

KSK Power Ventur plc

Interim Condensed Consolidated and Company Financial Statements

For the six months ended 30 September 2016

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INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 September 2016

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

	Notes	Consolidated		Company	
		30 September 2016	31 March 2016	30 September 2016	31 March 2016
ASSETS					
Non-current					
Property, plant and equipment, net	5	3,567,792	3,370,932	-	-
Intangible assets and goodwill	6	11,230	11,382	-	-
Investments and other financial assets	7	105,462	100,828	375,955	382,820
Other non-current assets	8	48,059	52,620	-	-
Trade and other receivables	9	2,730	2,593	-	-
Deferred tax asset	23	154,124	141,327	-	-
		3,889,397	3,679,682	375,955	382,820
Current					
Investments and other financial assets	7	61,961	49,623	87	-
Other current assets	8	82,643	85,870	389	108
Trade and other receivables	9	415,034	367,139	-	-
Inventories	10	26,723	38,891	-	-
Cash and short-term deposits	11	160,896	122,800	1,939	1,194
		747,257	664,323	2,415	1,302
Total assets		4,636,654	4,344,005	378,370	384,122
EQUITY AND LIABILITIES					
Issued capital	12	289	289	289	289
Share premium	12	287,191	287,191	287,191	287,191
Foreign currency translation reserve	12	(146,387)	(147,152)	882	4,761
Revaluation reserve	12	1,369	1,385	-	-
Capital redemption reserve	12	16,045	16,045	-	-
Other reserves	12	138,397	146,234	177	169
(Accumulated deficit) / retained earnings	12	(130,453)	(56,670)	(29,790)	(25,589)
Equity attributable to owners of the Company		166,451	247,322	258,749	266,821
Non-controlling interests		145,862	168,418	-	-
Total equity		312,313	415,740	258,749	266,821
Non-current liabilities					
Loans and borrowings	13	2,951,287	2,700,202	-	-
Other non-current financial liabilities	14	19,939	23,239	-	-
Trade and other payables	15	62,258	30,496	-	-
Provisions	16	9,110	8,868	-	-
Deferred revenue	17	2,200	2,556	-	-
Employee benefit liability		1,147	1,057	-	-
Deferred tax liabilities	23	37,455	37,596	-	-
		3,083,396	2,804,014	-	-

**INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 30 September 2016 (Continued...)**

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

		Consolidated		Company	
	Notes	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Current liabilities					
Loans and borrowings	13	623,697	623,600	118,360	115,798
Other current financial liabilities	14	8,778	6,098	-	-
Trade and other payables	15	606,980	493,099	1,261	1,503
Deferred revenue	17	177	211	-	-
Taxes payable		1,313	1,243	-	-
		<u>1,240,945</u>	<u>1,124,251</u>	<u>119,621</u>	<u>117,301</u>
Total liabilities		<u>4,324,341</u>	<u>3,928,265</u>	<u>119,621</u>	<u>117,301</u>
Total equity and liabilities		<u>4,636,654</u>	<u>4,344,005</u>	<u>378,370</u>	<u>384,122</u>

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

Approved by the Board of Directors on 29 November 2016 and signed on behalf by:

S. Kishore
Executive Director

K. A. Sastry
Executive Director

INTERIM CONSOLIDATED AND COMPANY INCOME STATEMENT**for the six months ended 30 September 2016**

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

	Notes	Consolidated		Company	
		30 September 2016	30 September 2015	30 September 2016	30 September 2015
Revenue	18	315,400	245,465	-	-
Cost of revenue	19	(227,893)	(192,828)	-	-
Gross profit		87,507	52,637	-	-
Other operating income	20	449	348	7	-
Distribution costs		(4,402)	(4,605)	-	-
General and administrative expenses		(32,645)	(19,703)	(352)	(464)
Operating profit / (loss)		50,909	28,677	(345)	(464)
Finance costs	21	(178,151)	(184,721)	(3,856)	(1,697)
Finance income	22	10,354	9,551	-	-
Loss before tax		(116,888)	(146,493)	(4,201)	(2,161)
Tax income	23	13,315	48,832	-	-
Loss for the period		(103,573)	(97,661)	(4,201)	(2,161)
Attributable to:					
Owners of the Company		(78,058)	(69,758)	(4,201)	(2,161)
Non-controlling interests		(25,515)	(27,903)	-	-
		(103,573)	(97,661)	(4,201)	(2,161)
(Loss) / earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		175,308,600	175,308,600		
Basic and diluted (loss) / earnings per share (US \$)		(0.45)	(0.40)		

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

Approved by the Board of Directors on 29 November 2016 and signed on behalf by:

S. Kishore
Executive DirectorK. A. Sastry
Executive Director

**INTERIM CONSOLIDATED AND COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
for the six months ended 30 September 2016**

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

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

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

Approved by the Board of Directors on 29 November 2016 and signed on behalf by:

S. Kishore
Executive Director

K. A. Sastry
Executive Director

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**for the six months ended 30 September 2015**

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

	Attributable to owners of Company								Non - controlling interests	Total equity	
	Issued capital	Share premium	Share application money	Foreign currency translation reserve	Revalu ation reserve	Capital redemption reserve	Other reserves	Retained earnings			Total
As at 1 April 2015	289	287,191	16,498	(129,431)	1,418	10,855	147,317	15,590	349,727	203,374	553,101
Refund of share application money	-	-	(2,759)	-	-	-	-	-	(2,759)	-	(2,759)
Change in non-controlling interests without change in control	-	-	-	-	-	-	(1,661)	-	(1,661)	4,230	2,569
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	-	-	2,949	2,949	(2,949)	-
Equity-settled share based payment	-	-	-	-	-	-	24	-	24	-	24
Net depreciation transfer for property, plant and equipment	-	-	-	-	(17)	-	-	17	-	-	-
Transaction with owners	-	-	(2,759)	-	(17)	-	(1,637)	2,966	(1,447)	1,281	(166)
Loss for the period	-	-	-	-	-	-	-	(69,758)	(69,758)	(27,903)	(97,661)
Other comprehensive income											
Items that will never be reclassified to income statement											
Re-measurement of defined benefit liability	-	-	-	-	-	-	(35)	-	(35)	(20)	(55)
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	4	-	4	-	4
Items that are or may be reclassified subsequently to income statement											
Foreign currency translation differences	-	-	-	(19,336)	-	-	-	-	(19,336)	(10,210)	(29,546)
Available-for-sale financial assets											
- current period (loss) / gain	-	-	-	-	-	-	(9)	-	(9)	11	2
- reclassification to profit or loss	-	-	-	-	-	-	26	-	26	-	26
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	(314)	-	(314)	(151)	(465)
Total comprehensive expenses for the period	-	-	-	(19,336)	-	-	(328)	(69,758)	(89,422)	(38,273)	(127,695)
Balance as at 30 September 2015	289	287,191	13,739	(148,767)	1,401	10,855	145,352	(51,202)	258,858	166,382	425,240

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

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

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

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

	Attributable to owners of Company							Total	Non - controlling interests	Total equity
	Issued capital	Share premium	Foreign currency translatio n reserve	Revaluation reserve	Capital redemption reserve	Other reserves	Retained earnings			
As at 1 April 2016	289	287,191	(147,152)	1,385	16,045	146,234	(56,670)	247,322	168,418	415,740
Change in non-controlling interests without change in control (refer note 4)	-	-	-	-	-	(7,869)	-	(7,869)	8,653	784
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	-	4,259	4,259	(4,259)	-
Equity-settled share based payment	-	-	-	-	-	8	-	8	-	8
Net depreciation transfer for property, plant and equipment	-	-	-	(16)	-	-	16	-	-	-
Transaction with owners	-	-	-	(16)	-	(7,861)	4,275	(3,602)	4,394	792
Loss for the period	-	-	-	-	-	-	(78,058)	(78,058)	(25,515)	(103,573)
Other comprehensive income										
Items that will never be reclassified to income statement										
Re-measurement of defined benefit liability	-	-	-	-	-	(42)	-	(42)	(11)	(53)
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	15	-	15	-	15
Items that are or may be reclassified subsequently to income statement										
Foreign currency translation differences	-	-	765	-	-	-	-	765	(1,431)	(666)
Available-for-sale financial assets										
- current period gain	-	-	-	-	-	58	-	58	7	65
- reclassification to profit or loss	-	-	-	-	-	(7)	-	(7)	-	(7)
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (expenses) for the period	-	-	765	-	-	24	(78,058)	(77,269)	(26,950)	(104,219)
Balance as at 30 September 2016	289	287,191	(146,387)	1,369	16,045	138,397	(130,453)	166,451	145,862	312,313

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

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

KSK Power Ventur plc

INTERIM COMPANY STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2016

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

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

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

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS**for the six months ended 30 September 2016**

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

	Consolidated		Company	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Cash inflow / (outflow) from operating activities				
Loss before tax	(116,888)	(146,493)	(4,201)	(2,161)
Adjustment				
Depreciation and amortization	50,785	51,359	-	-
Finance cost	180,863	185,863	3,970	4,978
Finance income	(10,354)	(9,551)	-	-
Provision and impairment of trade receivable, PPE and other receivable	10,213	3,480	(7)	-
(Profit) / loss on sale of fixed assets, net	(210)	(17)	-	-
Others	(93)	(90)	8	24
Change in				
Trade receivables and unbilled revenue	(58,313)	(45,101)	-	-
Inventories	12,168	(1,502)	-	-
Other assets	(4,078)	240	(308)	4,091
Trade payables and other liabilities	18,881	22,393	60	28
Provisions and employee benefit liability	90	144	-	-
Cash generated from / (used in) operating activities	83,064	60,725	(478)	6,960
Taxes refund / (paid), net	1,266	2,196	-	-
Net cash provided by / (used in) operating activities	84,330	62,921	(478)	6,960
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	15,671	(1,055)	-	-
Purchase of property, plant and equipment and other non-current assets	(106,496)	(25,360)	-	-
Proceeds from sale of property, plant and equipment	5,012	2,345	-	-
Purchase of financial assets	(14,782)	(13,711)	(132)	(340)
Proceeds from sale of financial assets	127	8,587	504	160
Dividend received	52	158	-	-
Interest income received	9,353	8,335	-	-
Net cash used in investing activities	(91,063)	(20,701)	372	(180)
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	413,034	303,816	2,397	52,977
Repayment of borrowings	(130,534)	(145,091)	-	(51,740)
Finance costs paid	(243,533)	(186,741)	(1,453)	(1,029)
Payment of derivative liability	(2,405)	(2,508)	-	-
Advance received against investment	26,139	-	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	699	2,437	-	-
Net refund of share application money	-	(2,759)	-	(2,759)
Net cash flow (used in) / provided by financing activities	63,400	(30,846)	944	(2,551)
Effect of exchange rate changes	(2,898)	(9,355)	(96)	(3,195)
Net increase / (decrease) in cash and cash equivalent	53,769	2,019	745	1,034
Cash and cash equivalents at the beginning of the period	16,022	40,733	1,194	1,065
Cash and cash equivalents at the end of the period (refer note 11)	69,791	42,752	1,939	2,099

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

KSK Power Ventur plc

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

**NOTES TO INTERIM CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
for the six months ended 30 September 2016**

1. Corporate information

1.1. General information

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

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

1.2. Statement of compliance /responsibility statement

- a. the condensed set of financial statements contained in this document has been prepared in accordance with International Accounting Standard 34 ("IAS 34"), "Interim Financial Reporting" as adopted by European Union ('EU') and gives a true and fair view of the assets, liabilities, financial position and the profit or loss of the group as required by Disclosure and Transparency Rules ("DTR") 4.2.4R;
- b. the Interim management report contained in this document includes a fair review of the information required by the Financial Conduct Authority's DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year);
- c. this document includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein);
- d. the interim condensed Consolidated and Company financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016, which have been prepared in accordance with IFRSs.
- e. The financial information set out in these financial statements does not constitute statutory accounts. The financial statement is unaudited but has been reviewed by KPMG Audit LLC and their report is set out at the end of this document.

1.3. Financial period

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

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

1.4. Basis of preparation

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

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

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

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

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

for the six months ended 30 September 2016

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

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

As at 30 September 2016, the Group and Company have net current liabilities of US \$ 493,688 and US \$ 117,206 and is depending on a continuation of both short term and long term debt financing facilities. Such financing is subject to covenant and amortisation conditions. The Group also has significant capital commitments at the period-end of which a portion is due to be met during the year to 30 September 2017 (refer note 25(a)), primarily in respect of on-going plant construction projects at KSK Mahanadi. The Group is also involved in a number of on-going legal and claim matters.

The Group continues to generate cash flows from current operations which are further expected to increase with improved PLF in the existing 1200 MW KSK Mahanadi operations and also on account of expected commissioning of another two units of 600 MW each over the foreseeable future. Also in Sai Wardha, with recent MERC order clarifying non applicability of additional surcharge as well on captive power supplies, Captive PPA attractiveness has been enhanced PPA arrangements for the balance two units are expected to be in place shortly. These factors are key assumptions with regard to management's forecasts and expectations. However, the Group has experienced delays and legal challenge to the settlement of receivables in respect of change in law (refer note 25(c)) and generation, reducing cash conversion of revenue and therefore liquidity.

In addition, a number of the facilities that are due to expire at 30 September 2017 are in the process of being extended and have a rollover clause in a number of cases, and the Group may refinance and/or restructure certain short term borrowings into long borrowings and will also consider alternative sources of financing, where applicable. The Directors are confident that facilities will remain available to the Group based on current trading, covenant compliance and ongoing discussions with the Group's primary lending consortium regarding future facilities and arrangements in respect of current borrowings.

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

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

2. Changes in accounting policy and disclosure

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

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

- **IFRS 14 - Regulatory Deferral Accounts:** IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is not subject to any rate regulation and is an existing IFRS preparer, this standard would not apply.
- **IFRS 11 - Accounting for acquisition of interest in Joint Operations (Amendments):** The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

for the six months ended 30 September 2016

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

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

- **IAS 16 & IAS 38 - Clarification of Acceptable Methods of Depreciations and Amortisation (Amendments):** The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.
- **IAS 16 & IAS 41 – Agriculture: Bearer Plant (Amendments):** The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.
- **IAS 27 – Equity Method in Separate Financial Statements (Amendments):** The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.
- **IFRS 10 & IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments):** The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Group.
- **IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception (Amendments):** The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

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

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

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

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

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

- **Annual Improvements 2012-2014 Cycle:** These improvements are effective for annual periods beginning on or after 1 January 2016. They include:
 - **IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:** Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.
 - **IFRS 7 Financial Instruments: Disclosures**
 - Servicing contracts:** The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.
 - Applicability of the amendments to IFRS 7 to condensed interim financial statements:** The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.
 - **IAS 19 Employee Benefits:** The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.
 - **IAS 34 Interim Financial Reporting:** The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

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

3. Significant accounting judgements, estimates and assumptions

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

for the six months ended 30 September 2016

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

Dilution in KSK Energy Ventures Limited

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

Forfeiture of share warrant

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

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

Acquisition in KSK Mahanadi Power Company Limited

During the period ended 30 September 2016, the Group has issued additional 62,000,000 equity shares in KSK Mahanadi Power Company Limited (“KMPCL”) to KSK Energy Ventures Limited (“KEVL”) and 97,360,000 equity shares to KSK Energy Company Private Limited (“KECPL”) at a face value of Rs 10 (US \$ 0.16) at par.

Pursuant to above, the economic interest of the Group in KMPCL increased by 0.65 percent in a subsidiary without loss of control. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the interim condensed consolidated income statement. Pursuant to this an amount of US \$ 327 by which the non controlling interest is adjusted, is credited to ‘other reserve’ within consolidated statement of changes in equity and attributed to the owners of the company.

Dilution of KSK Water Infrastructure Private Limited

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

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

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5. Property, plant and equipment, net

The property, plant and equipment of the Group comprise:

	Land and buildings	Power stations	Mining property	Other plant and equipment	Assets under construction	Total
Cost						
As at 1 April 2015	431,675	2,207,813	12,839	9,111	961,023	3,622,461
Additions	12,912	1,888	-	694	177,816	193,310
Impaired	-	-	-	-	(3,874)	(3,874)
Transfer	14,957	39,346	-	-	(54,303)	-
Disposals/adjustments	(135)	(256)	-	(212)	-	(603)
Exchange difference	(23,305)	(119,196)	(693)	(491)	(50,416)	(194,101)
As at 31 March 2016	436,104	2,129,595	12,146	9,102	1,030,246	3,617,193
As at 1 April 2016	436,104	2,129,595	12,146	9,102	1,030,246	3,617,193
Additions	3,894	351	-	97	276,169	280,511
Transfer	-	16,753	-	-	(16,753)	-
Disposals/adjustments	(2,204)	-	-	(24)	-	(2,228)
Exchange difference	(3,421)	(16,705)	(95)	(70)	(12,183)	(32,474)
As at 30 September 2016	434,373	2,129,994	12,051	9,105	1,277,479	3,863,002
Depreciation						
As at 1 April 2015	22,337	134,173	2,254	6,783	-	165,547
Additions	12,054	77,308	607	972	-	90,941
Disposals / adjustments	(17)	(61)	-	(179)	-	(257)
Exchange difference	(1,343)	(8,121)	(129)	(377)	-	(9,970)
As at 31 March 2016	33,031	203,299	2,732	7,199	-	246,261
As at 1 April 2016	33,031	203,299	2,732	7,199	-	246,261
Additions	7,085	42,935	323	380	-	50,723
Disposals / adjustments	(12)	-	-	(23)	-	(35)
Exchange difference	(232)	(1,433)	(20)	(54)	-	(1,739)
As at 30 September 2016	39,872	244,801	3,035	7,502	-	295,210
Net book value						
As at 30 September 2016	394,501	1,885,193	9,016	1,603	1,277,479	3,567,792
As at 31 March 2016	403,073	1,926,296	9,414	1,903	1,030,246	3,370,932

6. Intangible assets and goodwill

	Mining license	Goodwill	Total
Cost			
As at 1 April 2015	2,516	10,201	12,717
Impaired	-	(22)	(22)
Exchange difference	(136)	(551)	(687)
As at 31 March 2016	2,380	9,628	12,008
As at 1 April 2016	2,380	9,628	12,008
Exchange difference	(19)	(76)	(95)
As at 30 September 2016	2,361	9,552	11,913

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	Mining license	Goodwill	Total
Amortisation			
As at 1 April 2015	529	-	529
Additions	127	-	127
Exchange difference	(30)	-	(30)
As at 31 March 2016	626	-	626
As at 1 April 2016	626	-	626
Additions	62	-	62
Exchange difference	(5)	-	(5)
As at 30 September 2016	683	-	683
Net book value			
As at 30 September 2016	1,678	9,552	11,230
As at 31 March 2016	1,754	9,628	11,382

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

	30 September 2016	31 March 2016
Sai Wardha Power Limited	3,514	3,542
Sitapuram Power Limited	4,952	4,991
Sai Regency Power Corporation Private Limited	1,086	1,095
Total	9,552	9,628

Goodwill is tested for impairment annually and was performed last at 31 March 2016. There were no further circumstances which indicated that the carrying value may be impaired as at 30 September 2016. Hence no impairment testing was carried out in the interim period ended 30 September 2016.

7. Investments and other financial assets

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

Impairment of financial assets

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

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

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8. Other assets

	Consolidated		Company	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Current				
Advance to suppliers	34,632	32,882	-	-
Prepayments	4,606	6,005	389	108
Income tax receivable	6,151	4,907	-	-
Other receivables	37,254	42,076	-	-
	82,643	85,870	389	108
Non-current				
Prepayments	25,419	26,216	-	-
Income tax receivable	7,089	9,902	-	-
Other receivables	15,551	16,502	-	-
	48,059	52,620	-	-
Total	130,702	138,490	389	108

9. Trade and other receivables

	30 September 2016	31 March 2016
Current		
Trade receivables (Refer note 25(c)(i) and (ii))	404,897	356,764
Interest accrued	10,137	10,375
	415,034	367,139
Non-current		
Trade receivables	2,092	2,027
Interest accrued	638	566
	2,730	2,593
Total	417,764	369,732

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

	30 September 2016	31 March 2016
Opening balance	10,810	5,112
Impairment loss recognised	10,197	8,871
Amount written off (Refer note 25(c)(i))	(10,881)	(2,828)
Exchange difference	(87)	(346)
Closing balance	10,039	10,810

10. Inventories

	30 September 2016	31 March 2016
Fuel (at cost)	2,977	14,353
Stores and spares (at cost)	23,549	24,340
Others	197	198
Total	26,723	38,891

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11. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

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

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

	Consolidated		Company	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Cash at banks and on hand	69,772	42,750	1,939	2,099
Short-term deposits	91,124	158,320	-	-
Total	160,896	201,070	1,939	2,099
<i>Less: Restricted cash¹</i>	(91,105)	(158,318)	-	-
Cash and cash equivalent	69,791	42,752	1,939	2,099

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

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

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

Reserves

Share premium represents the amount received by the Group over and above the par value of shares issued. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax consequences. Revaluation reserve comprises gains and losses due to the revaluation of previously held interest of the assets acquired in a business combination.

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

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

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

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

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13. Loans and borrowings

The loans and borrowings comprise of the following:

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

The interest-bearing loans and borrowings mature as follows:

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

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

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14. Other financial liabilities

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

15. Trade and other payables

	Consolidated		Company	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
Current				
Trade payable	181,107	161,884	1,261	1,473
Other payable	306,157	210,843	-	-
Interest payable	119,716	120,372	-	30
	606,980	493,099	1,261	1,503
Non-current				
Trade payable	1,067	1,034	-	-
Interest payable	15,299	11,254	-	-
Other payable	45,892	18,208	-	-
	62,258	30,496	-	-
Total	669,238	523,595	1,261	1,503

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 1-7 years.
- Current interest payable is normally settled monthly throughout the financial year.
- Other payable mainly includes payable against acquisition of capital asset.

16. Provisions

	Decommissioning and restoration costs	Contingent liability	Total
Non-current			
As at 1 April 2015	2,391	819	3,210
Change in cost	5,261	-	5,261
Unwinding of discount	578	-	578
Exchange difference	(136)	(45)	(181)
As at 31 March 2016	8,094	774	8,868
As at 1 April 2016	8,094	774	8,868
Unwinding of discount	310	-	310
Exchange difference	(62)	(6)	(68)
As at 30 September 2016	8,342	768	9,110

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% (2016: 7.5%).

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17. Deferred revenue

	30 September 2016	31 March 2016
Opening balance	2,767	3,134
Transferred to the revenue	(308)	(86)
Transferred to the other operating income	(59)	(115)
Exchange difference	(23)	(166)
Closing balance	2,377	2,767
Current	117	211
Non-current	2,200	2,556
	2,377	2,767

18. Segment information

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

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

- Power generating activities and
- Project development activities

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

Period ended 30 September 2016	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customers	16	315,384	-	315,400
Inter-segment	1,326	-	(1,326)	-
Total revenue	1,342	315,384	(1,326)	315,400
Segment operating results	934	50,475	294	51,703
Unallocated operating expenses, net				(794)
Finance costs				(178,151)
Finance income				10,354
Loss before tax				(116,888)
Tax income				13,315
Loss after tax				(103,573)
Segment assets	9,457	4,333,236	(6,213)	4,336,480
Unallocated assets				300,174
Total assets				4,636,654
Segment liabilities	591	491,784	(6,213)	486,162
Unallocated liabilities				3,838,179
Total liabilities				4,324,341
Other segment information				
Depreciation and amortisation	24	50,731	30	50,785
Capital expenditure	1	280,509	1	280,511

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

Notes to segment reporting:

- (a) Inter-segment revenues are eliminated on consolidation.
- (b) Profit / (loss) for each operating segment does not include finance income and finance costs of US \$ 10,354 and US \$ 178,151 respectively (30 September 2015: US \$ 9,551 and US \$ 184,721 respectively).
- (c) Segment assets do not include deferred tax asset of US \$ 154,124 (30 September 2015: US \$ 169,620), financial assets and other investments US \$ 109,452 (30 September 2015: US \$ 108,289), short-term deposits with bank and cash US \$ 9,770 (30 September 2015: US \$ 24,244), and corporate assets US \$ 26,828 (30 September 2015: US \$ 26,897).
- (d) Segment liabilities do not include deferred tax US \$ 37,455 (30 September 2015: US \$ 32,111), current tax payable US \$ 1,313 (30 September 2015: US \$ 2,621), interest-bearing current and non-current borrowings US \$ 3,574,984 (30 September 2015: US \$ 3,258,129), derivative liabilities US \$ 28,717 (30 September 2015: US \$ 30,743) and corporate liabilities US \$ 195,710 (30 September 2015: US \$ 130,557).
- (e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.
- (f) Three customers in the power generating segment contributing revenues of US \$ 243,613 accounted for 77.24% (30 September 2015: Two customers in the power generating segment contributing revenues of US \$ 144,648 accounted for 58.93%) of the total segment revenue.

19. Depreciation, amortisation, costs of inventories, impairment of trade and other receivable included in the interim condensed Consolidated and Company income statement

	30 September 2016	30 September 2015
Included in cost of revenue:		
Fuel costs	150,661	122,702
Depreciation	44,919	44,450
Amortisation of intangible asset	62	65
Included in general and administrative expenses:		
Depreciation	5,804	6,844
Impairment of trade and other receivable	10,213	3,480

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20. Other operating income

Other operating income comprises:

	Consolidated		Company	
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
Income from management fees	95	121	-	-
Gain on disposal of property, plant and equipment, net	210	17	-	-
Deferred revenue amortisation	59	59	-	-
Other operating income	85	151	7	-
Total	449	348	7	-

21. Finance costs

Finance costs comprise:

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

¹Borrowing cost capitalised during the period amounting to US \$ 78,105 (30 September 2015: US \$ 65,935).² Impairment of financial assets relates to available-for-sale financial asset of US \$ Nil (30 September 2015: US \$ 26).³Net loss on financial instrument at fair value through profit or loss above relates to foreign exchange forward contracts, currency options and interest rate swap that did not qualify for hedge accounting.**22. Finance income**

The finance income comprises:

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

23. Tax income / (expense)

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

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

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Deferred income tax at 30 September 2016 and 31 March 2016 relates to the following:

	1 April 2016	Recognised in the income statement	Recognised in other comprehensive income	30 September 2016
<i>Deferred income tax assets</i>				
Property, plant and equipment	5,379	(489)	(146)	4,744
Unused tax losses carried forward	273,077	26,783	(2,041)	297,819
MAT credit	10,067	369	(78)	10,358
Others	7,063	(1,140)	(46)	5,877
	295,586	25,523	(2,311)	318,798
<i>Deferred income tax liabilities</i>				
Property, plant and equipment	190,263	13,063	(1,541)	201,785
Others	1,592	(1,228)	(20)	344
	191,855	11,835	(1,561)	202,129
Deferred income tax asset, net	103,731	13,688	(750)	116,669

	1 April 2015	Recognised in the income statement	Recognised in other comprehensive income	Others	31 March 2016
<i>Deferred income tax assets</i>					
Property, plant and equipment	4,554	(5,655)	6,480	-	5,379
Unused tax losses carried forward	230,186	55,952	(13,061)	-	273,077
MAT credit	9,961	1,008	(545)	(357)	10,067
Others	3,922	3,827	(686)	-	7,063
	248,623	55,132	(7,812)	(357)	295,586
<i>Deferred income tax liabilities</i>					
Property, plant and equipment	151,778	40,480	(1,995)	-	190,263
Others	2,518	(804)	(123)	-	1,592
	154,296	39,676	(2,117)	-	191,855
Deferred income tax asset, net	94,327	15,456	(5,695)	(357)	103,731

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 2016 was 11.39 % (six months ended 30 September 2015 was 33.33%). The change in effective tax rate was caused mainly on account of recognition of lower deferred tax assets in certain Group companies.

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24. Related party transactions

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

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

25. Commitments and contingencies*a. Capital commitments*

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

b. Guarantees

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

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c. Legal and other claim

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

- i. SWPL had filed a claim against Maharashtra State Electricity Distribution Company Limited (MSEDCL) towards recovery of the amount withheld against supply of energy under Power Purchase Agreement (including penalty on such amount) amounting to US \$ 10,922 (2016: US \$ 11,008). The facility required for generation of an agreed quantum of power was not ready as per an agreed schedule on account of unexpected factors beyond the control of the Group, the Group proposed to MSEDCL an arrangement to secure the energy from alternate supplies for the short quantity required to meet the obligation under the power purchase agreement. MSEDCL accepted the proposal and also confirmed that the energy supplied from alternate sources will also be subject to the tariff agreed under the power purchase agreement. However, after initial payments for the period April to June 2010, starting July 2010 to October 2010, MSEDCL did not settle the entire dues billed and the certain amounts were withheld without any explanation. The Group contended before Maharashtra Electricity Regulatory Commission (MERC) that since the energy supplied and billed was as per the terms agreed and the similar bills of earlier months were paid by MSEDCL, there is no cause to withhold the payments. However, MERC has dismissed the petition. The Group has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of MERC and APTEL also rejected the appeal. The Group has filed an appeal before Honourable Supreme Court of India. During the period ended 30 September 2016 the group received an unfavorable ruling on a claim against a state body MSEDCL as it was concluded the claims if allowed were against public interest and accordingly group has impaired and written off the entire claim amount.
- ii. KSK Mahanadi, the Group's largest thermal power generation plant with two units fully operational and balance units in various stages of construction and commissioning is engaged in the generation and supply of power to four state utilities of Andhra Pradesh, Telangana, Tamil Nadu and Uttar Pradesh under Case 1 competitive bid Power Purchase Agreement (PPA). The respective PPAs in addition to the agreed tariff payable for the power supplied contains specific provisions providing for tariff adjustment payment to the generator on account of Change in law. The Change in law provision essentially provides reimbursement mechanism for all additional recurring or non-recurring expenditure incurred by the Generator towards new costs levied / incurred post the bidding point. These claims under the PPA cover both (a) Claim on account of various statutory duties, levies and cess levied by Central or State Governments or its instrumentalities; and (b) linkage coal shortfall compensation with respect to Presidential Directive and Ministry of Power Notification to all Electricity Regulators in India. KSK Mahanadi has made claims pursuant to the above PPA provisions in excess of US \$ 237,941, wherein claim pertaining to taxes amounts to US \$ 58,841 and claim on account of short supply of coal pursuant to the Presidential Directive amounts to US \$ 179,100. However, notwithstanding its eligibility for the full claim as per the PPA, keeping in view the regulatory commitments by the Government instrumentalities, the necessary legal and administrative process that KSK Mahanadi has to pursue, on its internal evaluation of the facts and circumstances of the case on a prudent basis, KSK Mahanadi has recognised a portion of the claim aggregating to US \$ 179,021 in the books of accounts until date, wherein US \$ 39,613 pertains to the current period. KSK Mahanadi has in its notices to the utilities submitted that it qualifies for the composite scheme guidelines and hence Central Electrical Regulatory Commission (CERC) will be the relevant appropriate authority to adjudicate the matter. While in the earlier period, the claims were to be determined by the State Regulators, pursuant to a recent ruling by the Appellate Tribunal of Electricity (APTEL) with respect to multiple power producers, the jurisdiction of CERC has been reaffirmed. Based on the bid guidelines, the PPA provisions and the legal advice that KSK Mahanadi has obtained, Group has made necessary amendments in its claim petitions and filled before CERC. Based on the legal advice and recent ruling of CERC in similarly placed power project, KSK Mahanadi is confident that the entire claim amount is fully receivable.

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

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

	Carrying amount	Fair value	Carrying amount	Fair value
	30 September 2016	30 September 2016	31 March 2016	31 March 2016
Non-current financial assets				
Trade and other receivables	2,730	2,730	2,593	2,593
Equity securities - available-for-sale	17,799	17,799	17,938	17,938
Loans and receivables	35,409	35,409	32,024	32,024
Derivative assets	44,980	44,980	45,872	45,872
Non-current bank deposits	7,274	7,274	4,994	4,994
Total non-current	108,192	108,192	103,421	103,421
Current financial assets				
Trade and other receivables	415,034	415,034	367,139	367,139
Equity securities – held for trading	127	127	115	115
Debt securities-held for trading	5,614	5,614	5,062	5,062
Loans and receivables	56,220	56,220	44,446	44,446
Cash and short-term deposits	160,896	160,896	122,800	122,800
Total current	637,891	637,891	539,562	539,562
Total	746,083	746,083	642,983	642,983
Non-current financial liabilities				
Trade and other payables	62,258	62,258	30,496	30,496
Loans and borrowings	2,951,287	2,951,287	2,700,202	2,700,202
Interest rate swaps	5,406	5,406	6,174	6,174
Option premium payable	14,533	14,533	17,065	17,065
Total non-current	3,033,484	3,033,484	2,753,937	2,753,937
Current financial liabilities				
Trade and other payables	606,980	606,980	493,099	493,099
Loans and borrowings	623,697	623,697	623,600	623,600
Foreign exchange forward contract	2,413	2,413	629	629
Option premium payable	6,365	6,365	5,469	5,469
Total current	1,239,455	1,239,455	1,122,797	1,122,797
Total	4,272,939	4,272,939	3,876,734	3,876,734

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

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

Fair value hierarchy

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

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

30 September 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - available-for-sale	506	-	17,293	17,799
Equity securities - held for trading	127	-	-	127
Debt securities-held for trading	5,614	-	-	5,614
Derivative assets	-	44,980	-	44,980
Total	6,247	44,980	17,293	68,520
Financial liabilities measured at fair value				
Interest rate swaps	-	5,406	-	5,406
Option premium payable	-	20,898	-	20,898
Foreign exchange forward contract	-	2,413	-	2,413
Total	-	28,717	-	28,717

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the transfer has occurred. During the period ended 30 September 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

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Reconciliation of Level 3 fair value measurements of financial assets:

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

31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - available-for-sale	509	-	17,429	17,938
Equity securities - held for trading	115	-	-	115
Debt securities-held for trading	5,062	-	-	5,062
Derivative assets	-	45,872	-	45,872
Total	5,686	45,872	17,429	68,987
Financial liabilities measured at fair value				
Interest rate swaps	-	6,174	-	6,174
Option premium payable	-	22,534	-	22,534
Foreign exchange forward contract	-	629	-	629
Total	-	29,337	-	29,337

During the period ended 31 March 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

31 March 2016	Available-for-sale Unquoted Equities	Total
Opening balance	18,644	18,644
Total gains or losses:		
- in income statement	2	2
- in other comprehensive income		
change in fair value of available for sale financial asset	(159)	(159)
foreign currency translation difference	(1,004)	(1,004)
Settlements	(54)	(54)
Transfers into level 3	-	-
Closing balance	17,429	17,429