sep 2008: U.S. $ 26,593)

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

(vi) Unallocated Income/Expenses includes loss on disposal of investment in joint venture amounting to U.S. $ 2,743 (Sep 2008: U.S. $ Nil).

7. Depreciation and costs of inventories included in the consolidated statement of comprehensive income statements:

a) Depreciation and costs of inventories included in the consolidated statement of comprehensive income statements

	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)
Included in cost of revenue:		
Fuel costs	8,306	11,778
Depreciation	1,903	2,425
Included in general and administrative expenses:		
Depreciation	491	426

8. Other operating income/(expenses)

Other operating income comprises of:

	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)
Income from management fees, net[1]	11,406	368
Miscellaneous income/ (expenses)	273	202
Loss on disposal of investment in Joint Venture	(2,743)	-
Total	**8,936**	**570**

[1]As of 13 July 2009 KSK Asset Management Services Private Limited, ("KSKAM") an entity incorporated as a wholly owned subsidiary KSK Power Ventur Plc entered into a settlement agreement with KSK Emerging India Energy Fund Limited ("KEF") for U.S. $ 13,748 (£ 8,639), towards claims for loss of potential management fees. The claim was settled partly in cash U.S. $ 5,360 (£ 3,368), and transfer of the assets i.e. entire shares held in KSK emerging India Private Limited I and KSK emerging India Private Limited II with the fair value of net assets value of U.S. $ 8,388 (£ 5,271), net of legal and professional charges U.S. $ 2,617 both the cash and the assets have been received and transferred subsequently. Receipt of the above consideration has been accounted as management fees under other operating income and the investments in the form of shares of KSK emerging India Private Limited I and KSK emerging India Private Limited II has been accounted as investment in subsidiaries.

9. Finance costs

Finance costs comprises of:

	Consolidated		Separate	
	30 Sep 2009	30 Sep 2008	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expenses on loans and borrowings, net [1]	5,601	3,051	1,068	617
Other finance costs	888	1,607	817	151
Unwinding of discount on provision	59	-	-	-
Net loss on re measurement of investments at fair value through profit or	400	1,490	400	-
Total	**6,948**	**6,148**	**2,285**	**768**

[1] Interest expenses on loans and borrowings, net includes interest expenses on financial liability at fair value through profit or loss of U.S. $ 1,068 (Sep 2008: U.S.$ 617) in consolidated and separate statement of comprehensive income.

10. Finance income

The finance income comprises of:

	Consolidated		Separate	
	30 Sep 2009	30 Sep 2008	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income				
bank deposits	7,276	6,367	414	5
loans and receivables	2,946	454	-	-
Dividend income	342	573	-	-
Finance lease income	-	256	-	-
Reclassification of gain on disposal of available for sale financial assets from Other Comprehensive income in Consolidated Statement of Changes in Equity	9,518	-	-	-
Unwinding of discount on security deposits	-	213	-	-
Net foreign exchange gain [1]	11,529	-	-	174
Guarantee commission from subsidiary	-		720	304
Gain on disposal of investments at fair value through profit and loss account	-	1,867	-	-
Gain on re measurement of investments at fair value through profit and loss account	631	-	-	-
Total	**32,242**	**9,730**	**1,134**	**483**

[1]Net foreign exchange gain includes foreign exchange gain of U.S. $ NIL (Sep 2008: U.S. $ 174) on financial assets and liabilities at fair value through profit and loss account in consolidated financial statement.

11. Tax expense / (income)

The major components of income tax expense/ (income) for the period ended 30 Sep 2009 and 30 Sep 2008 are:

Consolidated statement of comprehensive income

	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)
Current tax	5,871	6,860
Deferred tax	5,479	(9,560)
Tax expense / (income) reported in the statement of comprehensive income	**11,350**	**(2,700)**

Deferred income tax at 30 September 2009 and 31 March 2009 relates to the following:

	30 Sep2009	31 Mar 2009
	(Unaudited)	(Audited)
Deferred income tax assets		
Share issue expenses	2,483	2,636
Difference in depreciation on Property, plant and equipment	5,608	6,070
Others	19	137
Total	**8,110**	**8,843**
Deferred income tax liabilities		
Difference in depreciation on Property, plant and equipment	7,426	3,146
Fair value adjustment on business combination	13,383	12,610
Others	626	394
Total	**21,435**	**16,150**
Deferred income tax liabilities, net	**(13,325)**	**(7,307)**

12. Goodwill and impairment testing

	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)
Opening balance	73,030	95,521
(Deletion)[1]	(134)	-
Exchange adjustment	5,581	(22,491)
Closing balance	**78,477**	**73,030**

[1]The deletion during the period ended 30 Sep 2009 is attributable to the disposal in interest in a jointly controlled entity, KPCL.

Goodwill is tested for impairment annually and there were no circumstances which indicated that the carrying value may be impaired. Hence no impairment testing was carried out in the interim period ended 30 Sep 2009.

13. Property, plant and equipment, net

The property, plant and equipment comprises of:

	Land and buildings	Power Stations	Other plant and equipment	Assets under construction	Total
Cost					
As at 1 April 2008 (Audited).	**21,237**	**111,193**	**3,701**	**186,244**	**322,375**
Revaluation					
Additions	13,492	250	1,225	221,781	236,748
Disposals	(222)	-	(15)	-	(237)
Exchange adjustment	(4,787)	(25,546)	(875)	(44,990)	(76,198)
As at 31 March 2009 (Audited	**29,720**	**85,897**	**4,036**	**363,035**	**482,688**
As at 1 April 2009 (Audited)	**29,720**	**85,897**	**4,036**	**363,035**	**482,688**
Revaluation	**-**	**-**	**-**	**-**	**-**
Additions	3,004	267	678	283,315	287,264
Disposals[1]	(2,075)	(7,550)	(171)	-	(9,796)
Exchange adjustment	2,269	6,452	326	27,748	36,795
As at 30 Sep 2009 (Unaudited)	**32,918**	**85,066**	**4,869**	**674,098**	**796,951**
Accumulated depreciation					
As of 1 April 2008 (Audited)	**525**	**7,412**	**592**	**-**	**8,529**
Charge for the period	495	3,958	845	-	5,298
Disposals			(8)	-	(8)
Exchange adjustment	(177)	(2,379)	(233)	-	(2,789)
As at 31 March 2009 (Audited)	**843**	**8,991**	**1,196**	**-**	**11,030**
As at 1 April 2009 (Audited)	**843**	**8,991**	**1,196**	**-**	**11,030**
Charge for the period	218	1,685	491	-	2,394
Disposals [1]	(355)	(4,811)	(137)	-	(5,303)
Exchange adjustment	69	594	105	-	768
As at 30 Sep 2009 (Unaudited)	**775**	**6,459**	**1,655**	**-**	**8,889**
Net book value					
As at 30 Sep 2009 (Unaudited)	**32,143**	**78,607**	**3,214**	**674,098**	**788,062**
As at 31 March 2009 (Audited)	**28,877**	**76,906**	**2,840**	**363,035**	**471,658**

The net book value of land comprises of:

	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)
Freehold	15,884	12,643
Long-leasehold	5,426	5,029
Total	**21,310**	**17,672**

[1] Disposals include assets of KPCL and RVK derecognised on dispose of interest in JV

14. Investments and other financial assets

	Consolidated		Separate	
	30 Sep 2009	31 Mar 2009	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current				
Financial assets at fair value through profit or loss				
held for trading	2,942	-	-	-
designated as such	29,600	30,000	29,600	30,000
Available-for-sale investment				
short-term mutual fund units	5,675	1,433	-	-
quoted equity shares	47	5,695	-	-
Loans and receivables	37,468	34,493	-	-
Loans and receivables to JV partners	94,815	42,041	-	-
Subtotal	**170,547**	**113,662**	**29,600**	**30,000**
Non-current				
Available-for-sale investments - unquoted instruments	6,244	626	-	-
Loans and receivables	18,317	17,434	56	-
Loans and receivables to JV partners	11,375	6,819	-	-
Loans and receivables to subsidiaries	-	-	3,237	3,965
Investment in subsidiaries	-	-	46,235	45,896
Subtotal	**35,936**	**24,879**	**49,528**	**49,861**
Total	**206,483**	**138,541**	**79,128**	**79,861**

15. Other assets

	Consolidated		Separate	
	30 Sep 2009	31 Mar 2009	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current				
Advance to suppliers	6,568	3,898	1,017	936
Prepayments	2,027	1,879	4	4
Income tax receivable	332	1,343	-	-
Other receivables	2,616	2,163	-	200
Subtotal	**11,543**	**9,283**	**1,021**	**1,140**
Non-current				
Development of mineral assets	5,601	4,112	-	-
MAT Credit Entitlement	746	-	-	-
Pre payments	5,718	5,020	-	-
Subtotal	**12,065**	**9,132**	**-**	**-**
Total	**23,608**	**18,415**	**1,021**	**1,140**

16. Trade and other receivables, net

	Consolidated		Separate	
	30 Sep 2009	31 Mar 2009	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current				
Trade receivables	4,429	6,400	-	-
Unbilled revenues	1,131	1,451	-	-
Net investment in lease receivables	-	439	-	-
Interest accrued but not due	8,239	10,670	281	-
Subtotal	**13,799**	**18,960**	**281**	**-**

Non-current				
Trade receivables	2,485	2,220	-	-
Net investment in lease receivables	-	2,632	-	-
Subtotal	**2,485**	**4,852**	**-**	**-**
Total	**16,284**	**23,812**	**281**	**-**

17. Inventories

	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)
Fuel (at cost)	1,650	854
Stores and spares (at cost)	1,560	1,432
Total	**3,210**	**2,286**

18. Cash and short-term deposits

Cash and short term deposits comprise of the following:

	Consolidated		Separate	
	30 Sep 2009	31 Mar 2009	30 Sep 2009	31 Mar 2009
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash at banks and on hand	30,999	8,563	1,482	250
Short-term deposits	231,664	195,638	47,886	-
Total	**262,663**	**204,201**	**49,368**	**250**

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

	Consolidated		Separate	
	30 Sep 2009	30 Sep 2008	30 Sep 2009	30 Sep 2008
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash at banks and on hand	30,999	19,644	1,482	93
Short-term deposits	231,664	254,971	47,886	-
Less: Restricted cash	(180,756)	(218,369)	-	-
Total	**81,907**	**56,246**	**49,368**	**93**

19. Share issue

During the six months ended 30 September 2009, the Company has issued 10,655,738 shares of U.S. $ 0.002 (£ 0.001) each at a premium of U.S. $ 4.55 (£ 3.05) and raised U.S. $ 48,536 (£ 32,500). The transaction cost incurred adjusted with the consideration received amounted to U.S. $ 2,259 (£ 1,420) and accordingly U.S. $ 46,277 (£ 31,080) has been accounted as the net increase under equity on account of further issue of shares.

20. Interest-bearing loans and borrowings

The borrowings comprise of the following:

	Interest rate (range %)	Final Maturity	30 Sep 2009 (Unaudited)	31 Mar 2009 (Audited)
Long-term "project finance" loans	8.94 to 16.22	July-21	377,207	193,349
Short-term loans	3.00 to 13.50	December-11	229,316	83,818
Buyers' credit facility	1.87 to 4.52	March-10	82,014	48,333
Cash credit and other working capital facilities	11.00 to 12.50	September-10	11,808	21,906
Obligation under finance lease	11.00	April-09	-	1
Share of loan in a joint venture	0.01	July-21	6,607	6,137
Total			**706,952**	**353,544**

21. Trade and other payables

	Consolidated		Separate	
	30 Sep 2009	**31 Mar 2009**	**30 Sep 2009**	**31 Mar 2009**
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current				
Trade and other payables.	54,262	66,335	162	237
Acquisition related liability	-	21,686	-	-
Share application money	9,617	8,482	-	-
Interest accrued but not due	6,502	1,317	499	534
Subtotal	**70,381**	**97,820**	**661**	**771**
Non-current				
Trade and other payables	2,485	2,220	-	-
Subtotal	**2,485**	**2,220**	**-**	**-**
Total	**72,866**	**100,040**	**661**	**771**

22. Other current financial liabilities

	Consolidated		Separate	
	30 Sep 2009	**31 Mar 2009**	**30 Sep 2009**	**31 Mar 2009**
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Financial guarantee contracts	-	-	1,421	1,912
Financial liabilities at fair value through profit or loss	25,000	25,000	25,000	25,000
Total	**25,000**	**25,000**	**26,421**	**26,912**

23. Other current liabilities

	Consolidated		Separate	
	30 Sep 2009	**31 Mar 2009**	**30 Sep 2009**	**31 Mar 2009**
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Statutory liabilities	2,119	2,314	-	-
Provision for expenses	6,472	5,181	-	60
Others	327	305	-	-
Total	**8,918**	**7,800**	**-**	**60**

24. Related party transactions

Where control exists:

Name of the party	**Nature of relationship**
K&S Consulting Group Private Limited	Ultimate parent
Sayi Energy Ventur Limited	Immediate parent
Sayi Power Energy Limited	Intermediate parent
KSK Energy Limited	Subsidiary
KSK Asset Management Services Private Limited	Subsidiary
KSK Energy Ventures Limited	Subsidiary
KSK Energy Company Private Limited	Subsidiary
KSK Electricity Financing India Private Limited	Subsidiary
KSK Vidarbha Power Company Private Limited, *(formerly Lakhpat Power Company Private Limited)*	Subsidiary
KSK Narmada Power Company Private Limited	Subsidiary
Bahur Power Company Private Limited	Subsidiary
KSK Technology Ventures Private Limited	Subsidiary

Sai Maithili Power Company Private Limited	Subsidiary
KSK Surya Photovoltaic Venture Private Limited	Subsidiary
Marudhar Mining Private Limited	Subsidiary
KSK Energy Resources Private Limited	Subsidiary
KSK Mineral Resource Private Limited, *(formerly KSK Natural Resource Ventures Private Limited)*	Subsidiary
KSK Dibbin Hydro Power Private Limited	Subsidiary
Kameng Dam Hydro Power Private Limited	Subsidiary
KSK Investment Advisor Private Limited	Subsidiary
KSK Water Infrastructure Private Limited	Subsidiary
KSK Power Transmission Ventures Private Limited	Subsidiary
KSK Surya Limited	Subsidiary
KSK Surya Holdings Limited	Subsidiary
KSK Cargo Mover Private Limited	Subsidiary
SN Nirman Infra Projects Private Limited	Subsidiary
KSK Emerging India Energy Private Limited I	Subsidiary
KSK Emerging India Energy Private Limited II	Subsidiary

Joint ventures:

Name of the party	Nature of relationship
Sai Regency Power Corporation Private Limited	Joint venture
Arasmeta Captive Power Company Private Limited	Joint venture
Sitapuram Power Limited	Joint venture
VS Lignite Power Private Limited	Joint venture
Wardha Power Company Limited	Joint venture
J R Power Gen Private Limited	Joint venture
RVK Energy Private Limited (see note 26)	Joint venture
Kasargod Power Corporation Limited (see note 26)	Joint venture

Key Management Personnel:

Name of the party	Nature of relationship
S Kishore	Executive Director
K A Sastry	Executive Director
T L Shankar	Chairman
S R Iyer	Director
Scott Bayman [1]	Director
Vladimir Dlouhy[2]	Director
Krishnamurthy	Director of parent
Ramji Nassar	Director of parent

[1] Resigned with effect from 16 July 2009
[2] Appointed with effect from 21 August 2009

Related party transactions during the period ended

The following table provides the total amount of transactions that have been entered into with related parties and the outstanding balances at the end of the relevant financial periods:

Particulars	Consolidated						Separate	
	Sep 2009 (Unaudited)			Sep 2008 (Unaudited)			Sep 2009 (Unaudited)	Sep 2008 (Unaudited)
	Joint Venture	Ultimate parent	KMP	Joint Venture	Ultimate parent	KMP	Subsidiaries	
Transactions								
Project development fees and Corporate support services	4,199	-	-	3,206	-	-	-	-
Interest income	4,637	-	-	6,001	-	-	-	-
Interest expense	-	-	-	90	-	-	-	-
Inter-corporate deposits and loans	95,519		-	19,620	24	-	-	-

given								
Inter-corporate deposits and loans repaid	(46,532)	-	-	(22,894)	-	-	(1,205)	(5,506)
Guarantees commission received from subsidiaries	-	-	-	-	-	-	720	304
Managerial Remuneration	-	-	134	-	-	149	73	79

	Sep 2009 (Unaudited)			Sep 2008 (Unaudited)			Sep 2009 (Unaudited)	Sep 2008 (Unaudited)
Balances as at[1]								
Interest receivable	3,151	-	-	1,676	-	-	-	
Loans and inter corporate deposits receivable	95,872	5,261	-	31,612	21	-	3,237	7,634
Receivable	2,166	-	-	2,917	-	-	-	-
Due to key managerial personnel	-	-	38	-	-	8	31	-

[1] Outstanding balances at the period/year-end are unsecured, interest-bearing in case of loans and inter-corporate deposits and non-interest bearing in case of other loans and advances and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 Sep 2009, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (Sep 2008: U.S. $ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25. Commitments and contingencies

Capital commitments

The Group is committed to incur capital expenditure of U.S. $ 2,263,574 (March 2009: U.S. $ 2,114,262). Out of the above, U.S $ 350,405 is expected to be settled in the following financial year and U.S. $ 1,913,169 is expected to be settled within 3 years.

Other commitments

Legal claim

Sitapuram Power Limited ('SPL') received billings totalling to U.S. $ 1,098 from Transmission Corporation of AP Limited ('AP Transco') to pay contracted demand charges for the full month without any deference to the period of actual outage (and consequent drawl by SPL from the grid). The Group contends that since the electricity consumption was only in the time blocks of 15 minutes each, action of vendor of raising demand charges for full month is against the regulations and burdensome. Considering the facts and nature of claim and the judgement of Rajasthan Electricity Regulatory Commission and Chattisgarh State Electricity Regulatory Commission, the Group believes that the final outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements.

SPL also received claims for penal charges totalling to U.S. $ 120 from state utility board for excess sourcing of power on account of failure of reverse switch mechanism maintained by the state electricity board. The Group contends that excess sourcing was not deliberate but on account of failure of reverse switch mechanism, maintenance of which is duty of state utility board. Considering the facts and nature of claim and a stay has been granted by appellate authorities in India, the Group believes that the final outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements.

26. Disposal of interest in RVK and KPCL:

As of 1 April 2009, the Group has disposed its interests in the joint controlled entities RVK and KPCL for a consideration of US $ 4,112. The Group has accordingly derecognized the assets and liabilities and recorded the differential loss of US $ 2,743 between the consideration received and the carrying value of the assets and liabilities through the statement of comprehensive income.

The share of the assets, liabilities, income and expenses of the jointly controlled entities at 31 March 2009 are as follows:

	31 Mar 2009
	(Audited)
Non-current assets	8,301
Current assets	5,066
Total assets	**13,367**
Non-current liabilities	576
Current liabilities	4,786
Total liabilities	**5,362**
Revenue	10,213
Expenses	(11,131)
Profit after tax	**(918)**

27. Demerger of Wardha Chattisgarh

Pursuant to the board resolution dated 9 September, 2009, the board of directors of the Wardha Power Company Limited (JV) approved the restructuring of the JV through demerger by transferring 3600 MW Chhattisgarh Project into a separate SPV (KSK Mahanadi Power Company Limited), a wholly owned subsidiary of KSK Energy Ventures Limited (KEVL), considering the different geographical location, SEZ related documentation, financing and creation of security in favour of the lenders, accounting and for better and effective management of both the projects. Pending the filing and approval of scheme of demerger with the High court, the JV is continued to be consolidated at 74%. After the approval to the scheme of demerger from high court, the net assets in Wardha Chattisgarh will be consolidated at 100%, being the net assets of wholly owned subsidiary of KEVL. However, there will be no impact of the above transaction on the consolidated net assets of the group.

28. Subsequent events

Qualified Institutional Placement (QIP) by KSK Energy Ventures Limited ('KEVL')

As of 30 September 2009, KSK Energy Limited (KEL) held 191,221,952 equity shares (55.25 percent equity ownership) in KSK Energy Ventures Limited ('KEVL'). During the month of November 2009, KEVL issued additional 26,525,714 equity shares of face value of Rs. 10 (U.S. $ 0.20) each at a premium of Rs. 184.50 (U.S. $ 3.76) per share in the Indian domestic market by way of Qualified Institutional Placement *(QIP)*. The issue was fully subscribed and KEVL raised Rs. 4,893,994 (U.S. $ 99,837).

Pursuant to the issuance of the additional equity share's the ownership interest of the Group in KEVL decreased from 55.25% percent to 51.32 percent resulting in a 3.93 percent deemed partial disposal of the Group's controlling interest in a subsidiary without loss of control.

The partial disposal of the investment in a subsidiary without loss of control will be accounted as an equity transaction, and no gain or loss will be recognised in the income statement. The difference of approx U.S. $ 39,014, between the fair value of the net consideration received (U.S. $ 110,377)) and the amount by which the minority interests are adjusted (U.S. $ 71,363), will be credited to 'other reserve' within statement of changes in equity and attributed to the equity holders of the parent.