KSK Power Ventur PLC - KSK
Audited Results for the year ended 31 March 2015
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KSK Power Ventur plc
("KSK" or the "Group" or the "Company")
Audited Results for the year ended 31 March 2015

KSK Power Ventur plc (KSK.L), the power project company listed on the London Stock Exchange, with interests in multiple power plants and businesses across India, announces the consolidated audited results for the year ended 31 March 2015.

Financial Highlights

- Gross Revenue increased by 13.8% to $ 382.3 m (2014: $ 335.9 m)
- Gross Profit increased by 13.3% to $ 103.3 m (2014: $ 91.1 m)
- Operating Profit* decreased by 30.1% to $ 40.6 m (2013: $ 58.0 m)
- Loss before tax** moved to a loss of $ 160.1 m (2014: loss of $ 72.1 m)
- Investments in Property Plant and Equipment increased 7.5% to $ 3,457 m (2014: $ 3,215 m)

* Includes the provision of a $ 24.59 million impairment in respect of coal compensation at Sai Wardha based on the understanding that rather than an immediate cash refund, the coal supplier would prefer to pass on the benefit to the Company in the form of revised discounted price charge mechanism for coal supplies over the balance of the fuel supply period.

**This includes an unrealised exchange loss of $ 33.16 million on account of the restatement of the foreign currency component of certain bank financing facilities and trade payables.

These movements were due to the lower than expected PLF at Sai Wardha as well as single 600 MW unit operations at KSK Mahanadi owing to the transmission corridor constraints of national grid restricting actual generation, and the resultant mismatches in meeting overall financing costs. As a result, while the underlying revenue and gross profit growth compared to the previous year shows an increase, there has been a decrease in operating profit and an increase in the loss before tax.

Comparison of results

Particulars	**31 March 2015 (USD m)**	**31 March 2014 (USD m)**	**% change**
Revenue	382.3	335.9	13.8%
Gross profit	103.3	91.1	13.3%
Operating profit	40.6	58.0	-30.1%
(Loss) / profit before tax	(160.1)	(72.1)	122.0%
Average exchange rate Rupee/USD	Rs 61.1752 / $	Rs 60.4267 / $	

Notwithstanding the challenges across the sector and exchange rate volatility expected to continue during the current year that could create distortions to the Company's performance, the combination of our underlying assets, our risk mitigation strategies and certain recent positive developments should, in the long term, assist in moving the Company back towards meeting market expectations. However, in the short term, owing to capacity utilisation rates remaining below the Board's initial plans, such expectations are likely to be met gradually.

Operating Highlights

- During the year operating assets generated 6,158 GWh as against 5,757 GWh for the previous year, an increase of 7.6%, with the following individual Plant Load Factors ("PLF"):

	31 March 2015		**31 March 2014**	
KSK Mahanadi (First 600 MW)	3,203 GWh	(61%)	1,088 GWh	(62%)
Sai Wardha (540 MW)	1,174 GWh	(25%)	2,586 GWh	(55%)
VS Lignite (135 MW)	851 GWh	(72%)	902 GWh	(76%)
Sai Regency (58 MW)	423 GWh	(83%)	445 GWh	(88%)
Sai Lilagar (86 MW)	148 GWh	(20%)	341 GWh	(45%)
Sitapuram Power (43 MW)	343 GWh	(91%)	342 GWh	(91%)
Solar Project (10 MW)	16 GWh	(18%)	19 GWh	(21%)
Wind project			33 GWh	(20%)

Although there has been an increase in generation over the previous year, the overall generation across the portfolio is below expectations given the challenges currently facing all aspects of the energy sector in India.

- The 3.6 GW KSK Mahanadi power project is under construction with further progress being made during the year, including:

  - Commissioning of the two 600 MW units, along with commissioning of the entire balance of plant as well as ancillary common infrastructure facilities including water, rail lines etc

  - Varying construction progress on the final four 600 MW units

- Full operation of the current 1,200 MW at KSK Mahanadi, particularly the second 600 MW unit has been delayed due to transmission corridor access issues and the Company has sought intervention by the Central Electricity Regulatory Commission (CERC) for commencement of 500 MW supplies to Tamil Nadu. The Company has approached CERC and subsequent to the order dated 16th February 2015 a final implementation order has now been issued by CERC on 3rd July 2015 to make the transmission corridor access available for applicants. It is anticipated that Power Grid (the state owned Transmission Company) will resolve the transmission access shortly. Early supplies to Uttar Pradesh DISCOMS of 300 MW have been enabled following the grant of the Medium term Open Access (until October 2016) and KSK Mahanadi is currently awaiting the scheduling of power upon Power grid's notification.

- Operating constraints at Sai Wardha with respect to coal costs, open access and PPAs continued during the year. Favourable decisions from the Competition Commission of India and the Appellate Tribunal for Electricity have been obtained both with respect to coal as well as a 25 year PPA with MSEDCL (a local state utility company) and efforts are underway to obtain implementation at the earliest. In the interim, short term power sale arrangements are being undertaken and reduced asset utilisation levels mean revenues and profitability will continue to experience marginal improvements in the short term before full improvements are realised.

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

"The year 2015 witnessed the Company's power plants' aggregate gross generation reach 6.16 TWhs. With the various challenges at 540 MW Sai Wardha and the 1,200 MW of the KSK Mahanadi operational issues now being addressed, it is anticipated that, subject to the commencement of the second unit of operations at KSK Mahanadi for at least part of the current year, gross generation could achieve 9 TWhs during 2015-16.

Significant asymmetry that has occurred over the last three years with respect to fuel and transmission issues has resulted in low PLF requiring corrective action for the sector as a whole. These results, are to be read in the context of not just distinct circumstances across the Indian power sector, but together with the overriding challenging times and accompanying economic environment in India.

Whilst the issues at Sai Wardha have seen an improvement during the first quarter of the current year, with partial resolution through Fuel Supply Agreement amendments, the final execution of the definitive agreement has been delayed due to a number of localised factors. When this is successfully resolved, profitability is expected to revert to the previously achieved levels and Sai Wardha should be in a position to pursue potential refinancing opportunities.

The phased construction of the KSK Mahanadi project is making steady progress, with the first two 600 MW units already commissioned. Once the transmission corridor issues are resolved by the authorities, the plant is expected to achieve power generation operations for a substantial part of the current financial year. Further, interim coal imports from overseas through appropriate collaborative arrangements that have been put in place, and facilitated by working capital lenders, will provide sufficient fuel for the planned generation from KSK Mahanadi.

In line with the Indian sector, the Company has suffered fuel supply setbacks during the year, wherein both the FSA's with Goa Industries Development Corporation ("GIDC") and Gujarat Mineral Development Corporation ("GMDC") have become inoperable on account of the cancellation of their respective coal blocks by Hon. Supreme Court of India. In a recent development, the tapering linkage contract has been discontinued by the Ministry of Coal and an alternate Memorandum of Understanding based supplies has been proposed as an interim arrangement until 31st March 2016. It is expected that the Ministry of Power and Ministry of Coal are currently planning a comprehensive new plan and structure wherein the coal supply plans would be formulated to address needs of those power plants that have physically progressed on the ground and with PPA commitments to DSICOMS already made. KSK Mahanadi together with multiple DSICOMS supply PPAs is pre-eminently qualified for favourable consideration and accordingly necessary coal requirements of KSK Mahanadi could be suitably addressed.

The Company is currently in discussions with both Government and project stakeholders regarding the terms of existing drawn and undrawn financial facilities in order to match these to the current development and additional financing plans for KSK Mahanadi. Discussions with all stakeholders regarding such arrangements have been positive to date and the Company's lenders are supportive of the proposed arrangements.

The additional debt funding for the KSK Mahanadi power project, to cover the significant USD/INR currency fluctuation on project imports, and the extended timelines, has been agreed by the Consortium of Project Lenders and regulatory dispensation is currently being sought. Nonetheless the Company monitors the situation on an on-going basis and plans alternative arrangements where necessary. The outcome of all of the above may impact on the timing of the strategic development of the remaining four units.

The consequent refinancing at the operational phase of 1,200 MW at KSK Mahanadi and other decisions by the Project Lenders is expected to provide an enabling framework for completion and operation of the balance of units by 2017.

The year continued to be a difficult time for the entire power sector in India and management have maintained their efforts to address the various challenges in the operating projects. KSK's bold growth initiative, from start-up to becoming a leading independent power producer targeting c.3% of total Indian power generation by 2017 (upon completion of all units of KSK Mahanadi), demonstrates KSK's long term strategy and, upon successful resolution of the various issues, demonstrates the potential for profitability in this key area of the Indian economy.

KSK's performance during the year would not have been possible without the valuable and appreciated support of its shareholders who have enabled us to pursue appropriate business opportunities in these challenging times."

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Key Business Updates

- **3,600 MW KSK MAHANADI POWER PROJECT**:

  The construction activity at KSK Mahanadi, a large, single location, greenfield private power plant continues, with significant achievements during the year under review, and the period up to this date:

  - the first 600 MW unit under operation with 3,203 GWh of generation during the year;
  - the second 600 MW unit commissioned;
  - phased construction of the remaining four 600 MW units are planned to be built in two phases of 1,200 MW each;
  - completion of the construction of the major part of the civil works and common operation infrastructure at site;
  - water pipeline infrastructure to meet the water requirements of the entire power plants has been commissioned;
  - switch yard and transformer yard commissioned, with back charging of 400kV switchyard and transmission system enabling 'live in live out' connectivity for evacuation of power generated into the national grid;
  - rail connectivity to the power plant for coal transportation achieved.

Upon stabilised generation from the current 1,200 MW, the Company's management would focus its efforts on expediting the construction of the next 1,200 MW before the last 1,200 MW units are then completed. Effective project execution on the ground has been de-risked as each of the three 1,200 MW projects and their associated expenditure and implementation are being monitored individually.

ANCILLARY INFRASTRUCTURE INITIATIVE AT KSK MAHANADI

The Company's construction of the infrastructure to support the KSK Mahanadi power project continued with the commissioning of the entire water pipeline infrastructure and rail connectivity to the power plant for transportation.

- **KSK Water Infrastructure:**

Infrastructure works, including the construction of the 60km pipelines and the pump stations for the supply of water for the Mahanadi projectwere completed and are operational. The additional intermediate reservoir works, sufficient to support the continuous operation of all six 600 MW units, are expected to be completed shortly for integration with the power plant.

- **Raigarh Champa Rail Infrastructure:**

The Company's 15.7 km inward railway line connecting the Mahanadi plant with the Indian Railways main line was completed during the period, enabling the movement of coal into the power plant. As regards the 65.5 km line connecting the Gare Pelma coal block to the main line, owing to the issues regarding the coal blocks, this is currently not being pursued until further clarity emerges

- **KSK Mineral:**

As regards the KSK Mineral Resources initiative, the Company has brought a claim against Goa Industrial Development Corporation (GIDC) for reimbursement of the entire mine development expenditure support provided with respect to Gare Pelma III coal mine. GIDC has confirmed that necessary claims for the same have been lodged by them with the relevant authority concerned as provided for under the Rules of the new coal mines statute, and a further update is currently awaited.

540 MW SAI WARDHA POWER LIMITED (SWPL):

The total gross power generated during the review period was 1,174 GWh with an average Plant Load Factor (PLF) of 25%. This reflected the challenging local operating environment, the fuel and the open access grid constraints experienced by Sai Wardha Power.

Post the favourable ruling by the Competition Commission of India ("CCI") in favour of Sai Wardha during October 2014, while the aspects of quality are being addressed through Western Coalfields Limited's agreement to third party sampling post amendment to the Fuel Supply Agreement, the vital amendment on the pricing aspect which could enable a reduction in the cost of power generation has not yet been achieved.

As regards long term power sale arrangements to commence supplies for half of the capacity of the Sai Wardha project, the Appellate Tribunal for Electricity ruled in favour of Sai Wardha in February 2015 and PPA execution is expected. However, to ensure enhanced asset utilisation, power supplies are being temporarily supplied to the same utility on short term contracts, resulting in enhanced PLFs during the first quarter.

The Company continues to use every effort to pursue the coal price reduction and the granting of the necessary open access permissions, which will ultimately lead to the enhanced utilisation and profitability of the Sai Wardha plant.

- **135 MW VS LIGNITE POWER PRIVATE LIMITED (VSLP):**

The total gross power generated during the year was 851 GWh, with an average PLF of 72%. The Company has been mandated by the local state for power supplies under a long term PPA with a local grid company and the Company is currently operating under a short term PPA until March 2016. The Company is continuing its efforts to secure necessary long term PPAs from the local grid as mandated by the Government and is confident of achieving this during the current year.

- **86 MW SAI LILAGAR POWER LIMITED (SLPL):**

The total gross power generated during the year was 148 GWh, with an average PLF of 20%, primarily reflecting the transition from Captive Power Plant to Independent Power Producer.

With the new PPA arrangements in place, asset utilisation is expected to significantly improve and reach low to mid 80% PLF levels over the next few quarters. As a result, the Company anticipates increased generation, revenue and profitability from the SLPL plant.

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

The total gross power generated in the combined cycle gas fired power plant during the year was 423 GWh, with an average PLF of 83%. With the continuous supply of gas and an efficient operation, the plant has produced an exceptional operational and financial performance, which the Company expects to continue in the future.

- **43 MW SITAPURAM POWER LIMITED (SPL):**

The total gross power generated during the year was 343 GWh, with an average PLF of 91%. Although the fuel cost for the period under review have increased due to an increase in coal prices from the Singareni Collieries Company Limited, as well as from open market purchases, the energy generated in the period has been supplied to the captive consumers in accordance with the provisions of the PPA, and the balance of power sold to local utilities.

- **10 MW SAI MAITHILI SOLAR POWER PROJECT**:

The total gross power generated during the year was 16 GWh, with an average PLF of 18%. The 10 MW PV solar power generation plant is located in the state of Rajasthan, operating under the Jawaharlal Nehru National Solar Mission.

- **CONSTRUCTION OF ADDITIONAL SOLAR POWER GENERATION PLANTS**:

In response to the continuing initiative of the Indian Government, the Company is seeking to develop an additional 250 MW of solar power generation projects in the medium term wherein the first 50 MW is expected to be commissioned over the next few months and an additional 50 MW planned to be commissioned before end of the current financial year.

A number of early initiatives for the procurement of the necessary panels and associated balance of plant equipment has been finalised with selected vendors, with active support of the banks who are ready to provide the requisite long term financing as may be required.

WIND POWER GENERATION AND HYDRO POWER GENERATION INITIATIVE

The Company continues to pursue specific wind power generation initiatives as well as work on the hydro project portfolio and suitable collaboration opportunities. The first step was the induction of North East Electric Power Corporation Limited, the Government owned hydro power company, as an equity partner in the 120 MW Dibbin Hydro projects which is expected to experience further progress.

EQUITY AND FINANCING ARRANGEMENTS

During May 2014, c. £40 million of equity was raised by KSK Energy Ventures Limited ("KSKEV"), the Company's listed Indian subsidiary, through a Qualified Institutional Placement. Shareholder approval was also obtained for Company to subscribe for up to 150 million warrants convertible into equivalent equity shares at KSKEV, enabling Company to revert back to the earlier held 74.94% interest in KSKEV. As at this date 10.95 million warrants have been exercised resulting in Company's shareholding in KSKEV increasing to 68.37 %.

During 2011 and thereafter, the Company secured debt financing on, at the time, reasonably high pricing within its Indian holding companies that enabled the earlier tender offer resulting in the company owning a substantial interest in KSKEV, the subsidiary which owns the interest in KSK Mahanadi Power Company Limited, as well as the buyout of the entire minority of the KSK Mahanadi project. Consequently, to provide the necessary liquidity to retire part of the existing higher rate debt, the Company is pursuing further refinancing opportunities on more favourable terms at the operating project level.

The Company's main power plant initiative of KSK Mahanadi, based on an extended implementation timeline, as well as the need to reconcile the entire impact of INR/US$ exchange rate depreciation as against INR 48/$ originally envisaged, is now estimated to be completed with a total capital expenditure of US$ 4.1 billion requiring $820 million of equity and US$ 3.28 billion of project debt

US$ in millions	**First 1200 MW + entire Balance of Plant**	**Second 1200 MW**	**Third 1200 MW**	**Total**
Project debt	1,450	964	867	3,281
Project equity	288	0.29	259	822

The project expenditure incurred and balance to be incurred with estimated distribution amongst the three 1,200 MW phases each is shown as follows:

US$ in millions	**First 1200 MW + entire Balance of Plant**	**Second 1200 MW**	**Third 1200 MW**	**Total**
Project Cost (Estimated)	1,726	1,252	1,126	4,103
Already incurred	1,726	433	354	2,513
Yet to be incurred		819	771	1,590
Interest during construction (yet to be incurred)			117	157

Of the remaining balance US$ 1,590 million required for the capital expenditure program (comprising of c.US$ 819 million for the next 1,200 MW and c.US$ 771 million for the last 1,200 MW) until FY 2018, it is planned that initially undrawn debt already committed, together with associated equity, would be used to support project development.

Of the outstanding balance of US$ 1,400 million for the remaining two phases of 1,200 MW each, US$ 1,120 million of project debt has, in principle, been agreed to be provided by the Non-Bank Institutions of the existing lenders consortium such as Power Finance Corporation and others. This is subject to certain regulatory approvals that are currently being pursued by project lenders. As regards the US$ 280 million of additional equity, it has been agreed with the lenders that monthly internal accruals from the first 1,200 MW operating phase (after meeting fuel, operating and financing cost) would be made available towards sponsor equity.

It is expected that, with the existing PPA arrangements at competitive tariff levels along with continued availability of coal from Coal India under linkage, the current 1,200 MW phase operating at 80% PLF could contribute to 8 TWh of gross generation, and is expected to provide substantial internal cash flows after meeting the entire financing cost of the current plant and facilities. In addition, the Company expenditure on the balance of 2,400 MW project would be incurred gradually over the next 24 to 30 months thereby providing sufficient head room for internal accruals to be the source of required equity.

Finally, the Company continues to evaluate proposals for further strategic funding through potential participation by the EPC Contractor, directly or indirectly, as well as strategic equity collaboration by other potential participants. Therefore, in the light of these various alternatives, the group does not have any plans for further fund raises either at the KSK or KSKEV in the foreseeable future

FINANCIAL PERFORMANCE

With a total operable capacity of 2,072 MW, the consolidated operating revenue achieved was $ 382.3 m, with gross profit of $ 103.2 m, operating profits at $ 40.6 m, a loss before tax of $ 160.1 m, and a loss after tax of $ 69 m.

The net revenue increase, as a result of power generation from the first 600 MW unit operations at KSK Mahanadi, is partially reduced by the output reduction at Sai Wardha.

While gross profit has increased to $ 103.2 m, operating profits reduced to $ 40.6 m due to higher general and administration expenses, predominantly due to an impairment of $ 24.59 million of coal recompense at Sai Wardha as well as other receivables.

The significant increase of finance costs from $ 166 m to $ 220 m resulted from increased borrowing levels with respect to operational power plants, especially when taking into account $ 33.55 m finance cost relating to Mahanadi full year operation compared to the previous year. Also, the decrease in income is on account of reduction in gain on currency option contract with respect to Sai Wardha borrowings. As a result, the Company has experienced a decrease in earnings before taxes.

The loss after tax has increased from $ 59 m to $ 69 m reflecting a significant deferred tax asset at KSK Mahanadi on account of investment allowance.

Business Strategy

The Company's business strategy has been fine tuned to focus on consolidation of the operations of the installed capacity of 2,072 MW during FY 2015-16, wherein a portfolio PLF of 60% for the period would enable the company to achieve gross generation of 9 Twh.

The high capital intensity and associated project debt required to develop and grow the Company's power generation business, coupled with high currency volatility and the current difficult Indian policy environment, will impact the Company's overall funding requirements and financial performance in the near term. Work continues on a number of major initiatives in this regard and with appropriate refinancing at KSK Mahanadi, cash flows are sought to be conserved and cash accruals, post debt servicing of the 1,200 MW phase, are to be made available to support further progress of remaining four units.

The challenge continues within the Indian power sector as a whole to obtain fuel at the right price, and to achieve open access for the supply of power to customers at sensible PPAs. However, with significant long term PPAs signed at higher tariff rates, the Company expects to secure the necessary further debt funding required for its major capital projects, resulting in an improved financial performance over time.

OUTLOOK

With unfulfilled demand for power generation in India expected to continue to grow through the coming decade, the high quality of the Company's expanding asset base, a proven execution capability, an increasingly efficient business structure, and with secured fuel supplies to the power plants, KSK is well positioned to address the Indian power generation opportunities.

On the successful phased completion of the remaining units of the 3.6 GW KSK Mahanadi power projects being added to the Company's existing portfolio, the Board believes KSK will be one of India's leading suppliers of power. However, in the short term the Board expects revenues and underlying profit to remain below the Board's initial expectations; in the long term such expectations are likely to be met gradually.

An extract of the Audited Consolidated and Company Financial Statements for the year ended 31 March 2015 is shown below.

A full set of accounts will be available from the Company websites: www.kskplc.co.uk

PRINCIPAL RISKS AND UNCERTAINITIES

The business of the Group is subject to a variety of risks and uncertainties which, if they occur may have a materially adverse effect on the Group's business or financial condition, results or future operations. The risks & uncertainties set out in this document are not exhaustive and there may be risks of which the Board is not aware or believes to be immaterial, which may, in the future, adversely affect the Group's business. The risks and uncertainties faced by the Group and the industry as a whole have been previously provided in detail in the Annual Reports of the Company and the Interim Statements. The majority of the risks previously identified have not significantly changed. While the Company attempts to address the same, the key risks and uncertainties continued to be faced by the Group are as follows:

- Delays in government decisions or implementation of earlier government decisions along with continual inconsistencies in government policies across departments and retrospective amendments to the existing policies or introduction of new policies;

- Delays in providing necessary regulatory support and / or dispensation as may be required for timely implementation of the financing plans

- Deviation from approved government policies and abuse of market dominance position by certain contractual counter parties;

- Shortage of fuel and dependence on market based or imported fuel which are subject to market vagaries and other uncertainties;

- Economic slowdown and negative sectoral outlook with resultant impact on banking sector delays in agreed project disbursements and timely availability of credit;

- Delays in enforcement of contractual rights or legal remedies with government counter parties undertaking fuel supplies, power off take, transmission and open access amongst others;

- PPA Counter parties going contrary to pre agreed understanding and seeking benefits from the power generators that are often in conflict with shareholder obligations to further the business;

- Unusual currency depreciation that adversely effects the cost of project imports, project implementation, and repayment obligations;

- Logistics bottlenecks and other infrastructure constraints of various agencies;

- Challenges in the development of support infrastructure for the power projects including physical hindrances and delay in the issue of permits and clearances associated with land acquisitions; and

- Political and economic instability, global financial turmoil and the resultant fiscal and monetary policies as well as currency depreciation resulting in increasing cost structures

- Liquidity risk and project financing

Extract of Consolidated and Company financial statements for the year ended 31 March 2015

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March

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

		Consolidated		Company	
	Notes	**2015**	**2014**	**2015**	**2014**
ASSETS					
Non-current					
Property, plant and equipment		3,456,914	3,215,282	-	-
Intangible assets and goodwill		12,188	20,245	-	-
Investments and other financial assets	4	130,491	154,577	403,902	366,767
Other non-current assets		102,646	98,461	-	-
Trade and other receivables		2,845	3,422	-	-
Deferred tax asset		128,104	33,269	-	-
		3,833,188	3,525,256	403,902	366,767
Current					
Investments and other financial assets	4	31,313	73,240	27	4
Other current assets		40,459	22,688	320	391
Trade and other receivables		154,212	158,139	-	-
Inventories		32,453	24,588	-	-

	Notes	Consolidated		Company	
		2015	**2014**	**2015**	**2014**
Cash and short-term deposits	5	197,996	194,054	1,065	173
		456,433	472,709	1,412	568
Assets held for sale		-	18,456	-	-
Total assets		**4,289,621**	**4,016,421**	**405,314**	**367,335**
EQUITY AND LIABILITIES					
Issued capital	6	289	289	289	289
Share premium	6	287,191	287,191	287,191	287,191
Share application money	6	16,498	18,000	16,498	18,000
Foreign currency translation reserve	6	(129,431)	(113,933)	4,524	12,580
Revaluation reserve	6	1,418	2,614	-	-
Capital redemption reserve	6	10,855	5,461	-	-
Other reserves	6	147,317	143,615	122	10
Retained earnings / (Accumulated deficit)	6	15,590	69,254	(18,927)	(14,249)
Equity attributable to owners of the Company		349,727	412,491	289,697	303,821
Non-controlling interests	6	203,374	169,782	-	-
Total equity		553,101	582,273	289,697	303,821
Non-current liabilities					
Loans and borrowings	7	2,722,596	1,943,926	-	-
Other non-current financial liabilities	8	26,862	28,193	-	-
Trade and other payables		47,581	51,110	-	-
Provisions		3,210	2,494	-	-
Deferred revenue		2,824	4,974	-	-
Employee benefit liability		711	495	-	-
Deferred tax liabilities		33,777	31,567	-	-
		2,837,561	2,062,759	-	-

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 March

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

		Consolidated Company		Company	
	Notes	**2015**	**2014**	**2015**	**2014**
Current liabilities					
Loans and borrowings	7	521,953	944,750	114,245	62,028
Other current financial liabilities	8	5,959	5,073	-	-
Trade and other payables		369,590	400,460	1,372	1,486
Deferred revenue		310	740	-	-
Taxes payable		1,147	1,910	-	-
		898,959	1,352,933	115,617	63,514
Liabilities associated with assets held for sale		-	18,456	-	-
Total liabilities		3,736,520	3,434,148	115,617	63,514
Total equity and liabilities		**4,289,621**	**4,016,421**	**405,314**	**367,335**

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

CONSOLIDATED AND COMPANY INCOME STATEMENT

for the year ended 31 March

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

		Consolidated		Company	
	Notes	**2015**	**2014**	**2015**	**2014**
Revenue	9	382,307	335,866	-	-
Cost of revenue		(279,034)	(244,720)	-	-
Gross profit		**103,273**	**91,146**	**-**	**-**
Other operating income		9,396	7,064	-	-
Distribution costs		(10,501)	(11,014)	-	-
General and administrative expenses		(61,604)	(29,169)	(960)	(1,041)

	Note	Consolidated 2015	Consolidated 2014	Company 2015	Company 2014
Operating profit / (loss)		**40,564**	**58,027**	**(960)**	**(1,041)**
Finance costs	10	(219,810)	(165,969)	(3,718)	(3,719)
Finance income	11	19,135	35,819	-	560
Loss before tax		**(160,111)**	**(72,123)**	**(4,678)**	**(4,200)**
Tax income	12	91,204	13,106	-	-
Loss for the year		**(68,907)**	**(59,017)**	**(4,678)**	**(4,200)**
Attributable to:					
Owners of the Company		(56,504)	(49,039)	(4,678)	(4,200)
Non-controlling interests		(12,403)	(9,978)	-	-
		(68,907)	**(59,017)**	**(4,678)**	**(4,200)**
(Loss) / earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		175,308,600	160,565,712		
Basic and diluted earnings per share (US $)		(0.32)	(0.31)		

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

CONSOLIDATED AND COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 March

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

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Loss for the year	**(68,907)**	**(59,017)**	**(4,678)**	**(4,200)**
Items that will never be reclassified to income statement				
Re-measurement of defined benefit liability	94	859	-	-
Income tax relating to re-measurement of defined benefit liability	59	(254)	-	-
	153	**605**	**-**	**-**
Items that are or may be reclassified subsequently to income statement				
Foreign currency translation differences	(24,135)	(52,881)	(8,056)	6,160

Available-for-sale financial assets				
- current period losses	(2,612)	(1,755)	-	-
- reclassification to income statement	693	2,986	-	-
Reclassification of reserve on deemed disposal of interest in joint operation	(491)	-	-	-
Income tax relating to available for sale financial asset	505	(188)	-	-
	(26,040)	**(51,838)**	**(8,056)**	**6,160**
Other comprehensive (loss) / income, net of tax	**(25,887)**	**(51,233)**	**(8,056)**	**6,160**
Total comprehensive (loss) / income for the year	**(94,794)**	**(110,250)**	**(12,734)**	**1,960**
Attributable to:				
Owners of the Company	(73,310)	(83,106)	(12,734)	1,960
Non-controlling interests	(21,484)	(27,144)	-	-
	(94,794)	**(110,250)**	**(12,734)**	**1,960**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
As at 1 April 2013	**263**	**253,890**	**-**	**(78,535)**	**2,752**	**-**	**142,262**	**120,939**	**441,571**	
Issue of shares	26	33,301	-	-	-	-	-	-	33,327	
Receipt of share application money	-	-	18,000	-	-	-	-	-	18,000	
Change in non-controlling interests without change in control	-	-	-	-	-	-	12	-	12	
Transfer of economic interest to non-controlling interests[1]	-	-	-	-	-	-	-	2,677	2,677	
Equity-settled share based payment	-	-	-	-	-	-	10	-	10	
Transfer of profit to capital redemption reserve	-	-	-	-	-	5,461	-	(5,461)	-	
Net depreciation transfer for property, plant and equipment	-	-	-	-	(138)	-	-	138	-	
Transaction with owners	**26**	**33,301**	**18,000**	**-**	**(138)**	**5,461**	**22**	**(2,646)**	**54,026**	
Loss for the year	-	-	-	-	-	-	-	(49,039)	(49,039)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
Other comprehensive income										
Items that will never be reclassified to income statement										
Re-measurement of defined benefit liability	-	-	-	-	-	-	803	-	803	
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	(254)	-	(254)	
Items that are or may be reclassified subsequently to income statement										
Foreign currency translation differences	-	-	-	(35,398)	-	-	-	-	(35,398)	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
Available-for-sale financial assets										
- current period (losses) / gains	-	-	-	-	-	-	(2,063)	-	(2,063)	
-reclassification to profit or loss	-	-	-	-	-	-	2,986	-	2,986	
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	(141)	-	(141)	
Total comprehensive (loss) / income for the year	**-**	**-**	**-**	**(35,398)**	**-**	**-**	**1,331**	**(49,039)**	**(83,106)**	
Balance as at 31 March 2014	**289**	**287,191**	**18,000**	**(113,933)**	**2,614**	**5,461**	**143,615**	**69,254**	**412,491**	

(See accompanying notes to the 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 shareho dividend of 0.01% of the face value of the equity share capital held and the same is also reflected in the Consolidated income stateme controlling interest disclosed in the Statement of changes in equity is calculated in the proportion of the actual shareholding as at the reporting

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
As at 1 April 2014	**289**	**287,191**	**18,000**	**(113,933)**	**2,614**	**5,461**	**143,615**	**69,254**	**412,491**	
Refund of share application money	-	-	(1,502)	**-**	**-**	**-**	**-**	**-**	**(1,502)**	
Change in non-controlling interests without change in control	-	-	**-**	**-**	-	-	4,898	-	**4,898**	
Transfer of economic interest to non-controlling interests[1]	-	-	**-**	-	-		-	7,038	**7,038**	
Equity-settled share based payment	**-**	**-**	**-**	-	**-**	**-**	112	**-**	**112**	
Transfer of profit to capital redemption	-	-	**-**	-	-	5,394		(5,394)	**-**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
reserve										
Net depreciation transfer for property, plant and equipment	-	-	-	-	(345)	-	-	345	-	
Transaction with owners	**-**	**-**	**(1,502)**	**-**	**(345)**	**5,394**	**5,010**	**1,989**	**10,546**	
Loss for the year	-	-	-	-	-	-	-	(56,504)	(56,504)	
Other comprehensive income										
Items that will never be reclassified to income statement										
Re-measurement of defined benefit liability	-	-	-	-	-	-	94	-	**94**	
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	59	-	**59**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
Items that are or may be reclassified subsequently to income statement										
Foreign currency translation differences	-	-	-	(15,498)	-	-	-	-	**(15,498)**	
Available-for-sale financial assets										
- current period loss	-	-	-	-	-	-	(2,004)	-	**(2,004)**	
- reclassification to profit or loss	-	-	-	-	-	-	693	-	**693**	
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	341	-	**341**	
Reclassification of reserves on deemed disposal of	-	-	-	-	(851)	-	(491)	851	**(491)**	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

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

	Attributable to owners of the Company									
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**	**co i**
interest in Joint operation										
Total comprehensive expenses for the year	**-**	**-**	**-**	**(15,498)**	**(851)**	**-**	**(1,308)**	**(55,653)**	**(73,310)**	
Balance as at 31 March 2015	**289**	**287,191**	**16,498**	**(129,431)**	**1,418**	**10,855**	**147,317**	**15,590**	**349,727**	

(See accompanying notes to the 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 shareh
dividend of 0.01% of the face value of the equity share capital held and the same is also reflected in the Consolidated income stateme
controlling interest disclosed in the Statement of changes in equity is calculated in the proportion of the actual shareholding as at the reporting

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

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

	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Other reserve**	**Accumulated deficit**	**Total equity**
As at 1 April 2013	**263**	**253,890**	**-**	**6,420**	**-**	**(10,049)**	**250,524**
Issue of shares	26	33,301	-	-	-	-	33,327
Receipt of share application money	-	-	18,000	-	-	-	18,000

Equity-settled share based payment	-	-	-	-	10	-	10
Transaction with owners	**26**	**33,301**	**18,000**	**-**	**10**	**-**	**51,337**
Loss for the year	-	-	-	-	-	(4,200)	(4,200)
Other comprehensive income							
Foreign currency translation differences	-	-	-	6,160	-	-	6,160
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**6,160**	**-**	**(4,200)**	**1,960**
Balance as at 31 March 2014	**289**	**287,191**	**18,000**	**12,580**	**10**	**(14,249)**	**303,821**
As at 1 April 2014	**289**	**287,191**	**18,000**	**12,580**	**10**	**(14,249)**	**303,821**
Refund of share application money	-	-	(1,502)	-	-	-	(1,502)
Equity-settled share based payment	-	-	-	-	112		112
Transaction with owners	**-**	**-**	**(1,502)**	**-**	**112**	**-**	**(1,390)**
Loss for the year	-	-	-	-	-	(4,678)	(4,678)
Other comprehensive income							
Foreign currency translation differences	-	-	-	(8,056)	-	-	(8,056)
Total comprehensive loss for the year	**-**	**-**	**-**	**(8,056)**	**-**	**(4,678)**	**(12,734)**
Balance as at 31 March 2015	**289**	**287,191**	**16,498**	**4,524**	**122**	**(18,927)**	**289,697**

(See accompanying notes to Consolidated and Company financial statements)

CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 March

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

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Cash inflow / (outflow) from operating activities				
Loss before tax	(160,111)	(72,123)	(4,678)	(4,200)
Adjustment				
Depreciation and amortisation	58,733	43,926	-	1
Finance cost	218,693	154,829	3,857	3,242
Finance income	(19,135)	(35,819)	-	(1,554)
Provision and impairment of trade receivable, PPE and other receivable	31,070	9,068	-	335
Net loss on business combination	2,001	-	-	-
Loss / (profit) on sale of fixed assets, net	142	(352)	-	-
Others	(7,857)	869	112	10
Change in				
Trade receivables and unbilled revenue	1,687	(50,712)	-	-
Inventories	(7,419)	1,658	-	-
Other assets	(7,391)	(53,024)	31	(4,851)
Trade payables and other liabilities	(17,202)	53,819	53	84
Provisions and employee benefit liability	204	(566)	-	-
Cash generated from / (used in) operating activities	93,415	51,573	(625)	(6,933)
Taxes paid, net	(3,945)	(5,364)	-	-
Net cash provided by / (used in) operating activities	**89,470**	**46,209**	**(625)**	**(6,933)**
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	(19,137)	123,310	-	-
Purchase of property, plant and equipment and other	(222,891)	(199,997)	-	-

non-current assets				
Proceeds from sale of property, plant and equipment	929	1,709	-	-
Purchase of financial assets	(27,770)	(23,906)	(46,353)	(47,652)
Proceeds from sale of financial assets	24,225	59,675	-	-
Net cash flow on business combination	(5,784)	-	-	-
Dividend received	95	120	-	-
Interest income received	16,738	31,350	-	-
Net cash used in investing activities	**(233,595)**	**(7,739)**	**(46,353)**	**(47,652)**
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	995,211	1,252,455	62,876	7,663
Repayment of borrowings	(533,352)	(993,151)	(10,490)	-
Finance costs paid	(398,627)	(316,109)	(3,103)	(2,972)
Payment of derivative liability	(4,552)	(4,519)	-	-
Advance received against investment	14,939	-	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	63,371	2,303	-	-
Net proceeds / repayment from issue of shares and share application money	(1,502)	51,327	(1,502)	51,327
Net cash flow provided by / (used in) financing activities	**135,488**	**(7,694)**	**47,781**	**56,018**
Effect of exchange rate changes	(6,564)	(18,676)	89	(1,547)
Net increase / (decrease) in cash and cash equivalents	**(15,201)**	**12,100**	**892**	**(114)**
Cash and cash equivalents at the beginning of the year	55,934	43,834	173	287
Cash and cash equivalents at the end of the year (refer note 5)	**40,733**	**55,934**	**1,065**	**173**

NOTES TO CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

for the year ended 31 March 2015

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

1. **Corporate information**

1.1. General information

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

1.2. Nature of operations

KSK Power Ventur plc, its subsidiaries and joint operations (collectively referred to as 'the Group') are primarily engaged in the development, ownership, operation and maintenance of private sector power projects with multiple industrial consumers and utilities in India.

KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction (for its own use), 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 9.

1.3. Statement of compliance responsibility statement

The Consolidated and Company financial statements contained in this document have been prepared in accordance with International Financial Reporting Standard and its interpretations as adopted by the European Union (EU) ('IFRS') and the provisions of the Isle of Man, Companies Act 1931-2004 applicable to companies reporting under IFRS.

The financial statements were authorised for issue by the Board of Directors on 20 July 2015.

1.4. Financial period

The Consolidated and Company financial statements cover the period from 1 April 2014 to 31 March 2015, with comparative figures from 1 April 2013 to 31 March 2014.

1.5. Basis of preparation

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

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

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

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

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 31 March 2015, the Group had net current liabilities of US $ 442,526 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 year-end of which a portion is due to be met during the year to 31 March 2016, 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 the full load operation of two units of KSK Mahanadi plant and better plant load factor in Sai Wardha. These two factors are key assumptions with regard to management's forecasts and expectations. It is forecast that the transmission corridor constraint on KSK Mahanadi for the operation and sale of power from unit 2 and long term PPA arrangement for Sai Wardha will be in place shortly. Should there be further delays in these matters this may impact on the ability of the Group to generate the cash flows for current financing proposals being considered, described below.

In addition, a number of the facilities that are due to expire at 31 March 2016 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 on going discussions with the Groups 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 $710,417 to meet its long term investment programmes. However, the Group is currently in discussions with stakeholders regarding the terms of such existing drawn and undrawn financial commitments in order to match facilities to the current development and financing plans for KSK Mahanadi. These proposals require the regulatory consent of the Reserve Bank of India. Discussions with all stakeholders regarding such arrangements have been positive to date and the Groups lenders are supportive of proposed arrangements. Nonetheless the Group monitors the situation on an on-going basis and plans alternative arrangements where necessary. The outcome of these discussions may impact on the timing of the strategic development of this plant.

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 2014, 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 2014.

- IFRS 10: Consolidated financial statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosure of interest in other entities
- Recoverable amount disclosure for non-financial assets (Amendments to IAS 36)
- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

- Offsetting financial assets and financial liabilities - Amendments to IAS 32
- Novation of derivatives and continuation of hedge accounting - Amendments to IAS 39

The nature and the effect of the changes are further explained below:

IFRS 10: Consolidated financial statements

IFRS 10 establishes the principal for the preparation and presentation of consolidated financial statements with a new definition of control. The investor controls an investee when it is exposed to, or has rights to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. This definition replaces the pervious guidance on control and consolidation under IAS 27 (Separate Financial Statements) and SIC 12 (Consolidation-Special Purpose Entities). IFRS 10 does not have any impact on the financial statements of the Group.

IFRS 11: Joint arrangements

IFRS 11 (Joint Arrangements) replaced IAS 31 (Interest in Joint Ventures) and requires investments in joint arrangements classified as either joint ventures or joint operations based on the rights and obligations of the parties to the arrangement. Under this standard, the Group has assessed its joint arrangements in order to identify those which require to be classified as joint ventures rather than joint operations. Joint operations arise where the venturers are deemed to have joint control and have rights to the assets and obligations for the liabilities of the arrangement as opposed to having rights to the net assets of the arrangements. Accordingly, a joint operator will recognise its share of the operation's assets, liabilities, revenues and expenses in the consolidated financial statements rather than its net share of the result of the venture. IFRS 11 does not have any impact on the financial statements of the Group.

IFRS 12: Disclosure of interest in other entities

IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or unconsolidated structured entities. IFRS 12 requires an entity to disclose information that enables users of financial statements to evaluate the nature and risk associated with the interest in other entities. These disclosures are set out within the relevant notes to the financial statements.

Recoverable amount disclosure for non-financial assets (Amendments to IAS 36)

The amendment requires the disclosure of the recoverable amounts for the assets or Cash Generating Unit (CGU) for which impairment loss has been recognised or reversed during the period. The amendment also expands and requires the disclosure when an asset's or CGUs recoverable amount is determined on the basis of fair value less cost of disposal. Accordingly, these disclosures are set out within the relevant notes to the financial statements.

Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The amendment provides an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting financial assets and financial liabilities - Amendments to IAS 32

The amendment clarifies the meaning of meaning of 'currently have a legally enforceable right to set-off' and 'simultaneous realisation and settlement'. The amendment clarify that to result in offset of a financial asset and financial liability, a right to set off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties. It must be legally enforceable in the normal course of business. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Novation of derivatives and continuation of hedge accounting - Amendments to IAS 39

The amendment provides relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Group as the Group has not novated its derivatives during the current or prior periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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

During the year ended 31 March 2015, KEVL issued additional 40,404,040 equity shares of face value of Rs. 10 (US $ 0.16) each at a premium of Rs. 89 (US $ 1.45) per share in the Indian domestic market by way of Qualified Institutional Placement (QIP). The issue was fully subscribed and KEVL raised Rs. 3,941,773,675 (US $ 64,443) net of share issue expenses of Rs. 57,681,158 (US $ 943) (net of tax).

Pursuant to the above, the ownership interest of the Group in KEVL decreased from 74.94 percent to 67.61 percent resulting in a 7.33 percent decrease in the Group's controlling interest 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 Consolidated income statement. The difference of US $ 6,763, between the fair value of the net consideration received (US $ 64,443) and the amount by which the non-controlling interest are adjusted (US $ 57,680), is credited to 'Other reserve' within Consolidated statement of changes in equity and attributed to the owners of the company.

b. Warrant issue by KSK Energy Ventures Limited

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.

Pursuant to above, KPHL acquired 9,214,700 shares of KSK Energy Ventures Limited ('KEVL') resulting in increase of the ownership interest of the Group in KEVL from 67.61 percent to 68.30 percent resulting in a 0.69 percent additional interest in subsidiary. 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 $ 1,057 by which the non-controlling interest is adjusted debited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company

c. Acquisition of VS Lignite Power Private Limited

During the year ended 31 March 2015, the Group has issued additional 60,000,000 equity shares in VS Lignite Power Private Limited ("VSLPPL") to KSK Electricity Financing India Private Limited (KEFIPL) at face value of Rs 10 (US $ 0.16) each.

Pursuant to the above, the ownership interest of the Group in VSLPPL increased from 74 percent to 83.75 percent resulting in a 9.75 percent additional interest in subsidiary. The aforesaid transaction is accounted as an equity transaction, and no gain or loss is recognised in the Consolidated income statement. An amount of US $ 984 by which the non-controlling interest is adjusted debited to 'Other reserve' within consolidated statement of changes in equity and attributed to the owners of the company.

d. Dilution in KSK Mahanadi Power Company Limited

During the year ended 31 March 2015, the Group has issued additional 536,600,000 equity shares in KSK Mahanadi Power Company Limited ("KMPCL") to KSK Energy Ventures Limited ("KEVL") and Sai Regency Power Corporation Private Limited ("SRPCPL") at a face value of Rs 10 (US $ 0.16) at par.

Pursuant to above, the ownership interest of the Group in KMPCL decreased by 0.59 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 Consolidated income statement. An amount of US $ 141 by which the non-controlling interest is adjusted debited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the company.

e. Dilution in KSK Dibbin Hydro Power Private Limited

During the year ended 31 March 2015, the Group has issued additional 15,280,000 equity shares in KSK Dibbin Hydro Power Private Limited ("KDHPPL") to North Eastern Electric Power Corporation Limited (NEEPCO) at face value of Rs 10 (US $ 0.16) each.

Pursuant to above, the ownership interest of the Group in KDHPPL decreased from 100 percent to 81.01 percent resulting in a 18.99 percent decrease in Group's controlling interest 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 consolidated income statement. The difference of US $ 257 between the fair value of the net consideration received (US $ 2,498) and the amount by which the non-controlling interest are adjusted (US $ 2,241), is credited to 'Other reserve' within Consolidated statement of changes in equity and attributed to the owners of the company.

4. Investments and other financial assets

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Current				
Financial assets at fair value through profit or loss				
- held-for-trading	2,589	130	-	-
Loans and receivables	28,724	72,333	27	4
Loans to and receivables from Joint Venture partner	-	777	-	-
	31,313	**73,240**	**27**	**4**

Non-current				
Financial assets at fair value through profit or loss				
- Derivative assets	49,702	50,196	-	-
Available-for-sale investments	19,155	22,865	-	-
Deposit with banks	8,102	10,953	-	-
Loans and receivables	37,688	39,336	5,100	5,660
Loans to and receivables from Joint Venture partner	15,844	31,227	-	-
Loans to and receivable from subsidiaries	-	-	171,676	133,873
Investment in subsidiaries	-	-	227,126	227,234
	130,491	**154,577**	**403,902**	**366,767**
Total	**161,804**	**227,817**	**403,929**	**366,771**

Financial assets at fair value through profit or loss

The Group has invested into short-term mutual fund units and equity securities in various companies being quoted on Indian stock market which are designated as held for trading. The fair value of the mutual fund units and equity securities are determined by reference to published data.

Available-for-sale investment

The Group has investments in listed equity securities of various companies being quoted on the Indian and London stock markets respectively. The fair value of the quoted equity shares are determined by reference to published data. The Group also holds non-controlling interest (1%-25%) in unlisted entities which are in the business of power generation and allied projects. The Group designated these quoted and unquoted equity shares as available-for-sale investment in accordance with the documented investment strategy of the Group to manage and evaluate performance of the equity shares on fair value basis. The fair value of unquoted ordinary shares has been estimated using a relative valuation using price earnings ratio / book value method. The valuation requires management to make certain assumptions about the inputs including size and liquidity.

Deposit with banks

This represents the deposits with the bank with the maturity term of more than twelve months from the reporting date.

Derivative assets

A derivative asset includes currency option contracts and currency forward contracts carried at fair value. Fair value of currency option is determined by independent valuer which is the counterparty in the contracts. Fair value of currency forward is determined by mark to market value of forward on the date of financial position.

Loans and receivables

This primarily includes inter-corporate deposits of US $ 7,852 (2014: US $ 9,941), deferred loan origination costs US $ Nil (2014: US $ 4,424), security deposit US $ 40,809 (2014: US $ 51,206), advance for investments US $ 2,492 (2014: US $ 2,610) and other financial assets US $ 15,259 (2014: US $ 43,488).

Loans to and receivables from Joint Venture partner

This primarily includes the investment in debentures in the joint operations, inter corporate deposit to joint operations and redeemable preference share capital held in the joint operations.

Loans to and receivable from subsidiaries

Loans to and receivable from subsidiary represents inter-corporate deposits given by the Company to its wholly owned subsidiaries.

Investment in subsidiaries

Investment primarily includes unquoted investments in subsidiaries in the Company financial statements. The Company has invested in 139,244,601 equity shares (2014: 139,244,601) in KEL, 12,000 equity shares (2014: 12,000) in KASL, 100,000,000 equity shares (2014: 100,000,000) in KGPP, 84,146,843 equity shares (2014: 84,146,843) in KGEPL and 1 equity share (2014: 1) in KSVP totalling to US $ 227,126 (2014: US $ 227,234).

Investment and other financial assets amounting to US $ 113,076 (2014: US $ 177,207) for the Group is subject to security restrictions (refer note 7).

Impairment of financial assets

During the year ended 31 March 2015, the Group's available-for-sale financial asset of US $ 693 (2014: US $ 2,986) and loans and receivable of US $ 25,095 (2014: US $ 1,657) were collectively impaired.

During the year ended 31 March 2015, the Company's loans and receivable of US $ Nil (2014: US $ 335) were collectively impaired and written off.

5. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		**Company**	
	2015	**2014**	**2015**	**2014**
Cash at banks and on hand	40,730	55,810	1,065	173
Short-term deposits	157,266	138,244	-	-
Total	**197,996**	**194,054**	**1,065**	**173**

Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group.

The Group has pledged its short-term deposits amounting US $ 157,239 (2014: US $ 136,233) in order to fulfil collateral requirements (refer note 7).

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

	Consolidated		**Company**	
	2015	**2014**	**2015**	**2014**
Cash at banks and on hand	40,730	55,810	1,065	173
Short-term deposits	157,266	138,244	-	-
Total	**197,996**	**194,054**	**1,065**	**173**
Less: Restricted cash[1]	(157,263)	(138,120)	-	-
Cash and cash equivalent	**40,733**	**55,934**	**1,065**	**173**

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

6. 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 (2014: 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 (2014: 175,308,600). During the year the company has not issued/ bought back any ordinary share.

During the previous year, the Company has raised US $ 33,327 (net of share issue expenses of US $ 755) by way of a placing of 15,930,000 equity shares of US $ 0.002 (£0.001) each with the parent company and institutional investors at a premium of US $ 2.14 (£ 1.299) per share. The placing shares rank pari-passu in all respects with the other ordinary shares including the right to receive all dividends and other distributions.

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 income statement and other comprehensive income less dividend distribution.

7. Loans and borrowings

The loans and borrowings comprise of the following:

	Interest rate (range %)	Final Maturity	Consolidated		Company	
			2015	**2014**	**2015**	**2014**
Long-term "project finance" loans	3.00 to 17.25	June-28	2,760,503	2,153,328	-	-

Short-term loans	0.00 to 15.00	March-16	168,273	230,856	64,564	12,177
Buyers' credit facility	0.47 to 3.30	March-16	148,687	372,892	49,681	49,851
Cash credit and other working capital facilities	12.00 to 16.00	March-16	111,305	99,823	-	-
Redeemable preference shares	0.01 to 15.00	January-29	11,564	17,591	-	-
Debentures	0.01 to 17.00	March-25	44,217	14,186	-	-
Total			**3,244,549**	**2,888,676**	**114,245**	**62,028**

Total debt of US $ 3,244,549 (2014: US $ 2,888,676) comprised:

- Long-term "project finance" loans of the Group amounting US $ 2,760,503 (2014: US $ 2,153,328) 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 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 31 March 2016 are in the process of being extended and have rollover clause in a number of cases.
- Cash credit and other working capital facilities are fully secured against property, plant and equipment and other assets on pari-passu basis with other lenders of the respective entities availing the loan facilities.
- Redeemable preference shares are due for repayment in 0-14 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.

Long-term "project finance" loan contains certain restrictive covenants for the benefit of the facility providers and primarily requires the Group to maintain specified levels of certain financial ratios and operating results. The terms of the other borrowings arrangements also contain certain restrictive covenants primarily requiring the Group to maintain certain financial ratios. As of 31 March 2015, the Group has complied with the relevant significant covenants.

As at 31 March 2015, the Group has available US $ 710,417 of undrawn long term committed borrowing facilities.

The fair value of borrowings at 31 March 2015 was US $ 3,244,549 (2014: US $ 2,888,676). The fair values have been calculated by discounting cash flows at prevailing interest rates.

The interest-bearing loans and borrowings mature as follows:

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Current liabilities				
Amounts falling due within one year	521,953	944,750	114,245	62,028
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	1,087,518	982,475	-	-
Amounts falling due in more than five years	1,635,078	961,451	-	-
Total	**3,244,549**	**2,888,676**	**114,245**	**62,028**

8. Other financial liabilities

	2015	2014
Current		
Option premium payable	5,506	5,020
Forward exchange forward contracts	453	53
	5,959	**5,073**
Non-Current		
Option premium payable	22,099	27,148
Interest rate swaps	4,763	1,045
	26,862	**28,193**
Total	**32,821**	**33,266**

9. 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.

2015	Project development activities	Power generating activities	Reconciling / Elimination activities	Consolidated
Revenue				
External customers	105	382,202	-	382,307
Inter-segment	7,010	-	(7,010)	-
Total revenue	**7,115**	**382,202**	**(7,010)**	**382,307**
Segment operating results	5,272	40,792	52	46,116
Unallocated operating expenses, net				(5,552)
Finance costs				(219,810)
Finance income				19,135
Loss before tax				**(160,111)**
Tax income				91,204
Loss after tax				**(68,907)**
Segment assets	9,873	4,005,623	(1,742)	4,013,754
Unallocated assets				275,867
Total assets				**4,289,621**
Segment liabilities	438	320,007	(1,742)	318,703
Unallocated liabilities				3,417,817
Total liabilities				**3,736,520**

Other segment information

Depreciation and amortisation	126	58,528	79	**58,733**
Capital expenditure	21	417,194	204	**417,419**

2014	**Project development activities**	**Power generating activities**	**Reconciling / Elimination activities**	**Consolidated**
Revenue				
External customers	842	335,024	-	335,866
Inter-segment	7,097	-	(7,097)	-
Total revenue	**7,939**	**335,024**	**(7,097)**	**335,866**
Segment operating results	5,885	55,748	157	61,790
Unallocated operating expenses, net				(3,763)
Finance costs				(165,969)
Finance income				35,819
Loss before tax				**(72,123)**
Tax income				13,106
Loss after tax				**(59,017)**
Segment assets	12,901	3,790,232	(2,286)	3,800,847
Unallocated assets				215,574
Total assets				**4,016,421**
Segment liabilities	5,372	365,554	(2,286)	368,640
Unallocated liabilities				3,065,508
Total liabilities				**3,434,148**
Other segment information				
Depreciation and amortisation	220	43,606	100	**43,926**
Capital expenditure	34	281,181	95	**281,310**

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 $ 19,135 and US $ 219,810 respectively (2014: US $ 35,819 and US $ 165,969 respectively).
(c) Segment assets do not include deferred tax US $ 128,104 (2014: US $ 33,269), financial assets and other investments US $ 103,263 (2014: US $ 128,277), short-term deposits with bank and cash US $ 15,428 (2014: US $ 5,173), and corporate assets US $ 29,072 (2014: US $ 48,855).
(d) Segment liabilities do not include deferred tax US $ 33,777 (2014: US $ 31,567), current tax payable US $ 1,147 (2014: US $ 1,910), loans and borrowings US $ 3,244,549 (2014: US $ 2,888,676), derivative liabilities US $ 32,821 (2014: US $ 33,266) and corporate liabilities US $ 105,523 (2014: US $ 110,089).
(e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.

10. Finance costs

Finance costs comprise:

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Interest expenses on loans and borrowings [1]	158,361	94,974	1,381	761
Other finance costs	19,864	15,287	1,519	2,481
Impairment of financial assets [2]	693	2,986	-	-
Net loss on financial instrument at fair value through profit or loss[3]	4,355	-	560	-
Foreign exchange loss, net	34,281	51,153	258	477
Net loss on held-for-trading financial assets			-	
on disposal	-	1	-	-
Unwinding of discounts	2,256	1,568	-	-
Total	**219,810**	**165,969**	**3,718**	**3,719**

[1]Borrowing cost capitalised during the year amounting to US $ 240,579 (2014: US $ 274,243) to property, plant and equipment at an effective interest rate of 14.53% (2014: 14.39%).

[2] Impairment of financial assets relates to available-for-sale financial asset of US $ 693 (2014: US $ 2,986).

[3]Net loss on financial instrument at fair value through profit or loss above relates to foreign exchange forward contracts, currency options and interest rate swap that did not qualify for hedge accounting.

11. Finance income

The finance income comprises:

	Consolidated		Company	
	2015	**2014**	**2015**	**2014**
Interest income				
bank deposits	14,155	17,405	-	-

loans and receivables	2,531	4,031	-	-
Dividend income	297	120	-	-
Net gain on held-for-trading financial assets				
on disposal	3	-	-	-
on re-measurement	32	13	-	-
Unwinding of discount on security deposits	2, 073	1,395	-	-
Net gain on financial instrument at fair value through profit or loss [1]	-	12,855	-	560
Gain on available-for- sale financial assets disposed	44	-	-	-
Total	**19,135**	**35,819**	**-**	**560**

[1]Net gain 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.

12. Tax income / (expense)

The major components of income tax for the period ended 31 March 2015 and 31 March 2014 are:

	2015	**2014**
Current tax	(1,490)	(2,731)
Deferred tax	92,694	15,837
Tax income reported in the income statement	**91,204**	**13,106**

13. Related party transactions

Name of the Company	**Nature of relationship**
K&S Consulting Group Private Limited	Group ultimate parent (GUP)
Sayi Power Energy Limited	Step-up holding
Sayi Energy Ventur Limited	Parent

Key management personnel and their relatives (KMP):

Name of the party	**Nature of relationship**
T L Sankar	Chairman

S Kishore	Executive Director
K A Sastry	Executive Director
S R Iyer	Director
Vladimir Dlouhy	Director
Guy D Lafferty *	Director
Abhay M Nalawade	Director
Keith N Henry	Director
K. V. Krishnamurthy	Director of parent

*Resigned with effect from 03 November 2014.

Particulars	**Consolidated**						**Company**					
	2015			**2014**			**2015**			**2014**		
	Joint operations	**Parent / GUP**	**KMP**	**Joint operations**	**Parent / GUP**	**KMP**	**Subsidiaries**	**Parent / GUP**	**KMP**	**Subsidiaries**	**Parent / GUP**	**KMP**
Transactions[1, 2]												
Corporate support services fees	105	-	-	106	-	-	-	-	-	-	-	-
Interest income	1,341	-	-	2,650	-	-	-	-	-	-	-	-
Interest expense	-	-	-	10	-	-	-	-	-	-	-	-
Sale of material	-	-	-	1,313	-	-	-	-	-	-	-	-
Capacity charges paid	6,736	-	-	2,368	-	-	-	-	-	-	-	-
Inter-corporate deposits and loans given	9,638	56	-	31,157	-	-	45,993	24	-	44,340	-	-
Inter-corporate deposits and loans refunded	514	65	-	23,335	-	-	-	-	-	-	-	-
Loan taken	1,036	-	-	1,526	-	-	62,635	-	-	77	-	-

Repayment of loan taken	-	-	-	19	-	-	-	-	-	-	-	-
Receipt of share application money	-	-	-	-	18,000	-	-	-	-	-	18,000	-
Refund of share application money	-	1,502	-	-	-	-	-	1,502	-	-	-	-
Issue of shares	-	-	-	-	20,300	-	-	-	-	-	20,300	-
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	84,147	-	-
Equity-settled share based payment	-	-	112	-	-	10	-	-	112	-	-	10
Managerial remuneration [3]	-	-	710	-	-	541	-	-	355	-	-	211
	2015			**2014**			**2015**			**2014**		
Balances [1,2]												
Interest receivable	3,859	-	-	3,586	-	-	-	-	-	-	-	-
Interest payable	-	-	-	9	-	-	-	-	-	-	-	-
Loans and inter corporate deposits receivable	15,844	976	-	32,004	1,034	-	171,676	22	-	133,873	-	-
Loans payable	-	-	-	-	-	-	62,955	-	-	80	-	-
Other receivable	18	-	-	769	-	-	-	-	-	-	-	-
Other payable	2,464	-	-	1,521	-	-	-	-	-	-	-	-
Guarantees given	143	-	-	150	-	-	432,097	-	-	483,110	-	-
Managerial remuneration payable[3]	-	-	83	-	-	131	-	-	74	-	-	86

[1] The transactions with related parties are made at terms equivalent to those that prevail in arm's length transactions. 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.

For the year ended 31 March 2015, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2014: US $ Nil). This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

[2] The difference in the movement between the opening outstanding balances, transactions during the year and closing outstanding balances is on account of exchange adjustments, impact of business combination and conversion into equity.

[3] Remuneration is net of accrual towards Gratuity, a defined benefit plan, which is managed for the Group 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.

14. Commitments and contingencies

Capital commitments

As at 31 March 2015, the Group is committed to purchase property, plant and equipment for US $ 1,300,892 (2014: US $ 1,589,164). In respect of its interest in joint operations the Group is committed to incur capital expenditure of US $ 51 (2014: US $ 1,153).

Legal and other claim

- Sitapuram Power Limited (SPL) had certain claims and receivables from its captive consumer namely Zuari Cement Limited (ZCL) which were disputed. During the year, both the parties have mutually settled the claim and the Group has written off the net amount of US $ 782 pursuant to the settlement and have received the entire balance amount outstanding from the captive customer.

- Sai Lilagar Power Limited (SLPL) had certain claims and receivables from its captive consumer namely Lafarge India Private Limited (LIPL) which were disputed. LIPL had made certain claims and the Group has given reply challenging the claims and made various counter claims. During the year, both the parties have mutually settled the claim and the Group has recognised a net gain of US $ 603 pursuant to the settlement. Further LIPL has transferred its entire shareholding in the company to the Group and therefore SLPL has become a 100% subsidiary of the Group during the year.
- Sai Wardha Power Limited (SWPL) had certain claims and receivables amounting to US $ 14,730 from its customer namely Reliance Infrastructure Limited (RIL) relating to capacity charges and change in law which were disputed. During the year, both the parties have mutually settled the claim and the Group has received an amount of US $ 15,157 pursuant to the settlement against all the outstanding claims.
- The Group has received claims for US $ 9,917 (2014: US $ 10,624) 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 communications 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 can be made with retrospective effect, the Group believes that outcome of the above dispute would be in favour of the Group and there would be no material impact on the financial statements.
- SWPL 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 $ 11,636 (2014: US $ 11,434). 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. Pending adjudication, the Group believes that the final outcome of the above dispute would be in favour of the Group and there would be no material impact on the financial statements.

- SWPL has lodged a claim under the Coal Supply Agreement relating to quality and price on Western Coalfields Limited (WCL), the coal supplier, which was rejected by the latter. Aggrieved by the same, the Group has filed petition with Competition Commission of India (CCI), relating to abuse of dominant position by WCL and Coal India Limited (CIL). The abuse relates to Pricing of Coal under the Fuel Supply Agreement and supply of lower quality coal. Having found prima facie case of abuse by WCL and CIL, the Commission, on 22 January 2014, ordered an investigation of the case by the Director General. Subsequently, the Director General conducted a detailed investigation based on facts submitted by both parties and submitted a report on 28 July 2014. Based on findings of the Director General, Honourable Commission has passed an order on 27 October 2014 in favour of the Group as far as price claim is concerned whereas for the quality claim, the Commission has referred to its earlier order dated 13 January 2014, of similar case which is presently pending at Competition Appellate Tribunal (COMPAT). WCL has preferred an appeal against the order of the CCI before the COMPAT wherein hearing is presently underway. The Group has filed a total claim of US $ 144,866 with COMPAT under provision 53N of The Competition Act, 2002

  The Group is also in advance state of discussion with WCL for working out an arrangement including the past claim. Also, current discussions with the Fuel Supplier indicate the pass back of the coal recompense over the coal supplies during the balance period of the agreement. Pending settlement/ adjudication, though the Group believes that the final outcome of the above matter would be in favour of the Group, on prudent basis the Group has impaired the earlier claim recognised of US $ 24,003 in the books of account. Further adjustment if any, in the financial statement will be carried out depending upon the final outcome of the above matter.

- VS Lignite Power Private Limited (VSLPPL) has receivables of US $ 8,750 (2014: US $ 3,936) from its consumers representing taxes including royalty, cess on clean energy, taxes on input fuel as well as double adjustments for the security deposit, transmission and SLDC charges and take or pay obligation which are disputed by the consumers. The Group has an amount of US $ 4,000 access from such customers as redeemable capital available for necessary setoffs. Further, the Group contends that not only it has fulfilled the contractually guaranteed supplies but also the amounts claimed are as per the terms of the power purchase agreements. Aggrieved by the order of Arbitrator and civil court, the Group has preferred an appeal in Honourable High Court of Jodhpur. Pending outcome of the same, the Group believes that the final determination of the above dispute would be in favour of the Group and there would be no material impact on the financial statements.
- Other non-current assets include an amount of US $ 20,850 (2014: US $ 18,609) relating to Central Excise, VAT and Service Tax receivable from the respective departments by SWPL. The SWPL is registered as SEZ unit. A unit in SEZ is allowed to import goods (purchase from local market is also treated as import) without payment of Duty for the purpose of its authorised operations. The exemption from the payment of duties and taxes are provided under Section 26 of the SEZ Act, 2005. In respect of Service Tax, the Group has already received a refund for the period from January 2013 to June 2013 and a favourable order from Central Excise & Service Tax Appellate Tribunal (CESTAT) for the period March 2009 to June 2009 and claims for remaining period is pending before CESTAT. Thus the Group is confident of receiving refund for the remaining period as well. In respect of VAT claims the Group has already received a refund for the financial year 2007-08 to 2010-11 and the Group is confident to receive the refund for the remaining years as well. However, the excise duty refund claims were rejected by the department stating that there are no provision of refund under the SEZ Act to the Group and the refund, if any, can be permissible to WCL, the supplier of coal. However the Group has obtained a legal opinion from a reputed tax consultant stating that the refund can be processed to the Group since the Group

has born the duty burden and accordingly the Group is very confident that the entire amount is receivable.

- The captive customers of the SWPL has deducted from the sales invoices and paid an amount of US $ 9,575 and US $ 8,537 towards Cross Subsidy Surcharge (CSS) levied by MSEDCL for the financial year 2012-13 and 2013-14 respectively before ascertaining the captive status of the plant at the end of financial year which was against the express provisions of the Electricity Act, 2003 read with the Electricity Rules, 2005. This arbitrary act of MSEDCL was challenged before the MERC. MERC in its order clarified that the CSS can be imposed only at the end of financial year after ascertaining the captive status of the plant. For the financial year 2013-14, despite MERC order, MSEDCL has not refunded the amount collected as CSS. The Group has approached Honourable Bombay High Court, Nagpur Bench through writ of mandamus directing MSEDCL to refund the CSS collected. Honourable High Court vide order dated 27 March 2015 directed MSEDCL to refund the amount and subsequently, MSEDCL has refunded the amount in the month of May 2015. In respect of financial year 2012-13, MERC asked SWPL to pay CSS on ground of non-fulfilment of criteria of 51% supply to captive users as per Rule 3 of the Electricity Rules, 2005. Aggrieved by the said order of the MERC, the Group has filed an appeal before the APTEL on the ground that the non-fulfilment of captive criteria by the Group was attributed to the delay caused by MSEDCL in granting open access to captive customers. Pending adjudication of the same, the Group believes that there is a good chance of succeeding before the APTEL and hence no adjustment has been made in the financial statements.
- KMPCL has levied capacity charges and transmission charges to AP Discoms for the period from 16 June 2013 to 13 August 2013 amounting to US $ 13,935 (2014: US $ 14,590), on account of delayed fulfilment of obligation under the PPA. AP Discoms have rejected those claims and made the counter claim of US $ 3,765 (2014: US $ 3,942) for failure to furnish advance final written notice of commencement of supply of power as per article 4.1.2 of PPA. The Group has preferred an appeal before APERC & TSERC for refund of amount collected by Discoms by encashment of bank guarantee. The Group's contention is that since the Discoms have failed to fulfil the obligation as per PPA, there is default on part of Discoms and the counter claim by Discoms is merely to negate the effect of KMPCL claim of capacity charges. Pending adjudication of the case, the Group believes that there is a good chance of succeeding before the regulatory commissions and hence no adjustment has been made in the financial statements.
- The Group had entered into coal supply agreement with Goa Industrial Development Corporation (GIDC) for sourcing coal from the identified coal block i.e., Garepelma-III coal block. However, pursuant to the Honourable Supreme Court Orders during August and September 2014, Garepelma-III was de-allocated from GIDC. GIDC has kept the group notified that is still pursuing with the Government for allocation of this mine under the new coal statute and also has filed a legal case before Honourable High Court of Delhi wherein interim relief is granted in favor of GIDC. At the same time the initial development of the Garepelma-III block was entrusted to Group by GIDC, wherein the Group has incurred all the cost relating to the development of mine. Government of India has promulgated the Coal Mines (Special Provisions) Ordinance, 2014 which provides for reimbursement of cost incurred towards land and mine infrastructure by new allottee. Accordingly GIDC has made the claim for US $ 42,073 for settlement before Nominated Authority appointed under the Ordinance by Ministry of Coal. Pending final adjudication of the case by Honourable High Court of Delhi or pending final settlement of the claim by the Nominated Authority, the management believes that the entire amount incurred by the Group is recoverable and hence no adjustment has been made in the financial statements.
- KMPCL has levied claim for change in law on Andhra Pradesh and Telangana Discoms amounting to US $ 94,109 (2014: US $ 41,672) as per Article 10 of the PPA which was rejected by the later. Aggrieved by the same the Group has preferred an appeal before Andhra Pradesh Electricity Regulatory Commission ("APERC") and Telangana State Electricity Regulatory Commission (TSERC) respectively contending that subsequent to execution of the PPA, the Government of India by Presidential Directive amended the coal policy. As per the coal policy existing prior to 17 July 2013, there was no restriction or provision with regard to the nature of the PPA's to be entered into by persons to whom tapering linkages were granted. However, the Presidential Directive restricted the supply of coal to tapering linkages only when there is a long term PPA. Further, the presidential directive, directs Coal India Limited to enter Fuel Supply Agreement (FSA) for domestic coal of 65% of Annual Contracted Quantity only for the power plants having normal coal linkages and meet the balance FSA obligation by imported coal on a cost plus basis. Accordingly the Group has recognised only US $ 32,938 (2014: US $ 14,585) out of the total claim of US $

94,109 (2014: US $ 41,672) in books of accounts on a conservative basis. However, pending outcome of the case, the Group is confident the entire amount claimed is fully recoverable.

In addition, the Group is also subject to various other legal proceedings and claims which have arisen in the ordinary course of business including claims before various tax authorities. The Management does not reasonably expect that these legal proceedings, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial conditions. The Group has accrued appropriate provision wherever required.

Guarantees

- The Company has guaranteed to unrelated parties for the loans and non-fund based facilities availed by subsidiaries for US $ 275,977 (2014: US $ 339,442) and
- The Group guaranteed the performance of the joint ventures under the power delivery agreements to unrelated parties. No liability is expected to arise.

15. 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**
	2015	**2015**	**2014**	**2014**
Non- current financial assets				
Trade and other receivables	2,845	2,845	3,422	3,422
Equity securities - available-for-sale	19,155	19,155	22,865	22,865
Loans and receivables	53,532	53,532	70,563	70,563
Derivative assets	49,702	49,702	50,196	50,196
Non-current bank deposits	8,102	8,102	10,953	10,953
Total non-current	**133,336**	**133,336**	**157,999**	**157,999**
Current financial assets				
Trade and other receivables	154,212	154,212	158,139	158,139
Equity securities - held for trading	152	152	97	97
Debt securities-held for trading	2,437	2,437	33	33
Loans and receivables	28,724	28,724	73,110	73,110
Cash and short-term deposits	197,996	197,996	194,054	194,054
Total current	**383,521**	**383,521**	**425,433**	**425,433**
Total	**516,857**	**516,857**	**583,432**	**583,432**
Non- current financial liabilities				
Trade and other payables	47,581	47,581	51,110	51,110

	Carrying amount	Fair value	Carrying amount	Fair value
	2015	**2015**	**2014**	**2014**
Loans and borrowings	2,722,596	2,722,596	1,943,926	1,943,926
Interest rate swaps	4,763	4,763	1,045	1,045
Option premium payable	22,099	22,099	27,148	27,148
Total non-current	**2,797,039**	**2,797,039**	**2,023,229**	**2,023,229**
Current financial liabilities				
Trade and other payables	369,590	369,590	400,460	400,460
Loans and borrowings	521,953	521,953	944,750	944,750
Foreign exchange forward contract	453	453	53	53
Option premium payable	5,506	5,506	5,020	5,020
Total current	**897,502**	**897,502**	**1,350,283**	**1,350,283**
Total	**3,694,541**	**3,694,541**	**3,373,512**	**3,373,512**

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
	2015	**2015**	**2014**	**2014**
Non-current financial assets				
Loans and receivables to subsidiaries	171,676	171,676	133,873	133,873
Loans and receivables	5,100	5,100	5,660	5,660
Total non-current	**176,776**	**176,776**	**139,533**	**139,533**
Current financial assets				
Loans and receivables	27	27	4	4
Cash and short-term deposits	1,065	1,065	173	173
Total current	**1,092**	**1,092**	**177**	**177**
Total	**177,868**	**177,868**	**139,710**	**139,710**
Current financial liabilities				
Trade and other payables	1,372	1,372	1,486	1,486

	Carrying amount	Fair value	Carrying amount	Fair value
	2015	2015	2014	2014
Loans and borrowings	114,245	114,245	62,028	62,028
Total current	**115,617**	**115,617**	**63,514**	**63,514**

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 are observable for the asset or liability, either directly or indirectly.

• Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Equity securities - available-for-sale	511	-	18,644	19,155
Equity securities - held for trading	152	-	-	152
Debt securities-held for trading	2,437	-	-	2,437
Derivative assets	-	49,702	-	49,702
Total	**3,100**	**49,702**	**18,644**	**71,446**
Financial liabilities measured at fair value				
Interest rate swaps	-	4,763	-	4,763
Option premium payable	-	27,605	-	27,605
Foreign exchange forward contract	-	453	-	453
Total	**-**	**32,821**	**-**	**32,821**

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 year ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation of Level 3 fair value measurements of financial assets:

2015	Available-for-	Total

	sale Unquoted Equities	
Opening balance	**21,439**	**21,439**
Total gains or losses:		
- in income statement	-	-
- in other comprehensive income		
change in fair value of available for sale financial asset	(1,877)	(1,877)
foreign currency translation difference	(918)	(918)
Settlements	-	-
Transfers into level 3	-	-
Closing balance	**18,644**	**18,644**