

KSK Power Ventur plc

Interim Condensed Consolidated and Company Financial Statements

For the six months ended 30 September 2014

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KSK Power Ventur plc

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 September 2014

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

	Notes	Consolidated		Company	
		30 September 2014	31 March 2014	30 September 2014	31 March 2014
ASSETS					
Non-current					
Property, plant and equipment	5	3,309,384	3,215,282	-	-
Intangible assets and goodwill	6	19,611	20,245	-	-
Investments and other financial assets	7	149,005	154,577	398,760	366,767
Other non-current assets	8	97,189	98,461	-	-
Trade and other receivables	9	3,792	3,422	-	-
Deferred tax asset	24	50,534	33,269	-	-
		3,629,515	3,525,256	398,760	366,767
Current					
Investments and other financial assets	7	83,224	73,240	29	4
Other current assets	8	30,521	22,688	589	391
Trade and other receivables	9	170,672	158,139	-	-
Inventories	10	27,017	24,588	-	-
Cash and short-term deposits	11	194,091	194,054	1,358	173
		505,525	472,709	1,976	568
Assets held for sale		-	18,456	-	-
Total assets		4,135,040	4,016,421	400,736	367,335
EQUITY AND LIABILITIES					
Issued capital	12	289	289	289	289
Share premium	12	287,191	287,191	287,191	287,191
Share application money	12	16,498	18,000	16,498	18,000
Foreign currency translation reserve	12	(125,124)	(113,933)	10,769	12,580
Revaluation reserve	12	2,567	2,614	-	-
Capital redemption reserve	12	10,942	5,461	-	-
Other reserves	12	151,284	143,615	68	10
Retained earnings / (Accumulated deficit)	12	21,607	69,254	(16,377)	(14,249)
Equity attributable to owners of the Company		365,254	412,491	298,438	303,821
Non-controlling interests		207,792	169,782	-	-
Total equity		573,046	582,273	298,438	303,821
Non-current liabilities					
Interest-bearing loans and borrowings	13	2,576,970	1,943,926	-	-
Other non-current financial liabilities	14	26,189	28,193	-	-
Trade and other payables	15	51,093	51,110	-	-
Provisions	16	2,515	2,494	-	-
Deferred revenue	17	4,726	4,974	-	-
Employee benefit liability		460	495	-	-
Deferred tax liabilities	24	35,869	31,567	-	-
		2,697,822	2,062,759	-	-

	Notes	Consolidated		Company	
		30 September 2014	31 March 2014	30 September 2014	31 March 2014
Current liabilities					
Interest-bearing loans and borrowings	13	536,131	944,750	100,912	62,028
Other current financial liabilities	14	5,042	5,073	-	-
Trade and other payables	15	310,997	391,124	1,386	1,486
Deferred revenue	17	712	740	-	-
Other current liabilities	18	8,331	9,336	-	-
Taxes payable		2,959	1,910	-	-
		864,172	1,352,933	102,298	63,514
Liabilities associated with assets held for sale		-	18,456	-	-
Total liabilities		3,561,994	3,434,148	102,298	63,514
Total equity and liabilities		4,135,040	4,016,421	400,736	367,335

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

Approved by the Board of Directors on 27 November 2014 and signed on behalf by:

S. Kishore
Executive Director

K. A. Sastry
Executive Director

KSK Power Ventur plc

INTERIM CONSOLIDATED AND COMPANY INCOME STATEMENT

for the six months ended 30 September 2014

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

	Notes	Consolidated		Company	
		30 September 2014	30 September 2013	30 September 2014	30 September 2013
Revenue	19	175,855	150,675	-	-
Cost of revenue	20	(138,191)	(105,402)	-	-
Gross profit		37,664	45,273	-	-
Other operating income	21	8,623	2,846	-	-
Distribution costs		(4,682)	(5,619)	-	-
General and administrative expenses		(12,981)	(12,136)	(474)	(633)
Operating profit / (loss)		28,624	30,364	(474)	(633)
Finance costs	22	(106,695)	(174,368)	(1,654)	(1,967)
Finance income	23	9,037	28,757	-	-
Loss before tax		(69,034)	(115,247)	(2,128)	(2,600)
Tax income	24	12,386	35,651	-	-
Loss for the period		(56,648)	(79,596)	(2,128)	(2,600)
Attributable to:					
Owners of the Company		(44,600)	(63,198)	(2,128)	(2,600)
Non-controlling interests		(12,048)	(16,398)	-	-
		(56,648)	(79,596)	(2,128)	(2,600)
Loss per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		175,308,600	159,378,600		
Basic and diluted loss per share (US \$)		(0.25)	(0.40)		

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

Approved by the Board of Directors on 27 November 2014 and signed on behalf by:

S. Kishore
Executive DirectorK. A. Sastry
Executive Director

KSK Power Ventur plc

**INTERIM CONSOLIDATED AND COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
for the six months ended 30 September 2014**

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

	Notes	Consolidated		Company	
		30 September 2014	30 September 2013	30 September 2014	30 September 2013
Loss for the period		(56,648)	(79,596)	(2,128)	(2,600)
Items that will never be reclassified to income statement					
Re-measurement of defined benefit liability		111	349	-	-
Income tax relating to re-measurement of defined benefit liability		(40)	(112)	-	-
		71	237	-	-
Items that are or may be reclassified subsequently to income statement					
Foreign currency translation differences		(16,926)	(78,368)	(1,811)	4,113
Available-for-sale financial assets					
- current period gain / (losses)		652	(2,428)	-	-
- reclassification to income statement		33	2,370	-	-
Income tax relating to available for sale financial asset		59	37	-	-
		(16,182)	(78,389)	(1,811)	4,113
Other comprehensive (expense) / income, net of tax		(16,111)	(78,152)	(1,811)	4,113
Total comprehensive (expense) / income for the period		(72,759)	(157,748)	(3,939)	1,513
Attributable to:					
Owners of the Company		(55,042)	(116,089)	(3,939)	1,513
Non-controlling interests		(17,717)	(41,659)	-	-
		(72,759)	(157,748)	(3,939)	1,513

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

Approved by the Board of Directors on 27 November 2014 and signed on behalf by:

S. Kishore
Executive DirectorK. A. Sastry
Executive Director

KSK Power Ventur plc

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2013

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

	Attributable to owners of the Company						Total	Non - controlling interests	Total equity
	Issued capital (Amount)	Share premium	Foreign currency translation reserve	Revaluation reserve	Other reserves	Retained earnings			
As at 1 April 2013 (Restated)	263	253,890	(78,535)	2,752	142,262	120,939	441,571	199,615	641,186
Issuance of equity shares by subsidiary	-	-	-	-	42	-	42	(42)	-
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	2,152	2,152	(2,152)	-
Net depreciation transfer for property, plant and equipment	-	-	-	(94)	-	94	-	-	-
Transaction with owners	-	-	-	(94)	42	2,246	2,194	(2,194)	-
Loss for the period	-	-	-	-	-	(63,198)	(63,198)	(16,398)	(79,596)
Other comprehensive income									
Items that will never be reclassified to income statement									
Re-measurement of defined benefit liability	-	-	-	-	328	-	328	21	349
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	(112)	-	(112)	-	(112)
Items that are or may be reclassified subsequently to income statement									
Foreign currency translation differences	-	-	(53,091)	-	-	-	(53,091)	(25,277)	(78,368)
Available-for-sale financial assets									
- current period (losses) / gains	-	-	-	-	(2,414)	-	(2,414)	(14)	(2,428)
- reclassification to profit or loss	-	-	-	-	2,370	-	2,370	-	2,370
Income tax relating to available-for-sale financial asset	-	-	-	-	28	-	28	9	37
Total comprehensive (expense) / income for the period	-	-	(53,091)	-	200	(63,198)	(116,089)	(41,659)	(157,748)
Balance as at 30 September 2013	263	253,890	(131,626)	2,658	142,504	59,987	327,676	155,762	483,438

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

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

KSK Power Ventur plc

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2014

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

	Attributable to owners of Company								Non - controlling interests	Total equity	
	Issued capital	Share premium	Share application money	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	Other reserves	Retained earnings			Total
As at 1 April 2014	289	287,191	18,000	(113,933)	2,614	5,461	143,615	69,254	412,491	169,782	582,273
Refund of share application money	-	-	(1,502)	-	-	-	-	-	(1,502)	-	(1,502)
Issuance of equity shares by subsidiary (refer note 4a and 4b)	-	-	-	-	-	-	6,862	-	6,862	58,114	64,976
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	-	-	2,387	2,387	(2,387)	-
Equity-settled share based payment	-	-	-	-	-	-	58	-	58	-	58
Transfer of profit to capital redemption reserve	-	-	-	-	-	5,481	-	(5,481)	-	-	-
Net depreciation transfer for property, plant and equipment	-	-	-	-	(47)	-	-	47	-	-	-
Transaction with owners	-	-	(1,502)	-	(47)	5,481	6,920	(3,047)	7,805	55,727	63,532
Loss for the period	-	-	-	-	-	-	-	(44,600)	(44,600)	(12,048)	(56,648)
Other comprehensive income											
Items that will never be reclassified to income statement											
Re-measurement of defined benefit liability	-	-	-	-	-	-	89	-	89	22	111
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	(40)	-	(40)	-	(40)
Items that are or may be reclassified subsequently to income statement											
Foreign currency translation differences	-	-	-	(11,191)	-	-	-	-	(11,191)	(5,735)	(16,926)
Available-for-sale financial assets											
- current period (losses) / gains	-	-	-	-	-	-	627	-	627	25	652
- reclassification to profit or loss	-	-	-	-	-	-	33	-	33	-	33
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	40	-	40	19	59
Total comprehensive (expense) / income for the period	-	-	-	(11,191)	-	-	749	(44,600)	(55,042)	(17,717)	(72,759)
Balance as at 30 September 2014	289	287,191	16,498	(125,124)	2,567	10,942	151,284	21,607	365,254	207,792	573,046

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

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

KSK Power Ventur plc

INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2014

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

	Issued capital	Share premium	Share application money	Foreign currency translation reserve	Other reserve	Accumulated deficit	Total equity
As at 1 April 2013	263	253,890	-	6,420	-	(10,049)	250,524
Transaction with owners	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	-	(2,600)	(2,600)
Other comprehensive income							
Foreign currency translation differences	-	-	-	4,113	-	-	4,113
Total comprehensive income / (expense) for the period	-	-	-	4,113	-	(2,600)	1,513
Balance as at 30 September 2013	263	253,890	-	10,533	-	(12,649)	252,037
As at 1 April 2014	289	287,191	18,000	12,580	10	(14,249)	303,821
Refund of share application money	-	-	(1,502)	-	-	-	(1,502)
Equity-settled share based payment	-	-	-	-	58	-	58
Transaction with owners	-	-	(1,502)	-	58	-	(1,444)
Loss for the period	-	-	-	-	-	(2,128)	(2,128)
Other comprehensive income							
Foreign currency translation differences	-	-	-	(1,811)	-	-	(1,811)
Total comprehensive income / (expense) for the period	-	-	-	(1,811)	-	(2,128)	(3,939)
Balance as at 30 September 2014	289	287,191	16,498	10,769	68	(16,377)	298,438

(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 2014

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

	Consolidated		Company	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Cash inflow / (outflow) from operating activities				
Loss before tax	(69,034)	(115,247)	(2,128)	(2,600)
Adjustment				
Depreciation and amortization	29,723	18,656	-	-
Finance cost	102,248	167,793	1,575	1,975
Finance income	(9,037)	(28,757)	-	-
Provision and impairment of trade receivable and other financial assets.	33	4,159	-	326
(Profit) / loss on sale of fixed assets, net	212	(408)	-	-
others	112	237	58	-
Change in				
Trade receivables and unbilled revenue	(12,849)	(20,886)	-	-
Inventories	(2,429)	(13,423)	-	-
Other assets	(2,090)	(28,104)	(214)	195
Trade payables and other liabilities	4,182	31,069	(65)	(68)
Provisions and employee benefit liability	(35)	(263)	-	-
Cash generated from / (used in) operating activities	41,036	14,826	(774)	(172)
Taxes paid, net	(2,330)	(1,588)	-	-
Net cash provided by / (used in) operating activities	38,706	13,238	(774)	(172)
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	(16,781)	76,244	-	-
Purchase of property, plant and equipment and other noncurrent assets	(234,785)	(133,593)	-	-
Proceeds from sale of property, plant and equipment	38,914	772	-	-
Purchase of financial assets	(32,738)	(12,458)	(34,758)	(5,009)
Proceeds from sale of financial assets	32,266	30,107	-	-
Dividend received	93	70	-	-
Finance income received	7,881	17,012	-	-
Net cash flow used in investing activities	(205,150)	(21,846)	(34,758)	(5,009)
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	721,780	659,799	39,882	6,064
Repayment of borrowings	(421,630)	(504,306)	-	-
Finance costs paid	(202,933)	(145,840)	(2,447)	(1,161)
Payment of derivative liability	(2,451)	(1,271)	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	64,976	446	-	-
Refund of share application money	(3,285)	-	(1,502)	-
Net cash flow provided by financing activities	156,457	8,828	35,933	4,903
Effect of exchange rate changes	(6,758)	(20,148)	784	-
Net increase/(decrease) in cash and cash equivalent	(16,745)	(19,928)	1,185	(278)
Cash and cash equivalents at the beginning of the period	55,934	43,834	173	287
Cash and cash equivalents at the end of the period (note 11)	39,189	23,906	1,358	9

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

KSK Power Ventur plc

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

NOTES TO INTERIM CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

for the six months ended 30 September 2014

1. Corporate information

1.1. General information

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

The financial statements were authorised for issue by the Board of Directors on 27 November 2014.

1.2. Statement of compliance /responsibility statement

- 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');
- the Interim management report contained in this document includes a fair review of the information required by the Financial Conduct Authority's Disclosure and Transparency Rules ("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);
- this document includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein);
- the interim condensed Consolidated and Company financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014, which have been prepared in accordance with IFRSs.
- The financial information set out in these financial statements does not constitute statutory accounts. The financial statement is unaudited but has been reviewed by KPMG Audit LLC and their report is set out at the end of this document.

1.3. Financial period

The interim condensed Consolidated and Company financial statements are for the six months ended 30 September 2014. The comparative information required by IAS 1 were determined using IAS 34 and include comparative information as follows:

Statement of financial position	31 March 2014 being the end of immediately preceding financial year.
Income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows	Six months ended 30 September 2013 being the comparable interim period of the immediate preceding financial year.

1.4. Basis of preparation

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

These interim condensed Consolidated and Company financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following:

- derivative financial instruments that are measured at fair value;
- financial instruments that are designated as being at fair value through profit or loss account upon initial recognition are measured at fair value;
- available-for-sale financial assets that are measured at fair value; and
- Net employee defined benefit (asset) / liability that are measured at fair value.

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

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

The financial statements have been prepared on going concern basis which assumes the Group and the Company will have sufficient funds to continue its operational existence for the foreseeable future covering twelve months. The Group requires funds both for short-term operational needs as well as for long-term capital investment programmes primarily at

KSK Power Ventur plc

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

KMPCL and ancillary infrastructure projects for its power plants. The Group currently has net current liabilities of US \$ 358,647. A number of the facilities that are due to expire by 30 September 2015 are typically extended and have rollover clause in a number of cases that would ultimately translate to non-current liabilities or sustained by nature of working capital facilities.

The Group continue to generate cash flows from the current operations which together with the available cash and short term deposits provides liquidity both in short-term as well as in long-term. Anticipated future cash flows and undrawn long term committed facilities of US \$ 521,441 together with cash and short term deposits of US \$ 194,091 as at 30 September 2014 on a consolidated basis are expected to be utilised to meet the liquidity requirement of the Group in the near future.

The Group's forecast and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Directors have a reasonable expectation that the Company and the 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.

1.5. List of subsidiaries and jointly controlled entities

Details of the Group's subsidiaries and joint ventures, which are consolidated into the Group's consolidated financial statements, are as follows:

(a) Subsidiaries

Subsidiaries	Immediate parent	Country of incorporation	% ownership		
			30 September 2014	31 March 2014	30 September 2013
KSK Energy Limited ('KEL')	KPVP	Mauritius	100	100	100
KSK Asset Management Services Private Limited ('KASL')	KPVP	Mauritius	100	100	100
KSK Green Power plc ('KGPP')	KPVP	Isle of Man	100	100	100
KSK Solar Ventures plc ('KSVP')	KPVP	Isle of Man	100	100	100
KSK Emerging India Energy Private Limited I ('KSKEIEPL I')	KASL	Mauritius	100	100	100
KSK Emerging India Energy Private Limited II ('KSKEIEPL II')	KASL	Mauritius	100	100	100
KSK Green Energy pte Limited ('KGEPL')	KPVP	Singapore	100	100	100
KSK Wind Energy Halagali Benchi Private Limited ('KWEHBPL')	KGEPL	India	100	100	100
KSK Wind Power Sankonahatti Athni Private Limited ('KWPSAPL')	KGEPL	India	100	100	100
KSK Wind Energy Mothalli Haveri Private Limited ('KWEMHPL')	KGEPL	India	100	100	100
KSK Wind Power Aminabhavi Chikodi Private Limited ('KWPA CPL')	KGEPL	India	100	100	100
KSK Wind Energy Shiggaon Haveri Private Limited ('KWESHPL')	KGEPL	India	100	100	100
KSK Wind Energy Mugali Chikodi Private Limited ('KWEMCPL')	KGEPL	India	100	100	100
KSK Wind Power Yadahalli Benchi Private Limited ('KWPYBPL')	KGEPL	India	100	100	100
KSK Wind Energy Nandgaon Athni Private Limited ('KWENAPL')	KGEPL	India	100	100	100
KSK Wind Energy Tirupur Elayamuthur Private Limited ('KWETEPL')	KGEPL	India	100	100	100
KSK Wind Energy Tirupur Udumalpet Private Limited ('KWETUPL')	KGEPL	India	100	100	100
KSK Wind Energy Tuticorin Rajapudukudi Private Limited ('KWETRPL')	KGEPL	India	100	100	100
KSK Wind Energy Madurai MS Puram Private Limited ('KWEMMPPL')	KGEPL	India	100	100	100
KSK Surya Ventures Limited ('KSVL')	KSVP	Mauritius	100	100	100
KSK Surya Photovoltaic Venture Limited ('KSPVL')	KSVL	India	93.25	93.25	93.25
KSK Power Holdings Limited ('KPHL')	KEL	Mauritius	100	100	100

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

Subsidiaries	Immediate parent	Country of incorporation	% ownership		
			30 September 2014	31 March 2014	30 September 2013
KSK Energy Company Private Limited ('KECPL')	KEL	India	100	100	100
KSK Energy Ventures Limited ('KEVL' or 'KSK India')	KEL	India	67.61	74.94	74.94
KSK Energy Resources Private Limited ('KERPL')	KECPL	India	100	100	100
KSK Mineral Resources 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	100
KSK Power Transmission Ventures Private Limited ('KPTVPL')	KECPL	India	100	100	100
Raigarh Champa Rail Infrastructure Private Limited ('RCRIPL')	KECPL	India	100	100	100
SN Nirman Infra Projects Private Limited ('SNNIPPL')	KECPL	India	100	100	100
Marudhar Mining Private Limited ('MMPL')	KECPL	India	100	100	100
KSK Electricity Financing India Private Limited ('KEFIPL')	KEVL	India	100	100	100
KSK Vidarbha Power Company Private Limited, ('KVPCPL')	KEVL	India	100	100	100
KSK Narmada Power Company Private Limited ('KNPCPL')	KEVL	India	100	100	100
KSK Wind Energy Private Limited ('KWEPL')	KEVL	India	100	100	100
KSK Wardha Infrastructure Private Limited ('KWAIPPL')	KEVL	India	100	100	100
KSK Dibbin Hydro Power Private Limited ('KDHPPPL')	KEVL	India	100	100	100
Kameng Dam Hydro Power Limited ('KDHPPL')	KEVL	India	100	100	100
KSK Mahanadi Power Company Limited ('KMPCL')	KEVL	India	99.99	99.99	99.99
KSK Upper Subansiri Hydro Energy Limited ('KUSHEL')	KEVL	India	100	100	100
KSK Jameri Hydro Power Private Limited ('KJHPPL')	KEVL	India	100	100	100
KSK Dinchang Power Company Private Limited ('KDPCPL')	KEVL	India	100	100	100
Tila Karnali Hydro Electric Company Private Limited ('TKHECPL')	KEVL	Nepal	80	80	80
Bheri Hydro Power Company Private Limited ('BHPCPL')	KEVL	Nepal	90	90	90
Sai Regency Power Corporation Private Limited ('SRPCPL')	KEFIPL	India	79.70	79.70	79.70
Sai Wardha Power Limited ('SWPL')	KEFIPL	India	87	87	87
VS Lignite Power Private Limited ('VSLPPL')	KEFIPL	India	74	74	74
Sai Power Pte Ltd ('SPPL')	KMPCL	Singapore	100	100	100
Sai Maithili Power Company Private Limited ('SMPCPL')	VSLPPL	India	100	100	100
Field Mining and Ispats Limited ('FMIL')	SWPL	India	85	85	85

(b) Joint ventures

Joint ventures	Venturer	Country of incorporation	% ownership		
			30 September 2014	31 March 2014	30 September 2013
Arasmeta Captive Power Company Limited ('ACPCL') (formerly Arasmeta Captive Power Company Private Limited)	KEFIPL	India	51	51	51
Sitapuram Power Limited ('SPL')	KEFIPL	India	49	49	49
J R Power Gen Private Limited ('JRP GPL') ¹	KEVL	India	51	51	51

¹ As of 30 September 2014, the Group hold 99.87 percent of the outstanding share capital of JRP GPL. The judicial order requires the Company to offer to the non-group shareholders 49% of JRP GPL. Therefore the holding in excess of 51% i.e. the additional 48.87% is treated as held temporarily and the same has been shown as non-current receivable from joint venture partner of US \$ 609 in note 7 of the financial statements. Any consequent change to reflect the 99.87 percent holding shall be subsequent to finality of legal proceedings.

KSK Power Ventur plc

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

2. Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year.

3. Significant accounting judgements, estimates and assumptions

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

4. Dilution of ownership interest in a subsidiary

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

During the period ended 30 September 2014, KEVL issued additional 40,404,040 equity shares of face value of Rs. 10 (US \$ 0.17) each at a premium of Rs. 89 (US \$ 1.48) per share in the Indian domestic market by way of Qualified Institutional Placement (QIP). The issue was fully subscribed and KEVL raised Rs. 3,911,991,680 (US \$ 64,976) net of share issue expenses of Rs 88,008,280 (US \$ 1,462).

Pursuant to the issuance of the additional equity shares the ownership interest of the Group in KEVL decreased from 74.94 percent to 67.61 percent resulting in a 7.33 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 is accounted as an equity transaction, and no gain or loss is recognised in the consolidated income statement. The difference of US \$ 6,867, between the fair value of the net consideration received (US \$ 64,976) and the amount by which the minority interest are adjusted (US \$ 58,109), is credited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

b. During the period ended 30 September 2014, the Group has issued additional 370,000,000 shares in KSK Mahanadi Power Company Limited ("KMPCL") to KSK Energy Ventures Limited ("KEVL") and Sai Regency Power Corporation Private Limited ("SRPCPL") at a face value of Rs 10 (US \$ 0.17) at par. The above transaction has resulted in dilution of 0.31 % of interest in subsidiary to non-controlling interest.

The dilution of interest in subsidiary to non-controlling interest is accounted as an equity transaction, and accordingly no gain or loss is recognised in the consolidated income statement. The difference of US \$ (5) between the fair value of the net consideration paid (US \$ Nil) and the amount by which the non-controlling interest US \$ 5 is adjusted are debited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

5. Property, plant and equipment, net

The property, plant and equipment of the Group comprise:

	Land and buildings	Power stations	Mining property	Other plant and equipment	Assets under construction	Total
Cost						
As at 1 April 2013 (Restated)	210,970	788,834	8,504	9,558	2,345,308	3,363,174
Additions / capitalised	73,969	531,292	-	640	274,668	880,569
Reclassification as assets held for sale *	(678)	(17,390)	-	-	(2,005)	(20,073)
Disposals / transfer	(1,163)	(333)	-	(29)	(599,259)	(600,784)
Exchange difference	(18,272)	(67,815)	(741)	(744)	(195,253)	(282,825)
As at 31 March 2014	264,826	1,234,588	7,763	9,425	1,823,459	3,340,061
As at 1 April 2014	264,826	1,234,588	7,763	9,425	1,823,459	3,340,061
Additions / capitalised	8,092	3,930	-	270	258,570	270,862
Disposals /transfer	(250)	(271)	-	(272)	(57,770)	(58,563)
Exchange difference	(7,416)	(34,575)	(216)	(266)	(50,501)	(92,974)
As at 30 September 2014	265,252	1,203,672	7,547	9,157	1,973,758	3,459,386
Depreciation and impairment						
As at 1 April 2013	12,898	70,024	1,508	5,294	-	89,724
Additions	5,510	36,290	492	1,497	-	43,789
Reclassification as assets held for sale *	(58)	(2,087)	-	-	-	(2,145)
Disposals / adjustments	(150)	-	-	(18)	-	(168)
Exchange difference	(987)	(4,947)	(127)	(360)	-	(6,421)
As at 31 March 2014	17,213	99,280	1,873	6,413	-	124,779

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

	Land and buildings	Power stations	Mining property	Other plant and equipment	Assets under construction	Total
As at 1 April 2014	17,213	99,280	1,873	6,413	-	124,779
Additions	3,803	24,957	255	639	-	29,654
Disposals / adjustments	-	(41)	-	(231)	-	(272)
Exchange difference	(566)	(3,341)	(58)	(194)	-	(4,159)
As at 30 September 2014	20,450	120,855	2,070	6,627	-	150,002
Net book value						
As at 30 September 2014	244,802	1,082,817	5,477	2,530	1,973,758	3,309,384
As at 31 March 2014	247,613	1,135,308	5,890	3,012	1,823,459	3,215,282

* During the period, group has disposed - off its wind assets having a capacity of 18.9 MW under the slump sale along with associated liabilities at nil consideration.

6. Intangible assets and goodwill

	Mining license	Goodwill	Total
Cost			
As at 1 April 2013	2,885	19,744	22,629
Exchange difference	(251)	(1,718)	(1,969)
As at 31 March 2014	2,634	18,026	20,660
As at 1 April 2014	2,634	18,026	20,660
Exchange difference	(74)	(505)	(579)
As at 30 September 2014	2,560	17,521	20,081
Amortisation			
As at 1 April 2013	303	-	303
Additions	137	-	137
Exchange difference	(25)	-	(25)
As at 31 March 2014	415	-	415
As at 1 April 2014	415	-	415
Additions	69	-	69
Exchange difference	(14)	-	(14)
As at 30 September 2014	470	-	470
Net book value			
As at 30 September 2014	2,090	17,521	19,611
As at 31 March 2014	2,219	18,026	20,245

The goodwill acquired through business combinations have been allocated to the following cash generating units of the Group, for impairment as follows:

	30 September 2014	31 March 2014
J R Power Gen Private Limited	22	23
Sai Wardha Power Limited	3,813	3,923
Sitapuram Power Limited	5,369	5,524
Sai Regency Power Corporation Private Limited	1,178	1,212
Arasmeta Captive Power Company Limited	7,139	7,344
Total	17,521	18,026

Goodwill is tested for impairment annually and was performed last at 31 March 2014. There were no circumstances which indicated that the carrying value may be impaired as at 30 September 2014. Hence no impairment testing was carried out in the interim period ended 30 September 2014.

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

7. Investments and other financial assets

	Consolidated		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Current				
Financial assets at fair value through profit or loss				
- held-for-trading	2,549	130	-	-
- Derivative assets	422	-	-	-
Loans and receivables	78,402	72,333	29	4
Loans to and receivables from JV partners	1,851	777	-	-
	83,224	73,240	29	4
Non-current				
Financial assets at fair value through profit or loss				
- Derivative assets	49,604	50,196	-	-
Available-for-sale investments	22,860	22,865	-	-
Deposit with banks	10,346	10,953	-	-
Loans and receivables	35,127	39,336	5,525	5,660
Loans to and receivables from JV partners	31,068	31,227	-	-
Loans to and receivable from subsidiaries	-	-	166,068	133,873
Investment in subsidiaries	-	-	227,167	227,234
	149,005	154,577	398,760	366,767
Total	232,229	227,817	398,789	366,771

Impairment of financial assets

During the period ended 30 September 2014, the Group's available-for-sale financial asset of US \$ 33 (31 March 2014: US \$ 2,986) and loans and receivable of US \$ Nil (31 March 2014: US \$ 1,657) were collectively impaired.

During the period ended 30 September 2014, the Company's loans and receivable of US \$ Nil (31 March 2014: US \$ 335) were collectively impaired.

8. Other assets

	Consolidated		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Current				
Advance to suppliers	15,891	8,494	-	-
Prepayments	7,210	8,904	580	382
Income tax receivable	5,821	3,080	-	-
Other receivables	1,599	2,210	9	9
	30,521	22,688	589	391
Non-current				
Development of mineral assets	43,660	42,254	-	-
Prepayments	25,455	27,346	-	-
Income tax receivable	8,925	11,057	-	-
Other receivables	19,149	17,804	-	-
	97,189	98,461	-	-
Total	127,710	121,149	589	391

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

9. Trade and other receivables

	Consolidated	
	30 September 2014	31 March 2014
Current		
Trade receivables	157,694	144,605
Unbilled revenue	294	452
Interest accrued	12,684	13,082
	170,672	158,139
Non-current		
Trade receivables	2,873	2,842
Interest accrued	919	580
	3,792	3,422
Total	174,464	161,561

The movement in the allowances for impairment in respect of trade and other receivable during the period was as follows:

	30 September 2014	31 March 2014
Opening balance	5,918	6,571
Impairment loss recognised	-	3,029
Reversal of impairment loss recognised	-	(81)
Amount written off	-	(3,029)
Exchange difference	(166)	(572)
Closing balance	5,752	5,918

10. Inventories

	Consolidated	
	30 September 2014	31 March 2014
Fuel (at cost)	9,447	6,921
Stores and spares (at cost)	17,358	17,449
Others	212	218
Total	27,017	24,588

11. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Cash at banks and on hand	39,189	55,810	1,358	173
Short-term deposits	154,902	138,244	-	-
Total	194,091	194,054	1,358	173

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

	Consolidated		Company	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Cash at banks and on hand	39,189	23,793	1,358	9
Short-term deposits	154,902	185,299	-	-
Total	194,091	209,092	1,358	9
Less: Restricted cash ¹	(154,902)	(185,186)	-	-
Cash and cash equivalent	39,189	23,906	1,358	9

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

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

12. 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 2014: 500,000,000) at par value of US \$ 0.002 (£ 0.001) per share amounting to US \$ 998.

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

Reserves

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

Revaluation reserve comprises gains and losses due to the revaluation of previously held interest of the assets acquired and liabilities assumed 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.

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.

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.

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

13. Interest-bearing loans and borrowings

The interest-bearing loans and borrowings comprise of the following:

	Final Maturity	Consolidated		Company	
		30 September 2014	31 March 2014	30 September 2014	31 March 2014
Long-term "project finance" loans	April-28	2,565,974	2,153,328	-	-
Short-term loans	December-15	202,096	230,856	52,059	12,177
Buyers' credit facility	September-16	188,419	372,892	48,853	49,851
Cash credit and other working capital facilities	September-15	101,024	99,823	-	-
Redeemable preference shares	February-28	11,760	17,591	-	-
Debentures	March-25	43,828	14,186	-	-
Total		3,113,101	2,888,676	100,912	62,028

The interest-bearing loans and borrowings mature as follows:

	Consolidated		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Current liabilities				
Amounts falling due within one year	536,131	944,750	100,912	62,028
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	920,802	982,475	-	-
Amounts falling due in more than five years	1,656,168	961,451	-	-
Total	3,113,101	2,888,676	100,912	62,028

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

Total debt of US \$ 3,113,101 (31 March 2014: US \$ 2,888,676) comprised:

- Long-term “project finance” loans of the Group amounting US \$ 2,565,974 (31 March 2014: US \$ 2,153,328) is fully secured on the property, plant and equipment and other assets of joint venture and subsidiaries that operate power stations, allied services and by a pledge over the promoter’s shareholding in equity and preference capital of some of the joint ventures and subsidiaries.
- The short term loan taken by the Group is secured by the corporate guarantee provided by the Company, fixed deposits of the Group and by pledge of shares held in the respective entities.
- Buyer’s credit facility is secured against property, plant and equipment and other assets on pari-passu basis, pledge of fixed deposits and corporate guarantee of the Company and KEVL.
- A number of the facilities that are due to expire at 30 September 2015 are in the process of being extended and have 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 in 1-13 year.
- 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.

14. Other financial liabilities

	Consolidated	
	30 September 2014	31 March 2014
Current		
Option premium payable	5,042	5,020
Provision for mark to market loss on derivative instruments	-	53
	5,042	5,073
Non-Current		
Option premium payable	24,620	27,148
Provision for mark to market loss on derivative instruments	1,569	1,045
	26,189	28,193
Total	31,231	33,266

15. Trade and other payables

	Consolidated		Company	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014
Current				
Trade payables	223,314	302,236	1,386	1,486
Other payable	15,263	14,092	-	-
Share application money	2,528	4,435	-	-
Interest payable	69,892	70,361	-	-
	310,997	391,124	1,386	1,486
Non-current				
Trade payables	51,093	51,110	-	-
	51,093	51,110	-	-
Total	362,090	442,234	1,386	1,486

Trade payables are non-interest bearing and are normally settled on 45 days terms.

- Non-current trade payables are non-interest bearing and will be settled in 1-4 years.
- Share application money represents application money paid by investor/customers for subscribing to equity/preference shares in subsidiaries as at the reporting date.
- Interest payable is normally settled monthly throughout the financial year.

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

16. Provisions

A provision has been recognised for decommissioning and restoration costs associated with construction of a power plant. The unwinding of the discount on the decommissioning provision is included as a finance costs and the discount rate assumed is 7.5%

	Consolidated	
	30 September 2014	31 March 2014
Non-current		
Opening balance	2,494	2,541
Exchange difference	(72)	(219)
Unwinding of discount	93	172
Closing balance	2,515	2,494

17. Deferred revenue

	Consolidated	
	30 September 2014	31 March 2014
Opening balance	5,714	9,331
Transferred to the revenue	(62)	(501)
Transferred to the other operating income	(57)	(124)
Deemed disposal	-	(2,175)
Translation difference	(157)	(817)
Closing balance	5,438	5,714
Current	712	740
Non-current	4,726	4,974
	5,438	5,714

Deferred revenue represents:

- Contributions from captive consumers of SWPL, towards preference shares which are redeemable at Re 1/- at the end of tenure of agreement
- Contributions from captive consumers of SRPCPL and VSLPPL towards security deposit adjustable over the period as per the terms of the relevant agreement.

Captive Consumers are the consumers who, subject to availability of necessary open access, purchase power of more than 51% in aggregate from a dedicated facility, where the Group have entered into a long term supply contract.

The amounts received are in the nature of non-refundable contribution which has been recognised as deferred revenue in the Consolidated statement of financial position and transferred to the income statement on a systematic and rational basis over the term of the relevant agreements.

18. Other current liabilities

	Consolidated	
	30 September 2014	31 March 2014
Statutory liabilities	5,499	6,763
Accruals	2,832	2,573
Total	8,331	9,336

19. 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

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

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

Period ended 30 September 2014	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customers	52	175,803	-	175,855
Inter-segment	4,122	-	(4,122)	-
Total revenue	4,174	175,803	(4,122)	175,855
Segment operating results				
Unallocated operating expenses, net	3,253	26,681	(540)	29,394
Finance costs				(770)
Finance income				(106,695)
Loss before tax				9,037
Tax income				(69,034)
Loss after tax				(56,648)
Segment assets	11,720	3,894,662	(2,076)	3,904,306
Unallocated assets				230,734
Total assets				4,135,040
Segment liabilities	3,747	287,361	(2,076)	289,032
Unallocated liabilities				3,272,962
Total liabilities				3,561,994
Other segment information				
Depreciation and amortisation	69	29,606	48	29,723
Capital expenditure	16	213,032	44	213,092
<hr/>				
Period ended 30 September 2013	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customers	54	150,621	-	150,675
Inter-segment	4,203	-	(4,203)	-
Total revenue	4,257	150,621	(4,203)	150,675
Segment operating results				
Unallocated operating expenses, net	3,206	30,311	(486)	33,031
Finance costs				(2,667)
Finance income				(174,368)
Loss before tax				28,757
Tax income				(115,247)
Loss after tax				(79,596)
Segment assets	8,631	3,589,587	(1,624)	3,596,594
Unallocated assets				218,916
Total assets				3,815,510
Segment liabilities	3,026	495,356	(1,624)	496,758
Unallocated liabilities				2,835,314
Total liabilities				3,332,072
Other segment information				
Depreciation and amortisation	142	18,461	53	18,656
Capital expenditure	3	206,372	45	206,420

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

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 \$ 9,037 and US \$ 106,695 respectively (30 September 2013: US \$ 28,757 and US \$ 174,368 respectively).
- (c) Segment assets do not include deferred tax asset of US \$ 50,534 (30 September 2013: US \$ 42,858), financial assets and other investments US \$ 137,097 (30 September 2013: US \$ 133,113), short-term deposits with bank and cash US \$ 11,987 (30 September 2013: US \$ 7,075), and corporate assets US \$ 31,116 (30 September 2013: US \$ 35,870).
- (d) Segment liabilities do not include deferred tax US \$ 35,869 (30 September 2013: US \$ 25,523), current tax payable US \$ 2,959 (30 September 2013: US \$ 1,016), interest-bearing current and non-current borrowings US \$ 3,113,101 (30 September 2013: US \$ 2,734,043), derivative liabilities US \$ 31,231 (30 September 2013: US \$ 36,405) and corporate liabilities US \$ 89,802 (30 September 2013: US \$ 38,327).
- (e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.
- (f) One customer in the power generating segment contributing revenues of US \$ 88,392 (30 September 2013: US \$ 60,951) accounted for 50.28% (30 September 2013: 40.47%) of the total segment revenue.

20. Depreciation, amortisation, costs of inventories included in the Consolidated and Company income statement

	Consolidated	
	30 September 2014	30 September 2013
Included in cost of revenue:		
Fuel costs	95,227	76,728
Depreciation	25,201	15,206
Amortisation of intangible asset	69	71
Included in general and administrative expenses:		
Depreciation	4,453	3,379

21. Other operating income

Other operating income comprises:

	Consolidated	
	30 September 2014	30 September 2013
Income from management fees	129	133
Gain on disposal of property, plant and equipment, net	-	408
Claim received ¹	8,076	1,975
Deferred revenue amortisation	57	112
Other operating income	361	218
Total	8,623	2,846

¹ Claim received relates to liquidated damages recognised from EPC contractor. (30 September 2013: Claim received relates to insurance claim.)

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

22. Finance costs

Finance costs comprise:

	Consolidated		Company	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Interest expenses on loans and borrowings ¹	73,738	44,872	615	422
Other finance costs	13,182	9,673	798	1,130
Provision for impairment of financial assets	33	2,370	-	-
Foreign exchange loss, net ²	18,730	116,649	241	415
Net loss on financial liability at fair value through profit or loss, net	112	-	-	-
Net loss on held-for-trading financial assets on re-measurement	-	2	-	-
Unwinding of discounts	900	802	-	-
Total	106,695	174,368	1,654	1,967

¹Borrowing cost capitalised during the period amounting to US \$ 117,520 (30 September 2013: US \$ 134,276).²Includes loss on account of restatement of foreign currency denominated monetary assets and liabilities amounting to US \$ 17,818 (30 September 2013: US \$ 110,933)**23. Finance income**

The finance income comprises:

	Consolidated	
	30 September 2014	30 September 2013
Interest income		
bank deposits	7,120	10,079
loans and receivables	858	2,576
Dividend income	228	70
Net gain on held-for-trading financial assets		
on disposal	3	1
on re-measurement	21	-
Unwinding of discount on security deposits	807	714
Net gain on financial liability at fair value through profit or loss, net	-	15,317
Total	9,037	28,757

24. Tax income / (expense)

The major components of income tax for the period ended 30 September 2014 and 30 September 2013 are:

	30 September 2014	30 September 2013
Current tax	(905)	(1,936)
Deferred tax	13,291	37,587
Tax income reported in the income statement	12,386	35,651

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

Deferred income tax at 30 September 2014 and 31 March 2014 relates to the following:

	30 September 2014	31 March 2014
<i>Deferred income tax assets</i>		
Property, plant and equipment	6,130	3,893
Unused tax losses carried forward	110,915	90,778
MAT credit	9,430	9,480
Others	2,385	2,270
	128,860	106,421
<i>Deferred income tax liabilities</i>		
Property, plant and equipment	109,464	105,206
Others	4,731	4,494
	114,195	109,700
Less: Reclassified as liability associated with assets held for sale	-	(4,981)
	114,195	104,719
Deferred income tax (asset) / liabilities, net	(14,665)	(1,702)

Reconciliation of deferred tax (asset) / liability, net

	30 September 2014	30 September 2013
Opening balance	(1,702)	20,336
Deferred tax income during the period recognised in the income statement	(13,291)	(37,587)
Deferred tax expense during the period recognised in statement of changes in equity	(19)	136
MAT credit adjustment	-	125
Exchange difference	347	(345)
Closing balance	(14,665)	(17,335)

The Group is subject to the provisions of Minimum Alternate Tax ('MAT') under the Indian Income taxes. Accordingly, the Group calculated the tax liability for current taxes in India after considering MAT.

The Group has carried forward credit in respect of MAT liability paid to the extent it is probable that future taxable profit will be available against which such tax credit can be utilized.

Income tax expense is recognised based on Management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's consolidated effective tax rate for the six months ended 30 September 2014 was 17.94 % (six months ended 30 September 2013 was 30.93%). The change in effective tax rate was caused mainly on account of non-recognition of deferred tax assets in certain Group companies.

25. Related party transactions

Name of the Company	Nature of relationship
K&S Consulting Group Private Limited	Group ultimate parent (GUP)
Sayi Energy Ventur Limited	Parent

For detail list of subsidiaries and joint ventures see note 1.5

Key management personnel and their relatives (KMP):

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

- Resigned with effect from 05 November 2014

KSK Power Ventur plc

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

26. Commitments and contingencies*Capital commitments*

As at 30 September 2014, the Group is committed to purchase property, plant and equipment for US \$ 1,658,940 (31 March 2014: US \$ 1,589,164). In respect of its interest in joint ventures the Group is committed to incur capital expenditure of US \$ 1,120 (31 March 2014: US \$ 1,153).

Guarantees

- The Company has guaranteed the loans and non-fund based facilities availed by subsidiaries to unrelated parties for US \$ 337,258 (31 March 2014: US \$ 339,442) and
- The Group guaranteed the performance of the joint ventures under the power delivery agreements to unrelated parties. No liability is expected to arise.

27. Financial Instruments**Carrying amounts versus fair values**

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

	Carrying amount	Fair value
	September 2014	September 2014
Non- current financial assets		
Trade and other receivables	3,792	3,792
Equity securities - available-for-sale	22,860	22,860
Loans and receivables	66,195	66,195
Derivative assets	49,604	49,604
Non-current bank deposits	10,346	10,346
Total non-current	152,797	152,797
Current financial assets		
Trade and other receivables	170,672	170,672
Equity securities – held for trading	128	128
Debt securities-held for trading	2,421	2,421
Derivative assets	422	422
Loans and receivables	80,253	80,253
Cash and short-term deposits	194,091	194,091
Total current	447,987	447,987
Total	600,784	600,784
Non- current financial liabilities		
Trade and other payables	51,093	51,093
Interest bearing loans and borrowings	2,576,970	2,576,970
Interest rate swaps	1,569	1,569
Option premium payable	24,620	24,620
Total non-current	2,654,252	2,654,252
Current financial liabilities		
Trade and other payables	310,997	310,997
Interest bearing loans and borrowings	536,131	536,131
Option premium payable	5,042	5,042
Total current	852,170	852,170
Total	3,506,422	3,506,422

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

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

	Carrying amount September 2014	Fair value September 2014
Non-current financial assets		
Loans and receivables	5,525	5,525
Loans and receivables to subsidiaries	166,068	166,068
Total non-current	171,593	171,593
Current financial assets		
Loans and receivables	29	29
Cash and short-term deposits	1,358	1,358
Total current	1,387	1,387
Total	172,980	172,980
Current financial liabilities		
Trade and other payables	1,386	1,386
Interest bearing loans and borrowings	100,912	100,912
Total current	102,298	102,298

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 included within Level 1 that are 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 2014	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - available-for-sale	1,904	-	20,956	22,860
Equity securities – held for trading	128	-	-	128
Debt securities-held for trading	2,421	-	-	2,421
Derivative assets	-	50,026	-	50,026
Total	4,453	50,026	20,956	75,435
Financial liabilities measured at fair value				
Interest rate swaps	-	1,569	-	1,569
Option premium payable	-	29,662	-	29,662
Total	-	31,231	-	31,231

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 six-month period ended 30 September 2014, there were no movements between Level 1, Level 2 and Level 3 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

30 September 2014	Available-for-sale Unquoted Equities	Total
Opening balance	21,439	21,439
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income	(483)	(483)
Settlements	-	-
Transfers into level 3	-	-
Closing balance	20,956	20,956

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

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

Valuation techniques

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

Level 3 fair values for equity securities-available for sale has been determined by using Comparable Company Analyses. This is a relative valuation technique which involves comparing that company's valuation multiples to those of its peers. The multiples consider for the valuation is P/B for book value which is then adjusted for differences that are directly related to the characteristics of equity instruments being valued such as discounting factor for size and liquidity of 15%.

Level 3 fair value of the unquoted venture capital units has been determined using a discounted cash flow model. The valuation requires management to make certain assumptions about unobservable inputs to the model, of which the significant unobservable inputs are disclosed in the table below.

Average growth rate for cash flows in subsequent years	3.00%
Discount rate	11.01%

Apart from the above, forecast cash flows for first five years is a significant unobservable input. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value. An increase in the forecast cash flows and the growth rate for cash flows in the subsequent periods would both lead to an increase in the fair value of the equity instruments. An increase in the discount rate used to discount the forecast cash flows would lead to a decrease in the fair value of the units. The significant unobservable inputs are not interrelated. The fair value of the units is not significantly sensitive to a reasonable change in the forecast cash flows or the discount rate; however it is to a reasonable change in the growth rate.

28. Subsequent Event:

Issue of warrants by KSK Energy Ventures Limited ('KEVL')

During the month of November 2014, KEVL issued and allotted 80,808,080 Warrants of face value of Rs. 10 (US \$ 0.17) to KSK Power Holdings Limited ("KPHL") on preferential basis at an issue / exercise price of Rs. 99 (US \$ 1.61) which are exercisable into equity shares at the option of KPHL not later than 18 months from the date of allotment.