

KSK Power Ventur plc

Interim Condensed Consolidated and Company Financial Statements

For the six months ended 30 September 2011

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KSK Power Ventur plc

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September 2011

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

Notes	Consolidated		Company		
	30 September 2011	30 September 2010	30 September 2011	30 September 2010	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Revenue	8	182,966	81,850	-	-
Cost of revenue	9	(127,990)	(37,109)	-	-
Gross profit		54,976	44,741	-	-
Other operating income, net	10	(266)	6,202	-	2
Distribution costs		(862)	(547)	-	-
General and administrative expenses		(9,931)	(10,076)	(385)	(432)
Operating profit / (loss)		43,917	40,320	(385)	(430)
Finance costs	11	(98,221)	(21,307)	(1,427)	(2,323)
Finance income	12	18,369	16,508	737	5,112
Profit / (loss) before tax		(35,935)	35,521	(1,075)	2,359
Tax income	13	225	1,784	-	-
Profit / (loss) for the period		(35,710)	37,305	(1,075)	2,359
Attributable to:					
Equity holders of the parent		(19,949)	19,358	(1,075)	2,359
Non-controlling interests		(15,761)	17,947	-	-
		(35,710)	37,305	(1,075)	2,359
Other comprehensive income					
Foreign currency translation differences		(69,367)	5,063	2,216	2,787
Available-for-sale financial assets					
- current period (losses) / gains		(494)	20	-	-
- reclassification to profit or loss		1,061	(57)	-	-
Reclassification of reserve on deemed disposal of interest in joint venture		(2,485)	-	-	-
Other comprehensive income, net of tax		(71,285)	5,026	2,216	2,787
Total comprehensive income for the period		(106,995)	42,331	1,141	5,146
Attributable to:					
Equity holders of the parent		(61,549)	22,773	1,141	5,146
Non-controlling interests		(45,446)	19,558	-	-
		(106,995)	42,331	1,141	5,146
Earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		151,789,145	139,735,143		
Basic and diluted (US \$)		(0.13)	0.13		

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

Approved by the Board of Directors on 28 November 2011 and signed on behalf by:

S. Kishore
Executive DirectorK. A. Sastry
Executive Director

KSK Power Ventur plc

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 30 September 2011

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

	Notes	Consolidated		Company	
		30 September 2011	31 March 2011	30 September 2011	31 March 2011
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS					
Non-current					
Goodwill	14	21,695	52,460	-	-
Property, plant and equipment	15	2,306,750	1,955,146	1	-
Other non-current assets	17	42,779	21,532	-	-
Investments and other financial assets	16	84,666	106,100	182,909	180,047
Trade and other receivables	18	2,825	5,693	-	-
Deferred tax asset	13	19,678	20,708	-	-
		2,478,393	2,161,639	182,910	180,047
Current					
Inventories	19	27,483	14,617	-	-
Trade and other receivables	18	109,605	66,171	246	166
Investments and other financial assets	16	113,519	116,267	12,530	12,521
Cash and short-term deposits	20	334,274	338,159	3,792	14,551
Other current assets	17	41,208	35,108	119	-
		626,089	570,322	16,687	27,238
Total assets		3,104,482	2,731,961	199,597	207,285
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	21	251	251	251	251
Share premium	21	262,705	262,705	194,435	194,435
Foreign currency translation reserve		(39,682)	(260)	9,727	7,511
Revaluation reserve		2,916	6,219	-	-
Other reserves		146,243	148,842	-	-
Retained earnings/ (Accumulated deficit)		81,010	97,336	(5,652)	(4,577)
		453,443	515,093	198,761	197,620
Non-controlling interests		303,897	335,595	-	-
Total equity		757,340	850,688	198,761	197,620
Non-current liabilities					
Trade and other payables	23	52,424	29,736	-	-
Interest-bearing loans and borrowings	22	1,033,737	817,516	-	-
Provisions	24	2,507	2,115	-	-
Deferred revenue		9,661	11,105	-	-
Employee benefit liability		353	571	-	-
Deferred tax liability	13	38,446	36,542	-	-
		1,137,128	897,585	-	-
Current liabilities					
Trade and other payables	23	305,210	187,321	836	365
Interest-bearing loans and borrowings	22	899,403	787,465	-	9,300
Other current financial liabilities	25	-	3,184	-	-
Deferred revenue		1,218	848	-	-
Other current liabilities	26	2,817	3,784	-	-
Taxes payable		1,366	1,086	-	-
		1,210,014	983,688	836	9,665
Total liabilities		2,347,142	1,881,273	836	9,665
Total equity and liabilities		3,104,482	2,731,961	199,597	207,285

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

Approved by the Board of Directors on 28 November 2011 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 2010

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

	Attributable to equity holders of the parent							Total	Non-controlling interest	Total equity
	Issued capital (No. of shares)	Issued capital (Amount)	Share premium	Foreign currency translation reserve	Revaluation reserve	Other reserves	Retained earnings			
At 1 April 2010 (Audited)	139,534,243	232	167,228	968	9,731	157,304	81,927	417,390	303,081	720,471
Issue of equity shares	12,254,902	19	95,445	-	-	-	-	95,464	-	95,464
Deferred tax on share issue expenses	-	-	-	-	-	(436)	-	(436)	-	(436)
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	10,930	10,930
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	-	(1,173)	(1,173)	1,173	-
Non controlling interests arising on conversion of partly paid up shares to fully paid up in subsidiary	-	-	-	-	-	-	-	-	7,791	7,791
Net depreciation transfer for property, plant and equipment	-	-	-	-	(136)	-	136	-	-	-
Transaction with owners	151,789,145	251	262,673	968	9,595	156,868	80,890	511,245	322,975	834,220
Profit/(loss) for the period	-	-	-	-	-	-	19,358	19,358	17,947	37,305
Other comprehensive income										
Foreign currency translation differences	-	-	-	3,487	-	-	-	3,487	1,576	5,063
Available-for-sale financial assets										
- current period gains / (losses)	-	-	-	-	-	(15)	-	(15)	35	20
- reclassification to profit or loss	-	-	-	-	-	(57)	-	(57)	-	(57)
Total comprehensive income for the period	-	-	-	3,487	-	(72)	19,358	22,773	19,558	42,331
Balance as at 30 September 2010 (Unaudited)	151,789,145	251	262,673	4,455	9,595	156,796	100,248	534,018	342,533	876,551

(See accompanying notes to the condensed interim 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 statement of comprehensive income. However, the non controlling interest disclosed in 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 2011

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

	Attributable to equity holders of the parent							Total	Non - controlling interests	Total equity
	Issued capital (No. of shares)	Issued capital (amount)	Share premium	Foreign currency translation reserve	Revaluation reserve	Other reserves	Retained earnings			
As at 1 April 2011 (Audited)	151,789,145	251	262,705	(260)	6,219	148,842	97,336	515,093	335,595	850,688
Deferred tax on share issue expenses	-	-	-	-	-	(421)	-	(421)	-	(421)
Non-controlling interests arising on business combination (see note 7)	-	-	-	-	-	-	-	-	14,077	14,077
Acquisition of non-controlling interests without change in control	-	-	-	-	-	-	-	-	(9)	(9)
Transfer of economic interest to non-controlling interests ¹	-	-	-	-	-	-	320	320	(320)	-
Net depreciation transfer for property, plant and equipment	-	-	-	-	(64)	-	64	-	-	-
Transaction with owners	151,789,145	251	262,705	(260)	6,155	148,421	97,720	514,992	349,343	864,335
Profit/(loss) for the period	-	-	-	-	-	-	(19,949)	(19,949)	(15,761)	(35,710)
Other comprehensive income										
Foreign currency translation differences	-	-	-	(39,422)	-	-	-	(39,422)	(29,945)	(69,367)
Available-for-sale financial assets										
- current period gains / (losses)	-	-	-	-	-	(369)	-	(369)	(125)	(494)
- reclassification to profit or loss	-	-	-	-	-	676	-	676	385	1,061
Reclassification of reserves on deemed disposal of interest in Joint venture	-	-	-	-	(3,239)	(2,485)	3,239	(2,485)	-	(2,485)
Total comprehensive income for the period	-	-	-	(39,422)	(3,239)	(2,178)	(16,710)	(61,549)	(45,446)	(106,995)
Balance as at 30 September 2011 (Unaudited)	151,789,145	251	262,705	(39,682)	2,916	146,243	81,010	453,443	303,897	757,340

(See accompanying notes to the condensed interim 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 statement of comprehensive income. However, the non controlling interest disclosed in 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 2011

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

	Issued capital (No. of shares)	Issued capital (Amount)	Share premium	Foreign currency translation reserve	Retained earnings /Accumulated deficit	Total equity
As at 1 April 2010 (Audited)	139,534,243	232	98,958	2,788	(146)	101,832
Issue of equity shares	12,254,902	19	95,445	-	-	95,464
Profit for the period	-	-	-	-	2,359	2,359
Other comprehensive income						
Foreign currency translation differences	-	-	-	2,787	-	2,787
Total comprehensive income for the period	-	-	-	2,787	2,359	5,146
Balance as at 30 September 2010 (Unaudited)	151,789,145	251	194,403	5,575	2,213	202,442
As at 1 April 2011 (Audited)	151,789,145	251	194,435	7,511	(4,577)	197,620
Loss for the period	-	-	-	-	(1,075)	(1,075)
Other comprehensive income						
Foreign currency translation differences	-	-	-	2,216	-	2,216
Total comprehensive income for the period	-	-	-	2,216	(1,075)	1,141
Balance as at 30 September 2011(Unaudited)	151,789,145	251	194,435	9,727	(5,652)	198,761

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

INTERIM CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
for the six months ended September 30, 2011

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

	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash inflow / (outflow) from operating activities				
Profit / (loss) before tax	(35,935)	35,521	(1,075)	2,359
Adjustments				
Depreciation and amortization	21,114	8,685	-	-
Finance cost	92,312	21,307	1,427	2,148
Finance income	(18,369)	(17,324)	(690)	(5,112)
Provision for impairment of other assets	1,084	143	-	-
(Gain) / loss on re-measurement of existing equity interest	1,640	(4,906)	-	-
Others	(171)	(64)	-	(2)
Changes in assets / liabilities				
Trade receivables and unbilled revenues	(39,068)	(32,772)	-	-
Inventory	(12,126)	(5,460)	-	-
Other assets	(5,885)	(9,468)	(126)	(15)
Trade payables and other liabilities	18,327	9,737	500	(920)
Provisions and employee benefit liability	(232)	209	-	-
Taxes paid	(3,486)	(4,426)	-	-
Net cash (used in) / provided by operating activities	19,205	1,182	36	(1,542)
Cash inflow / (outflow) from investing activities				
Movement in restricted cash	(11,685)	28,889	9,980	3,000
Purchase of property, plant and equipment & other non current assets	(302,865)	(105,733)	(1)	-
Sale of property, plant and equipment	-	508	-	-
Purchase of financial instruments	(78,296)	(43,699)	(18)	(16,193)
Proceeds from sale of financial instruments	76,206	47,772	-	157
Dividend received	22	98	-	-
Net cash flow on business combination	4,015	(14,673)	-	-
Finance income received	15,182	12,398	37	64
Net cash flow (used in)/provided by investing activities	(297,421)	(74,440)	9,998	(12,972)
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	626,408	387,105	-	9,300
Repayment of borrowings	(236,915)	(249,294)	(9,300)	-
Interest and other finance charges paid	(94,470)	(69,535)	(1,427)	(2)
Net proceeds from issue of shares and share application money	204	508	-	-
Net cash flow provided by / (used in) financing activities	295,227	68,784	(10,727)	9,298
Effect of exchange rate changes on cash	(32,615)	3,305	(87)	(105)
Net increase/(decrease) in cash and cash equivalent	(15,604)	(1,169)	(780)	(5,321)
Cash and cash equivalent at the beginning of the period	61,215	37,669	1,512	10,133
Cash and cash equivalent at the end of the period (note 20)	45,611	36,500	732	4,812

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

KSK Power Ventur plc

NOTES TO INTERIM CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

for the six months ended 30 September 2011

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

1. Corporate information

1.1. Nature of operations

KSK Power Ventur plc ('the Company' or 'KPVP or parent'), its subsidiaries and joint ventures (collectively referred to as 'the Group') are primarily engaged in the development, operation and maintenance of private sector power projects, currently predominantly through subsidiaries and jointly controlled entities with multiple industrial consumers in India with next level of growth coming through large base load power plant subsidiaries.

KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction, operation and maintenance of power plant with supplies initially to heavy industrials operating in India and now branching out to cater to the needs of utilities and others in the wider Indian power sector.

The principal activities of the Group are described in note 8.

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 the European Union;
- b. the Interim management report contained in this document includes a fair review of the information required by the Financial Services 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);
- 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 2011, which have been prepared in accordance with IFRSs.

1.3. Financial period

The interim condensed consolidated and Company financial statements are for the six months ended 30 September 2011. The comparative information required by IAS 1 were determined using IAS 34 and include comparative information as follows:

Statement of financial position	:	31 March 2011 being the end of immediately preceding financial year.
Statement of comprehensive income, statement of changes in equity and statement of cash flows	:	6 months ended 30 September 2010 being the comparable interim period of the immediate preceding financial year.

1.4. General information

KSK Power Ventur plc, a limited liability corporation, is the Group's 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, IM 1 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 approved by the Board of Directors on 28 November 2011.

1.5. Basis of consolidation

The Consolidated financial statements incorporate the financial information of KSK Power Ventur plc, its subsidiaries and joint ventures for the six months ended 30 September 2011.

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

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

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition

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

by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under International Accounting Standard 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.6. 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	% shareholding		
			30 September 2011	31 March 2011	30 September 2010
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	-
KSK Solar Ventures plc ('KSVP')	KPVP	Isle of Man	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')	KGPP	Singapore	100	100	-
KSK Wind Energy Halagali Benchi Private Limited ('KWEHBPL')	KGEPL	India	100	99.96	-
KSK Wind Power Sankonahatti Athni Private Limited ('KWPSAPL')	KGEPL	India	100	99.96	-
KSK Wind Energy Mothalli Haveri Private Limited ('KWEMHPL')	KGEPL	India	100	99.96	-
KSK Wind Power Aminabhavi Chikodi Private Limited ('KWPACPL')	KGEPL	India	100	99.96	-
KSK Wind Energy Shiggaon Haveri Private Limited ('KWESHPL') ¹	KGEPL	India	100	-	-
KSK Wind Energy Mugali Chikodi Private Limited ('KWEMCPL') ¹	KGEPL	India	100	-	-
KSK Wind Power Yadahalli Benchi Private Limited ('KWPYBPL') ¹	KGEPL	India	100	-	-
KSK Wind Energy Nandgaon Athni Private Limited ('KWENAPL') ¹	KGEPL	India	100	-	-
KSK Wind Energy Tirupur Elayamuthur Private Limited ('KWETEPL') ¹	KGEPL	India	100	-	-
KSK Wind Energy Tirupur Udumalpet Private Limited ('KWETUPL') ¹	KGEPL	India	100	-	-
KSK Wind Energy Tuticorin Rajapudukudi Private Limited ('KWETRPL') ¹	KGEPL	India	100	-	-

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

Subsidiaries	Immediate parent	Country of incorporation	% shareholding		
			30 September 2011	31 March 2011	30 September 2010
KSK Wind Energy Madurai MS Puram Private Limited ('KWEMMPPL') ¹	KGEPL	India	100	-	-
KSK Surya Ventures Limited ('KSVL') formerly KSK Surya Holdings Limited ('KSHL')	KEL	Mauritius	100	100	100
KSK Power Holdings Limited ('KPHL') formerly KSK Surya Limited ('KSL')	KEL	Mauritius	100	100	100
KSK Energy Company Private Limited ('KECPL')	KEL	India	100	100	100
KSK Energy Ventures Limited ('KEVL' or 'KSK India')	KEL	India	54.94	54.94	52.73
KSK Surya Photovoltaic Venture Private Limited ('KSPVPL')	KSVL	India	100	100	100
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
KSK Cargo Mover Private Limited ('KCMPL')	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	74	74	100
KSK Wardha Infrastructure Private Limited ('KWIPL')	KEVL	India	100	100	100
Sai Maithili Power Company Private Limited ('SMPCPL')	KEVL	India	100	100	100
KSK Dibbin Hydro Power Private Limited ('KDHPL')	KEVL	India	100	100	100
Kameng Dam Hydro Power Private Limited ('KDHL')	KEVL	India	100	100	100
KSK Mahanadi Power Company Limited ('KSKMPCL')	KEVL	India	99.99	99.99	99.99
KSK Upper Subansiri Hydro Energy Private Limited ('KUSHEPL') ¹	KEVL	India	100	100	-
KSK Jameri Hydro Power Private Limited ('KJHPPL') ¹	KEVL	India	100	100	-
KSK Dinchang Power Company Private Limited ('KDPCPL') ¹	KEVL	India	100	100	-
Tila Karnali Hydro Electric Company Private Limited ('TKHECPL') ¹	KEVL	Nepal	80	80	-
Sai Regency Power Corporation Private Limited ('SRPCPL') ⁴	KEFIPL	India	79.70	79.70	-
Wardha Power Company Limited ('WPCL')	KEFIPL	India	87	87	87
VS Lignite Power Private Limited ('VSLPPL') ²	KEFIPL	India	74	-	-
Field Mining and Ispats Limited ('FMIL')	WPCL	India	85	85	-

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

¹ New SPVs incorporated/acquired during the period.

- KSK Wind Energy Shiggaon Haveri Private Limited ('KWESHPL'),
- KSK Wind Energy Mugali Chikodi Private Limited ('KWEMCPL'),
- KSK Wind Power Yadahalli Benchi Private Limited ('KWPLYBPL'),
- KSK Wind Energy Nandgaon Athni Private Limited ('KWENAPL'),
- KSK Wind Energy Tirupur Elayamuthur Private Limited ('KWETEPL'),
- KSK Wind Energy Tirupur Udumalpet Private Limited ('KWETUPL'),
- KSK Wind Energy Tuticorin Rajapudukudi Private Limited ('KWETRPL'),
- KSK Wind Energy Madurai MS Puram Private Limited ('KWEMMPPL')

² During the period the Group has acquired controlling interest in VSLPPL (see note 7)

(b) Joint ventures

Joint ventures	Venturer	Country of incorporation	% shareholding		
			30 September 2011	31 March 2011	30 September 2010
Arasmeta Captive Power Company Private Limited ('ACPCPL')	KEFIPL	India	51	51	51
Sai Regency Power Corporation Private Limited ('SRPCPL')	KEFIPL	India	-	-	73.92
Sitapuram Power Limited ('SPL')	KEFIPL	India	49	49	49
VS Lignite Power Private Limited ('VSLPPL')	KEFIPL	India	-	74	74
J R Power Gen Private Limited ('JRPGPL') ¹	KEVL	India	51	51	51

¹ As of 30 September 2011 the group holds 99.87 percent of the outstanding share capital of JRPGPL, of which 48.87 percent is held temporarily on behalf of the other joint venture partner. According to the contractual agreements and established legal practices, the group will ultimately hold 51 percent in JRPGPL and hence no adjustments have been made for the additional interest held in these financial statements.

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

2. Basis of preparation

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

The interim condensed Consolidated and Company financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2011, which were prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The financial information set out in these financial statements does not constitute statutory accounts. The financial statements are unaudited.

The interim condensed Consolidated and Company financial statements 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.

The functional currency of the Company and its subsidiaries in Mauritius is the Pound Sterling ('£'). Each entity in the Group determines its own functional currency and items included in the financial statements of each are measured using the functional currency. However, given the rising trend towards globalisation, the Group has selected US \$ as the presentation currency as submitted to the London Stock exchange where the shares of the Company are listed.

As the Group has forecast that it will be able to meet its debt facility interest and repayment obligations, and that sufficient funds will be available to continue with the projects development, the Group has assumed that the going concern basis of preparation for these financial statements are appropriate.

The business of the Group is not seasonal or does not have cyclical operations hence, the interim condensed consolidated financial statements does not include disclosure required in IAS 34 regarding seasonality of operations.

Balances represent consolidated amounts for the Group, unless otherwise stated.

3. 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 2011, noted below:

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

IAS 24 *Related Party Transactions* (Amendment)

The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 *Financial Instruments: Presentation* (Amendment)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has no effect on the financial position or performance of the Group.

IFRIC 14 *Prepayments of a Minimum Funding Requirement* (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognised as pension asset. The Group is not subject to minimum funding requirements. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

IFRIC 19, '*Extinguishing financial liabilities with equity instruments*' - effective 1 July 2010

The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The amendment has no effect on the financial position or performance of the Group.

Improvements to IFRSs (issued May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

- (a) **IFRS 3 *Business Combinations***: The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.
- (b) **IFRS 7 *Financial Instruments - Disclosures***: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.
- (c) **IAS 1 *Presentation of Financial Statements***: The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.
- (d) **IAS 34 *Interim Financial Statements***: The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- (a) **IFRS 3 *Business Combinations*** — Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2005)
- (b) **IFRS 3 *Business Combinations*** — Unreplaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination.
- (c) **IAS 27 *Consolidated and Separate Financial Statements*** — applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards
- (d) **IFRIC 13 *Customer Loyalty Programmes*** — in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty programme)

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

4. Standards and interpretations not yet applied

Standards and Interpretations issued but not yet adopted by the European Union at the closing date

Standard	Description	Effective for in reporting periods starting on or after
IAS 12	Deferred Tax: Recovery of Underlying Assets – Amendments	1 January 2012
IAS 1	Presentation of Financial statements – revision to items presented under other comprehensive income	1 July 2012
IAS 19	Employee Benefits – revision to post-employment benefits and termination benefits	1 January 2013
IAS 27 (R)	Separate Financial Statements	1 January 2013
IAS 28 (R)	Investments in associates and joint ventures	1 January 2013
IFRS 7	Transfers of Financial Assets-Amendments	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12	Disclosures of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2013. In subsequent phases, the IASB will address impairment and hedge accounting. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

The Group has yet to assess the impact of IFRS 9, IFRS 10, IFRS 11, IFRS 12 and IFRS 13 on the financial statements. However the management does not intend to apply any of these pronouncements early.

Based on the Group's current business model and accounting policies, management does not expect the application of the above other standards, yet to be endorsed by EU, to have any material impact on its financial statements when those Standards become effective. The Group does not intend to apply any of these pronouncements early.

5. 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 Consolidated and Company financial statements.

6. Acquisition of non-controlling interest

During the month of January 2011, KSK Energy Company Private Limited (KECPL) acquired 8,200,000 shares of KSK Energy Ventures Limited ('KEVL') of face value of Rs. 10 (US \$ 0.22) each at a premium of 98.26 (US \$ 2.13) per share from the Indian domestic market.

Pursuant to the acquisition of the additional equity shares, the ownership interest of the Group in KEVL increased from 52.73 percent to 54.94 percent resulting in a 2.21 percent additional interest in subsidiary.

The acquisition of interest in subsidiary from non-controlling interest is accounted as an equity transaction, and accordingly no gain or loss is recognised in the Consolidated statement of comprehensive income. The difference of US \$ 4,656 between the fair value of the net consideration paid (US \$ 19,206) and the amount by which the non-controlling interest (US \$ 14,550) is adjusted are debited to 'other reserve' within Consolidated statement of changes in equity and attributed to the equity holders of the parent.

7. Business combinations

Acquisition of VS Lignite Power Private Limited (VSLPPL)

The Group acquired control of VSLPPL with effect from 6 May 2011. In an Extra-ordinary General Meeting held on 6 May, 2011, the members have ceded away their control in favor of Group in respect of operating and financial decisions including but not restricted to expansion projects, alternative fuel sourcing, new business opportunities and any collaboration that the company may wish to undertake. There has been no change in the percentage ownership interest as a result of Group obtaining control, therefore no shares or cash have been exchanged. The Group has acquired VSLPPL because it significantly increases the Group output in power generation segment and to expand solar energy operations. The Group has accounted for this acquisition as a business combinations and accordingly the purchase price was allocated to the assets and liabilities of the business based on their fair values as at the date of the acquisition. The fair values of the recognised assets and liabilities were determined based on a purchase price allocation report issued by an independent valuer.

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

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

	Fair value recognized on acquisition
Property, plant and equipment	251,977
Cash and short-term deposits	15,573
Trade and other receivable	12,090
Inventories	2,847
Financial and other instruments	5,439
Other current and non- current assets	4,028
Deferred tax liability	(16,304)
Interest bearing loans and borrowings	(177,572)
Trade and other payable	(17,008)
Deferred revenue	(3,727)
Provisions	(2,046)
Other current liabilities	(21,086)
Taxes payable	(16)
Employee benefit liability	(53)
Purchase consideration	-
Fair value of existing interest	(40,065)
Non-controlling interest	(14,077)
Goodwill	-
Consideration transferred settled in cash (A)	-
Cash and short-term deposit acquired (B)	15,573
Cash and short-term deposit disposed on deemed disposal (C)	11,524
Restricted cash acquired on business combination (D)	34
Net cash and short-term deposit acquired on business combination (E=B-C-D)	4,015
Net cash in flow on acquisition (A-E)	4,015

A part of the acquisitions cost may be attributed to the existing customer relationships. However, considering the energy deficit in Indian economy, the existing customer contracts at the agreed prices do not bring any additional economic benefit to the Group which requires/warrants the recognition of the customer contracts as intangible assets. Consequently, no value has been ascribed to such intangible assets.

The revenue and profit before tax recognised in the consolidated financial statements for period ended 30 September 2011 from the date of acquisition due to the increased equity interest of the Group amounts to US \$ 7,116 and US \$ 621 respectively. Further the revenues and profit before tax for the period ended 30 September 2011 will be the same as mentioned above even if the business combination have affected at the beginning of the period..

The fair value of trade receivables amounts to US \$ 12,090. The gross amount of trade receivable is US \$ 12,090. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

Transaction cost of US \$ 2 has been expensed and is included in administrative expenses in Group's consolidated statement of comprehensive income.

The non-controlling interests in VSLPPL were measured at their proportionate share (26%) of VSLPPL's identifiable net assets amounting to US \$ 14,077. Further, the Group recognised a loss of US \$ 1,640 as a result of measuring at fair value its 74% equity interest in VSLPPL held prior to the acquisition date. The above loss of US \$ 1,640 has been arrived at by deducting the difference between US \$ 40,065 of fair value and US \$ 41,705 of carrying value (along with the goodwill of US \$ 28,690 paid on earlier acquisition of stake in VSLPPL). This loss is included within other operating income in the Consolidated statement of comprehensive income.

8. 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 amount 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 2011 (Unaudited)	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customer	1,455	181,511	-	182,966
Inter-segment	2,670	-	(2,670)	-
Total revenue	4,125	181,511	(2,670)	182,966
Segment operating results (see note (f) below)	1,932	42,205	(470)	43,667
Unallocated operating income, net				250
Finance costs, net				(98,221)
Finance income				18,369
Profit /(loss) before tax				(35,935)
Tax income / (expense)				225
Profit /(loss) after tax				(35,710)
Segment assets	20,094	2,717,777	(1,793)	2,736,078
Unallocated assets				368,404
Total assets				3,104,482
Segment liabilities	3,438	343,327	(1,793)	344,972
Unallocated liabilities				2,002,170
Total liabilities				2,347,142
Other segment information:				
Depreciation	233	20,419	462	21,114
Capital expenditure	5,698	4,22,881	28,561	4,57,140
<hr/>				
Period ended 30 September 2010 (Unaudited)	Project development activities	Power generating activities	Reconciling/ Elimination	Consolidated
Revenue				
External customer	101	81,154	595	81,850
Inter-segment	9,855	-	(9,855)	-
Total revenue	9,956	81,154	(9,260)	81,850
Segment operating results (see note (f) below)	7,811	40,653	(7,532)	40,932
Unallocated operating income, net				(612)
Finance costs				(21,307)
Finance income				16,508
Profit /(loss) before tax				35,521
Tax income /(expense)				1,784
Profit /(loss) after tax				37,305
Segment assets	15,206	1,967,999	(708)	1,982,497
Unallocated assets				383,829
Total assets				2,366,326
Segment liabilities	3,727	106,501	(708)	109,520
Unallocated liabilities				1,380,255
Total liabilities				1,489,775
Other segment information:				

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

Period ended 30 September 2010 (Unaudited)	Project development activities	Power generating activities	Reconciling/ Elimination	Consolidated
Depreciation	213	8,174	298	8,685
Capital expenditure	694	176,305	14,668	191,667

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 \$ 18,369 and US \$ 98,221 respectively (30 September 2010: US \$ 16,508 and US \$ 21,307 respectively).
- (c) Segment assets do not include deferred tax US \$19,678 (30 September 2010: US \$ 9,240), financial assets and other investments US \$151,377 (30 September 2010: US \$ 276,237), short-term deposits with bank and cash US \$ 76,617 (30 September 2010: US \$ 23,625), and corporate assets US \$ 120,732 (30 September 2010: US \$ 74,727).
- (d) Segment liabilities do not include deferred tax US \$ 38,446 (30 September 2010: US \$ 36,349), current tax payable US \$ 1,366 (30 September 2010: US \$ 847), interest-bearing current and non-current borrowings US \$ 1,933,140 (30 September 2010: US \$ 1,303,917) and corporate liabilities US \$ 29,218 (30 September 2010: US \$ 39,142)
- (e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.
- (f) Includes (loss)/gain on re-measurement of existing equity amounting to US \$ (1,640) (30 September 2010: US \$ 4,906),
- (g) One customer in the power generating segment contributing revenues of US \$ 100,585 accounted for 55.14% of the total segment revenue (30 September 2010: Two customers in the power generating segment contributing revenues of US \$ 31,615 and US \$ 11,384 accounted for 52.52% of the total segment revenue).

9. Depreciation and costs of inventories included in the Consolidated statements of comprehensive income

Depreciation and costs of inventories included in the Consolidated statements of comprehensive income

	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
Included in cost of revenue:		
Fuel costs	95,125	23,439
Depreciation	17,300	6,820
Included in general and administrative expenses:		
Depreciation	3,815	1,865

10. Other operating income, net

Other operating income comprises:

	Consolidated		Company	
	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)	30 September 2011 (Unaudited)	30 September 2010 (Unaudited)
Income from management fees	193	244	-	-
(Loss)/Gain, on re-measurement of existing equity interest (see note 7)	(1,640)	4,906	-	-
Deferred revenue amortization	171	-	-	-
Gain on disposal of property, plant and equipment	-	64	-	-
Other operating income	1,010	988	-	2
Total	(266)	6,202	-	2

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

11. Finance costs

Finance costs comprises of:

	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expenses on loans and borrowings ¹	52,034	18,624	146	63
Other finance costs	3,214	1,078	1281	2
Provision for impairment of available-for-sale securities	1,084	-	-	-
Net loss on financial liability at fair value through profit or loss	465	996	-	-
Foreign exchange loss, net ²	40,735	-	-	2,258
Net loss on held-for-trading financial assets on re-measurement	40	-	-	-
Unwinding of discounts	649	609	-	-
Total	98,221	21,307	1,427	2,323

¹ Borrowing cost capitalised during the period amounting to US \$ 54,674 (30 September 2010 US \$ 42,847)² Includes loss on account of restatement of foreign currency loans and trade payables amounting to US \$ 36,354 (30 September 2010: Nil).**12. Finance income**

The finance income comprises of:

	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income				
bank deposits	13,802	5,602	34	20
loans and receivables	3,495	3,233	83	83
Dividend income	474	154	-	-
Finance lease income	-	113	-	-
Net gain on held-for-trading financial assets on disposal	25	1,047	-	-
Fair value gain on financial assets at fair value through profit or loss.	-	4,359	-	4,337
Unwinding of discount on security deposits	550	537	-	-
Foreign exchange gain, net ¹	-	1,406	620	-
Guarantee commission from subsidiary	-	-	-	672
Reclassification adjustment in respect of available-for-sale financial assets disposed	23	57	-	-
Total	18,369	16,508	737	5,112

¹ Includes loss on account of restatement of foreign currency loans, trade payables amounting to Nil (30 September 2010: US \$ 997.)**13. Tax income / (expense)**

The major components of income tax for the period ended 30 September 2011 and 2010

	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)
Current tax	(2,934)	(3,435)
Deferred tax	3,159	5,219
Tax income reported in the statement of comprehensive income	225	1,784

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

Deferred income tax at 30 September 2011 and 31 March 2011 relates to the following:

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
<i>Deferred income tax assets</i>		
Share issue expenses	1,352	1,923
Property, plant and equipment	4,229	9,880
Unused tax losses carried forward	34,478	33,225
MAT credit	7,568	7,133
Others	1,921	941
	49,548	53,102
<i>Deferred income tax liabilities</i>		
Property, plant and equipment	66,441	67,559
Others	1,875	1,377
	68,316	68,936
Deferred income tax liabilities, net	(18,768)	(15,834)

Reconciliation of deferred tax liability, net

	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)
Opening balance as of 1 April, 2011 (Audited)	(15,834)	(20,155)
Tax income during the period recognized in statement of comprehensive income	3,159	5,219
Tax expense during the period recognized in statement of changes in equity	(421)	(436)
Deferred taxes acquired in business combination (see note 7)	(16,304)	(15,684)
Deemed disposal arising on re-measurement of existing equity interest	8,817	3,871
Translation adjustment	1,815	76
Closing balance as at 30 September 2011 (Unaudited)	(18,768)	(27,109)

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.

14. Goodwill and impairment testing

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
Opening balance	52,460	84,482
Deemed disposal arising on re-measurement of existing equity interest (see note 7)	(28,690)	(38,354)
Goodwill arising on acquisition	-	6,832
Translation adjustment	(2,075)	(500)
Closing balance	21,695	52,460

Goodwill is tested for impairment annually and there were no circumstances which indicated that the carrying value may be impaired. Hence no impairment testing was carried out in the interim period ended 30 September 2011.

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

15. 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 2010 (Audited)	67,848	238,497	10,321	6,508	1,000,957	1,324,131
Additions	85,256	302,696	-	2,871	75,123	465,946
Business combination	23,549	103,034	-	1,075	529,552	657,210
Disposals / adjustments	(16,501)	(65,240)	-	(1,671)	(369,098)	(452,510)
Exchange adjustment	(617)	(2,099)	(84)	(59)	(9,900)	(12,759)
As at 31 March 2011(Audited)	159,535	576,888	10,237	8,724	1,226,634	1,982,018
As at 1 April 2011 (Audited)	159,535	576,888	10,237	8,724	1,226,634	1,982,018
Additions	64,059	285,344	-	1,303	106,434	457,140
Business combination (see note 7)	32,769	218,638	-	372	198	251,977
Disposals / adjustments	(20,692)	(144,091)	-	(874)	(146)	(165,803)
Exchange adjustment	(15,046)	(57,512)	(894)	(779)	(107,070)	(181,301)
As at 30 Sept 2011 (Unaudited)	220,625	879,267	9,343	8,746	1,226,050	2,344,031
Accumulated depreciation						
As at 1 April 2010 (Audited)	1,318	9,008	20	2,476	-	12,822
Additions	3,007	17,202	496	1,636	-	22,341
Disposals / adjustments	(638)	(6,940)	-	(853)	-	(8,431)
Exchange adjustment	22	118	5	(5)	-	140
As at 31 March 2011 (Audited)	3,709	19,388	521	3,254	-	26,872
As at 1 April 2011 (Audited)	3,709	19,388	521	3,254	-	26,872
Additions	2,788	17,026	313	987	-	21,114
Disposals / adjustments	(524)	(5,400)	-	(580)	-	(6,504)
Exchange adjustment	(562)	(3,195)	(71)	(373)	-	(4,201)
As at 30 Sept 2011(Unaudited)	5,411	27,819	763	3,288	-	37,281
Net book value						
As at 30 Sept 2011(Unaudited)	215,214	851,448	8,580	5,458	1,226,050	2,306,750
As at 31 March 2011 (Audited)	155,826	557,500	9,716	5,470	1,226,634	1,955,146

The property, plant and equipment of the Company comprise:

	Land and buildings	Power stations	Other plant and equipment	Assets under construction	Total
Cost					
As at 1 April 2011 (Audited)	-	-	-	-	-
Additions	-	-	1	-	1
Disposals / adjustments	-	-	-	-	-
Exchange adjustment	-	-	-	-	-
As at 30 Sept 2011 (Unaudited)	-	-	1	-	1
Accumulated depreciation					
As at 1 April 2011 (Audited)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-
Exchange adjustment	-	-	-	-	-
As at 30 Sept 2011(Unaudited)	-	-	-	-	-
Net book value					
As at 30 Sept 2011(Unaudited)	-	-	1	-	1
As at 31 March 2011 (Audited)	-	-	-	-	-

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

16. Investments and other financial assets

	Consolidated		Company	
	30 September 2011 (Unaudited)	31 March 2011 (Audited)	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Current				
Financial assets at fair value through profit or loss				
- held-for-trading	3,519	5,638	-	-
Loans and receivables	91,922	93,543	12,530	12,521
Loans and receivables to JV partners	18,078	17,086	-	-
	113,519	116,267	12,530	12,521
Non-current				
Available-for-sale investments	11,438	12,647	-	-
Deposit with banks	28,462	28,992	-	-
Loans and receivables	39,350	51,217	9,225	9,225
Loans and receivables to JV partners	5,416	13,244	-	-
Loans and receivable to subsidiaries	-	-	30,106	124,373
Investment in subsidiaries	-	-	143,578	46,449
	84,666	106,100	182,909	180,047
Total	198,185	222,367	195,439	192,568

Loans and receivables

This primarily includes interest-bearing inter-corporate deposits of US \$ 40,829 (31 March 2011: US \$ 42,303), deferred loan origination costs US \$ 14,393 (31 March 2011: US \$ 29,493), security deposit to suppliers US \$ 17,958 (31 March 2011: US \$ 16,814), advance for investments US \$ 16,054 (31 March 2011: US \$ 12,111) and other financial assets US \$ 42,038 (31 March 2011: US \$ 44,039).

Loans and receivables to JV partners

This primarily includes the share application money in the joint venture entities, short-term loans to joint venture partners and redeemable preference share capital held in the joint venture entities redeemable between 5 to 20 years.

Available-for-sale investments:

During the period ended 30 September 2011, available for sale investments of US \$ 1,084 (31 March 2011: US \$ Nil) were collectively impaired.

17. Other assets

	Consolidated		Company	
	30 September 2011 (Unaudited)	31 March 2011 (Audited)	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Current				
Advance to suppliers	28,091	23,378	-	-
Prepayments	5,940	5,939	110	-
Income tax receivable	5,568	4,712	-	-
Other receivables	1,609	1,079	9	-
	41,208	35,108	119	-
Non-current				
Development of mineral assets	3,966	3,716	-	-
Prepayments	38,813	17,816	-	-
	42,779	21,532	-	-
Total	83,987	56,640	119	-

During the period ended 30 September 2011, other current assets of US \$ Nil (31 March 2011: US \$ 143) were collectively impaired and written off.

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

18. Trade and other receivables

	Consolidated		Company	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current				
Trade receivables	77,694	44,534	-	-
Unbilled revenue	9,414	1,123	-	-
Net investment in lease receivables	-	236	-	-
Interest accrued	22,497	20,278	246	166
	109,605	66,171	246	166
Non-current				
Trade receivables	2,825	2,976	-	-
Net investment in lease receivables	-	2,717	-	-
	2,825	5,693	-	-
Total	112,430	71,864	246	166

During the period ended 30 September 2011, trade receivables of US \$ Nil (31 March 2011: US \$ 290) were collectively impaired and written off.

19. Inventories

	30 September 2011	31 March 2011
	(Unaudited)	(Audited)
Fuel (at cost)	17,581	5,697
Stores and spares (at cost)	9,902	8,920
Total	27,483	14,617

20. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		Company	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash at banks and on hand	44,600	60,181	732	1,512
Short-term deposits	289,674	277,978	3,060	13,039
Total	334,274	338,159	3,792	14,551

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

	Consolidated		Company	
	30 September 2011	30 September 2010	30 September 2011	30 September 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash at banks and on hand	44,600	27,712	732	1,792
Short-term deposits	289,674	233,796	3,060	3,020
Less: Restricted cash ¹	(288,663)	(215,008)	(3,060)	-
Cash and cash equivalent	45,611	36,500	732	4,812

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

21. 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 authorized share capital of 500,000,000 equity shares (March 2011: 500,000,000) at par value of US \$ 0.002 (£ 0.001) per share amounting to US \$ 998.

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

The Company has issued share capital at par value of US \$ 0.002 (£ 0.001) per share.

Reserves

Share premium represents the amount received by the Group over and above the par value of shares issued 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 are deducted from securities premium, net of any related income tax benefits.

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.

Translation reserve is used to record the exchange differences arising from the translation of the financial statements of the foreign subsidiaries and joint ventures.

Other reserve represents the difference between the consideration paid and the adjustment to net assets on change of controlling interest, without change in control. Any transaction costs associated with the issuing of shares by the subsidiaries are deducted from other reserves, net of any related income tax benefits. Further it also includes the loss / gain on fair valuation of available-for-sale financial instruments.

Retained earnings include all current and prior year results as disclosed in the statement of comprehensive income less dividend distribution.

22. Interest-bearing loans and borrowings

The borrowings comprise of the following:

	Interest rate (range %)	Final Maturity	Consolidated		Company	
			30 September 2011	31 March 2011	30 September 2011	31 March 2011
			(Unaudited)	(Audited)	(Unaudited)	(Audited)
Long-term "project finance" loans	10.50 to 15.25	March-26	1,090,047	910,034	-	-
Short-term loans	6.00 to 16.50	September-12	255,717	233,133	-	9,300
Buyers' credit facility	1.66 to 2.91	September-12	428,248	318,906	-	-
Cash credit and other working capital facilities	12.90 to 14.75	September-12	131,392	113,955	-	-
Redeemable preference shares	14.11	February-28	27,736	28,953	-	-
Total			1,933,140	1,604,981	-	9,300

The borrowings mature as follows:

	Consolidated		Company	
	30 September 2011	31 March 2011	30 September 2011	31 March 2011
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Current liabilities				
Amounts falling due within one year	899,403	787,465	-	9,300
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	623,437	473,727	-	-
Amounts falling due in more than five years	410,300	343,789	-	-
Total	1,933,140	1,604,981	-	9,300

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

23. Trade and other payables

	Consolidated		Company	
	30 September 2011 (Unaudited)	31 March 2011 (Audited)	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Current				
Trade payables	288,993	176,075	836	305
Share application money	918	714	-	-
Interest accrued but not due	15,299	10,532	-	60
	305,210	187,321	836	365
Non-current				
Trade payables	52,424	29,736	-	-
	52,424	29,736	-	-
Total	357,634	217,057	836	365

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

- Long-term trade payables are non-interest bearing and will be settled in 1-7 years.
- Share application money represents application money paid by investor/customers for purchase of equity shares in subsidiaries/joint venture entities as at the reporting date.
- Interest accrued but not due is normally settled monthly throughout the financial year.

24. 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.

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Non-current		
Opening balance	2,115	1,984
Translation difference	(239)	(15)
Arises during the period on account of business combination (see note 7)	532	-
Unwinding of discount	99	146
Closing balance	2,507	2,115

25. Other current financial liabilities

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Financial instruments at fair value through profit and loss account		
Derivatives not designated as hedge		
- Foreign exchange forward contracts	-	3,184
Total	-	3,184

26. Other current liabilities

	30 September 2011 (Unaudited)	31 March 2011 (Audited)
Statutory liabilities	1,118	2,811
Accruals	1,699	973
Total	2,817	3,784

KSK Power Ventur plc

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

27. Related party transactions

For detail list of subsidiaries and joint ventures see note 1.6

Key management personnel (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

* Appointed with effect from 12 August 2011

Related party transactions during the period

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

Particulars	Consolidated				Company	
	30 September 2011		30 September 2010		30 September 2011	30 September 2010
	(Unaudited)		(Unaudited)		(Unaudited)	(Unaudited)
	Joint Venture	KMP	Joint Venture	KMP	Subsidiaries	
Transactions^{1,2}						
Project development fees and corporate support services fees	1,455	-	101	-	-	-
Interest income	1,305	-	1,150	-	-	-
Inter-corporate deposits and loans given	7,005	-	7,114	-	18	3,296
Inter-corporate deposits and loans refunded	230	-	3,267	-	-	156
Loans taken	-	-	104	-	-	-
Lignite excavation income	-	-	595	-	-	-
Finance lease income	-	-	113	-	-	-
Guarantees commission received from subsidiaries	-	-	-	-	-	672
Managerial remuneration ³	-	273	-	266	78	73
Balances^{1,2}						
Interest receivable	2,648	-	3,961	-	-	-
Loans and inter corporate deposits receivable	19,434	-	17,080	-	30,106	31,606
Loans and inter corporate deposits payable	-	-	107	-	-	-
Lease receivable	-	-	2,923	-	-	-
Other receivable	1,307	-	94	-	-	-
Due to key managerial personnel ³	-	63	-	61	42	37

¹ Outstanding balances at the period end are unsecured, interest-bearing in case of loans and inter-corporate deposits and non-interest bearing in case of other loans and advances and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 September 2011, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (30 September 2010: US \$ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

² The difference in the movement between the opening outstanding balances, transactions during the period and closing outstanding balances is on account of business combination and exchange adjustments.

³ Remuneration is net of accrual towards Gratuity, a defined benefit plan, which is managed for the Company as a whole. However, the annual accrual of this liability towards key management personnel is not expected to be significant. There are no other long term benefits and termination benefits which are payable to the key management personnel.

28. Commitments and contingencies

Capital commitments

As at 30 September 2011, the Group is committed to purchase property, plant and equipment for US \$2,733,173 (31 March 2011: US \$ 3,196,514).

Legal claim

- Sitapuram Power Limited ('SPL') received bills totalling to US \$ 1,622 from Transmission Corporation of AP Limited ('AP Transco') to pay contracted demand charges for the full month without any deference to the period of actual outage (and consequent drawl by SPL from the grid). The Company has contended the basis for the charges levied by SPDCL and along with the captive consumer has filed a petition with Andhra Pradesh Electricity Regulatory Commission ("APERC") for revision of the charges claiming that the levy is unreasonable and APERC has dismissed the petition. The Company has filed an appeal before Appellate Tribunal for Electricity against the order of APERC. The Appellate Tribunal for Electricity has allowed the appeal in favor of the Company vide its judgment dated 19 November 2010. As per the judgment, the captive consumer is in the process of filing application with SPDCL for claiming the refund. Upon receipt of the refund of aforesaid amount from SPDCL, the claims receivables of the Company will be settled by the captive consumer.
- SPL also received claims for penal charges totalling to US \$ 89 from state utility board for excess sourcing of power on account of failure of reverse switch mechanism maintained by the state electricity board. The Group contends that excess sourcing was not deliberate but on account of failure of reverse switch mechanism, maintenance of which is duty of state utility board. Considering the facts and nature of claim and a stay has been granted by appellate authorities in India, the Group believes that the final outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements.
- Wardha Power Company Limited ('WPCL') received claims for US \$ 2,057 from Maharashtra State Electricity Distribution Company Limited (MSETCL) towards the Long Term Open Access charges (LTOA) pursuant to the Bulk Power Transmission Agreement (BPTA) since, the transmission facility was kept ready for use. The Group contends at no stage MSETCL informed WPCL regarding the readiness of the evacuation system and the transmission system was never utilized for transmission of the power. Hence, the demand made is not correct and if allowed would constitute for double accounting for the use of the system. The Group believes that outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements.
- The Group has received claims for US \$ 12,785 from Joint Director General of Foreign Trade (DGFT) towards the recovery of the duty drawbacks, earlier refunded. The Group had earlier made claims for the refund of the duties paid on the machinery and other items purchased for the construction of the power projects under the scheme of deemed export benefit, which were accepted and refunds were granted. The communication from the DGFT regarding the recovery of the duties paid are based on the interpretations by the Policy Interpretation Committee held on 15 March 2011. The Group contends that the above change in interpretation requires an amendment to the foreign trade policy to be legally enforceable in law. Since, no such amendment has been done yet, the Group believes that outcome of the above dispute should be in favour of the Group and there should be no material impact on the financial statements.
- Service tax department has issued demand order to the KEVL for payment of service tax amounting to US \$ 10,093 (including penalty) relating to the disagreement on availment of Cenvat Credit for the period April 2008 to March 2010 and non-payment of service tax. However, the Group believes that the claims raised by the department are not tenable and the KEVL is in the process of filing an Appeal before CESTAT by giving the adequate replies to the various points raised in the order.

Guarantees

- The Company has guaranteed the loans and non fund based facilities availed by subsidiaries to unrelated parties for US \$ 220,631 (31 March 2011: US \$ 272,569) and
- The Group guaranteed the performance of the joint ventures under the power delivery agreements to unrelated parties. No liability is expected to arise.

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

29. Subsequent events

Open offer: The Group has made an open offer to the public equity shareholders of KSK Energy Ventures Limited ('KEVL'), an Indian Listed subsidiary, to acquire up to 74,526,091 equity shares being 20% of the voting share capital of the subsidiary, pursuant to and in compliance with, among others, Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations" or the "Regulations"). The offer is being made at a price of Rs 125/- (US \$ 2.75) per equity share, payable in cash. Subsequent to the open offer, the holding of the Group in KEVL will increase to 74.94% from 54.94%, which will be accounted as acquisition of non-controlling interest without change in control as equity transaction and accordingly, the carrying amount of Group's interest and the non-controlling interest will be adjusted to reflect the changes in their relative interests in the subsidiary.

Approved by the Board of Directors on 28 November 2011 and signed on behalf by:

S. Kishore
Executive Director

K. A. Sastry
Executive Director