Regulatory Story

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Company	KSK Power Ventur PLC
TIDM	KSK
Headline	**Audited Results for the year ended 31 March 2014**
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KSK Power Ventur plc
("KSK" or the "Group" or the "Company")
Audited Results for the year ended 31 March 2014

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, is pleased to announce the consolidated audited results for the year ended 31 March 2014.

Financial Highlights

- Group Revenue decreased by 14% to $ 335.9 m (2013: $ 392.8 m)
- Gross Profit decreased by 42% to $ 91.1 m (2013: $ 157.2 m)
- Operating Profit decreased by 52% to $ 58.0 m (2013: $ 120.2 m)
- Profit before tax * decreased to a loss of $ 72.1 m (2013: profit of $ 37.5 m)
- Investments in Property Plant and Equipment ** decreased 2% to $ 3,215.3m (2013: $ 3,273.5 m)

*An unrealised exchange loss of $ 38.1 million on account of the restatement of the foreign currency component of bank financing facilities and trade payables being recognized.

** Underlying increased of 8 % on constant currency basis, but headline decrease on account of translation difference from base currency as INR 59.86 per $ at closing as against INR 54.66 per $ at March 2013

Given the current trading environment, the underlying Revenue and Gross Profit declines for the current year as compared to the previous year, though marginal at the Rupee level, have been primarily on account of the lower than expected PLFs at Sai Wardha and Arasmeta projects and the overall price realisation.

Further, the currency depreciation of the Indian Rupee against the US Dollar of c.11%, since March 2013, has led to reporting of higher Revenue decline of 14% in US Dollar terms; together with associated performance and profitability.

Comparison of results

				March 14 translated at March 13 Rupee/ $ exchange rate		
Particulars	**31 March 2014 (USD m)**	**31 March 2013 (USD m)**	**% change**	**31 March 2014 (USD m)**	**31 March 2013 (USD m)**	**% change**
Revenue	335.87	392.82	(14)	372.05	392.82	(5)

Gross profit	91.15	157.22	(42)	100.97	157.22	(36)
Operating profit	58.03	120.15	(52)	64.28	120.15	(47)
(Loss) / profit before tax	(72.12)	37.46	(293)	(79.89)	37.46	(313)
Average exchange rate Rupee/USD	Rs 60.4267 / $	Rs 54.5494 / $	11	Rs 54.5494 / $	Rs 54.5494 / $	-

Operating Highlights

- During the year operating assets recorded an aggregate generation of 6,514 MWh as against 5,546 MWh for the previous year, an increase of 17.4%, with the following individual Plant Load Factors ("PLF"):

	31 March 2014		31 March 2013	
KSK Mahanadi (First 600 MW)*	1,088 MWh	(62%)	-	-
Sai Wardha (540 MW)	2,586 MWh	(55%)	3,403MWh	(72%)
VS Lignite (135 MW)	902 MWh	(76%)	889 MWh	(75%)
Sai Regency (58 MW)	445 MWh	(88%)	429 MWh	(84%)
Arasmeta (86 MW)	341 MWh	(45%)	445 MWh	(59%)
Sitapuram Power (43 MW)	342 MWh	(91%)	337 MWh	(89%)
Wind Project (19 MW)	33 MWh	(20%)	41 MWh	(25%)
Solar Project (10 MW)	19 MWh	(21%)	2 MWh	(22%)

* Net of 758 MWh of generation until November 2013, the associated revenue has been taken to the capital works in progress

Although the overall generation across the portfolio is below earlier expectations, this level was actually achieved despite the challenges currently facing all aspects of the energy sector in India.

- The 3.6 GW KSK Mahanadi power project is under construction with good progress being made that includes:

    - Operation of first 600 MW unit already announced, and the second 600 MW unit expected to be synchronized with the Grid shortly;
    - Commissioning of majority of the ancillary common infrastructure facilities including water, rail linkage
    - Commencement of fuel supplies is expected to begin shortly with respect to the tapering Linkage Fuel Supply Agreement executed during March 2014.

- Operating constraints at Sai Wardha with respect to coal costs, open access and PPAs continue. Efforts to address these issues are being pursued, with improvements expected during the year. In the interim, reduced asset utilisation levels means revenue and profitability will be lower than indicated earlier.

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

"The year 2014 witnessed the Company's power plants' aggregate gross generation reaching 6,514 MWhs. With the various challenges at Sai Wardha being addressed, and the additional 600 MW soon entering operations at KSK Mahanadi with operating capacity of Mahanadi aggregating to 1200 MW, we anticipate achieving 9,000 MWh of gross generation in the current year.

These results are in the context of the circumstances across the Indian power sector and the overall challenging times and economic environment in India. The year proved to be a difficult time for the entire power sector in India and the Company's management has continued its efforts to address the various challenges in the operating projects.

As regards resolving the issue of high price coal and seeking reimbursement for the inferior quality of coal at Sai Wardha, a prima facie order for admitting the company's submission and directing an investigation has already been passed during January 2014. A detailed investigation is currently underway by the office of the Director General of Competition Commission of India, and we are hopeful of being granted the necessary relief in the next few months. In addition efforts on seeking local regulatory intervention on power supplies, enhanced utilisation through appropriate open access arrangements are simultaneously being pursued. When this is successfully addressed, profitability is expected to revert to the previously achieved levels.

The phased construction of the KSK Mahanadi project is making steady progress, with the first 600 MW unit commissioned during the year. The commencement of fuel supplies under the tapering linkage Fuel Supply Agreement ("FSA") from South Eastern Collieries Limited ("SECL") is expected to have a high and positive impact, leading to enhanced operational profitability. With the second 600 MW unit due to enter operations for a substantial part of the current financial year, internal accruals are anticipated that will provide a robust support for the entire power generation portfolio of the Company. Further, interim coal imports from overseas through appropriate collaborative arrangements will provide sufficient fuel for the planned power generation from KSK Mahanadi.

While coal supplies from the Goa Industries Development Corporation ("GIDC") from the Gare Pelma coal block are anticipated to start during the year, initial progress by Gujarat Mineral Development Corporation ("GMDC") of the Morga-II Coal Block has already commenced post the Forest Clearance accorded during May 2013, the Prospecting License accorded in December 2013 and the in depth prospecting activities commenced in May 2014.

The currency impact due to the significant depreciation of the Rupee against the US Dollar has resulted in considerably greater costs on imported capital goods. 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 in principle by the Consortium of Lenders. In this regard, the commitments of the entire consortium are expected to be firmed up on the same lines as the Current Facility Agreements, and are anticipated to be entered into by September/October 2014.

In line with the guidance given by the Indian Central Bank, where the progress of infrastructure projects has been affected by factors beyond the control of the project developers, an additional two years would be provided for project completion as well as commencement. The lenders consortium has agreed in principle to recognize the revision of debt repayment and the same is now expected to commence in June 2016 on quarterly basis. This deferment provides additional internal accruals over the next two years and the necessary latitude for additional units to commence operations.

The Company's management is focused on moving the various supply chain solutions forward with respect to operational assets, and addressing the on-ground situations to co-ordinate planned generation with fuel supplies for the assets under construction. With the underlying assets, associated performance and opportunities, KSK is well positioned to be one of the more stable, valuable and sustainable players in the Indian power generation landscape and views the future with confidence.

KSK's bold growth initiative, from start-up to becoming a leading independent power producer targeted to account for c.3% of total Indian power generation by 2016 (upon completion of all six units of KSK Mahanadi), demonstrates KSK's growth and profitability potential in this key area of the Indian economy.

KSK's performance during the year was only possible with the valuable and appreciated support of the various investors in the Company who have enabled us to pursue appropriate business opportunities in these challenging times."

For further information, please contact:

KSK Power Ventur plc +91 40 2355 9922

Mr. S. Kishore, Executive Director

Mr. K. A. Sastry, Executive Director

Arden Partners plc +44 (0)20 7614 5900

Richard Day

Key Business Updates

POWER PLANTS UNDER OPERATION/CONSTRUCTION

- **540 MW SAI WARDHA POWER LIMITED (SWPL):**

  The total gross power generated in the plant during the review period was 2,586 MWh with an average Plant Load Factor (PLF) of 55%. This reflected the challenging local operating environment, the fuel and the open access grid constraints experienced by Sai Wardha Power.

  The various developments early in the period, including unjustified higher coal prices, have adversely affected Sai Wardha Power's profitability and appropriate recompense from Western Coalfields Limited is being pursued to address this matter. During the year the Company has sought the intervention of the Competition Commission of India ("CCI") both for the shortfall in the calorific value of the coal vis-à-vis the guarantees under the FSA, as well pursuing recompense for charging for coal supplied at much higher prices than those prescribed under the cost plus linkage arrangements, together with other onerous terms being insisted upon for supplying the balance of coal quantities. A prima facie opinion was expressed by the CCI on 22 January 2014 admitting the Company's submission, and by directing the Office of Director General to carry out a detailed investigation. Further developments and reliefs from the CCI are awaited.

While the Company is negotiating power sale arrangements to commence supplies for part of the capacity that was earlier being supplied to R-infra, the additional capacity that was earmarked to be supplied to captive industrial consumers also experienced limitations on open access from the local grid, in spite of long term PPA commitments from various industries. Subsequent to the year end, during April 2014, the Company sought the necessary judicial and regulatory intervention, and has now successfully re-secured open access for supplies to these captive consumers.

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.

- **CONSTRUCTION OF 3.6 GW 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 operations with 1,846 MWh of generation supplied under PPA's commenced;
- the second 600 MW unit expected to achieve synchronization shortly;
- phased construction of the remaining four 600 MW units anticipated for commissioning through 2015 and 2016;
- 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 plant 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.

With stabilised generation from the first 600 MW unit, and the progress being made with the second 600 MW unit, the Company's management continues to focus its efforts on expediting the construction of the remaining four units.

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

The total gross power generated in the plant during the year was 902 MWh, with an average PLF of 76%. The Company is continuing its efforts to secure necessary long term PPAs from the local grid as well as appropriate legal reliefs with respect to tariffs from industrial customers. The Company anticipates that industrial customers, who have previously experienced extremely high tariffs, will find Company's power supplies and tariff proposition more attractive.

- **86 MW ARASMETA CAPTIVE POWER COMPANY PRIVATE LIMITED (ACPCPL):**

  The total gross power generated in the plant during the year was 341 MWh, with an average PLF of 45%, primarily due to the limited off-take by Lafarge India. The year under review witnessed decreased utilisation by Lafarge India for its cement plants, having a direct impact on the profitability of the Arasmeta plant. Lafarge is currently not taking any power from the plant. While continuing to press for its claim against Lafarge India to fulfil their obligations, the Company has now executed a long term PPA with the local utility, which was approved by the Regulatory Commission during May 2014.

  With the new PPA arrangements in place, asset utilisation is expected to significantly improve and reach the earlier 80%+ PLF levels over the next few quarters. As a result, the Company anticipates increased generation, revenue and profitability from the Arasmeta 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 445 MWh, with an average PLF of 88%. With the continuous supply of gas and the 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 in the plant during the year was 342 MWh, with an average PLF of 91%. Although the fuel cost for the period under review has 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 other customers under open access.

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

  The total gross power generated in the plant during the year was 19 MWh, with an average PLF of 21%. 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.

The initiative in the state of Tamil Nadu has not progressed at the anticipated pace as a result of the Government's detailed review of the policy of Solar Power Obligations ("SPO"). However, with recent developments, the first PPA with Tamil Nadu is expected and thereafter progress on debt financing, land acquisition, EPC and site preparation works will be accelerated.

- **ANCILLARY INFRASTRUCTURE INITIATIVE AT KSK MAHANADI**

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

- **KSK Mineral Resources:**

Mine development support and associated works on behalf of Goa Industrial Development Corporation (GIDC), the owner of the Gare Pelma block, will enable timely access to coal for the Mahanadi project. Commencement of production during the current year, and the gradual increase, is expected to be in line with the approved Mine Plan. This would enable the fuel requirement for operations to be met, and the commencement of power supplies to the Goa state.

- **KSK Water Infrastructure:**

Infrastructure works, including the construction of the 60km pipelines and the pump stations for the supply of water for the Mahanadi project, were 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 during the latter part of 2014.

- **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 second half of 2013, 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, an integrated plan is being discussed with the new Government, and further progress is awaited to enable subsequent development activities.

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 for appropriate collaboration opportunities.

EQUITY AND FINANCING ARRANGEMENTS

The Company raised £20.7 million of equity during the last quarter of the period through a placement of new shares in KSK Power Ventur plc ("KSK"). Additionally, post the reporting year end, c. £40 million of equity was raised by KSK Energy Ventures Limited ("KSKEV"), KSK's listed Indian subsidiary, through a Qualified Institutional Placement. Shareholder approval was also obtained for KSK to subscribe for up to 150 million warrants convertible into equivalent equity shares at KSKEV, enabling KSK to revert back to the earlier held 74.94% interest in KSKEV. It is anticipated that during the year an appropriate level of warrant subscription and conversion would be undertaken for the Company to retain its substantial interest in KSKEV.

Earlier in the year the Company secured debt financing within its Indian holding companies that enabled the earlier tender offer as well as the buyout of the entire minority of the KSK Mahanadi project, resulting in KSK owning a 74.94% interest in KSKEV, the subsidiary which owns the 100% interest in KSK Mahanadi Power Company Limited. Also, the Company is pursuing further refinancing opportunities on more favourable terms at the operating project level to provide the necessary liquidity to retire part of the existing higher rate debt.

Additionally, the Company has received and evaluating proposals for collaboration on the KSK Mahanadi project.

FINANCIAL PERFORMANCE

The underlying financial performance at the Indian Rupee level has witnessed marginal decline. However, with significant currency depreciation of the Rupee against the US dollar during the period, the results when reported in US Dollars reflect a substantial decrease as compared to the previous year.

With a total operating capacity of 1,491 MW, the consolidated operating revenue achieved was $ 336 m, with operating profits at $ 58 m, and a loss before tax of $ 72 m.

However, reported financials have been affected due to the significant Rupee Dollar fluctuation and associated non cash book adjustments for foreign exchange on the offshore supplies with respect to the Mahanadi project.

The significant increase of finance costs from $ 121 m to $ 166 m (primarily with $51 m solely on account of currency exchange effects during the current year) resulted in a decrease in earnings before taxes.

The movement in profit before taxation from $ 37 m to a loss before taxation of $ 72 m in the current year was due in part to $ 51 m exchange loss that arose in 2014, and is accounted for in finance costs.

Business Strategy

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.

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 tapering linkage of coal supplies now secured to cover any potential delays for the Mahanadi plant, and with significant long term PPAs signed at higher tariff rates, the Company expects to secure the necessary further 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 and grow through the coming decade, coupled with the high quality of the Company's growing 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.

Further the improvement in the overall policy environment with a new federal Government in place supported by an integrated approach to issues of power generation, coal mining and renewable energy initiatives coming together under a combined Ministry.

On the successful phased completion of the balance units of the 3.6 GW KSK Mahanadi power project being added to the Company's existing portfolio, the Board believes KSK will be one of India's leading suppliers of power.

An extract of the Audited Consolidated and Company Financial Statements for the year ended 31 March 2014 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;
- 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

Extract of Consolidated and Company financial statements for the year ended 31 March 2014

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 March

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

	Notes	Consolidated 2014	Consolidated 2013 (Restated*)	Consolidated 1 April 2012 (Restated*)	Company 2014	Company 2013
ASSETS						
Non-current						
Property, plant and equipment		3,215,282	3,273,450	2,685,808	-	1
Intangible assets and goodwill		20,245	22,326	23,589	-	-
Investments and other financial assets	6	154,577	98,045	109,356	366,767	295,191
Other non-current assets		98,461	67,427	58,733	-	-
Trade and other receivables		3,422	6,272	5,995	-	-
Deferred tax asset		33,269	15,649	14,273	-	-
		3,525,256	3,483,169	2,897,754	366,767	295,192
Current						
Investments and other financial assets	6	73,240	81,464	85,461	4	9,557
Other current assets		22,688	42,490	39,648	391	883
Trade and other receivables		158,139	116,252	97,805	-	-
Inventories		24,588	26,246	21,960	-	-
Cash and short-term deposits	7	194,054	305,264	417,585	173	287
		472,709	571,716	662,459	568	10,727
Assets held for sale	5	18,456	-	-	-	-
Total assets		**4,016,421**	**4,054,885**	**3,560,213**	**367,335**	**305,919**
EQUITY AND LIABILITIES						
Issued capital	8	289	263	263	289	263
Share premium	8	287,191	253,890	253,890	287,191	253,890
Share application money	8	18,000	-	-	18,000	-
Foreign currency translation reserve	8	(113,933)	(78,535)	(58,881)	12,580	6,420
Revaluation reserve	8	2,614	2,752	2,859	-	-
Capital redemption reserve	8	5,461	-	-	-	-
Other reserves	8	143,615	142,262	140,415	10	-
Retained earnings / (Accumulated deficit)	8	69,254	120,939	99,475	(14,249)	(10,049)
Equity attributable to owners of the Company		412,491	441,571	438,021	303,821	250,524
Non-controlling interests	8	169,782	199,615	188,442	-	-
Total equity		582,273	641,186	626,463	303,821	250,524
Non-current liabilities						
Interest-bearing loans and borrowings	9	1,943,926	1,834,526	1,409,050	-	-
Other non-current financial liabilities	10	28,193	-	-	-	-
Trade and other payables		51,110	59,782	48,981	-	-
Provisions		2,494	2,541	2,480	-	-
Deferred revenue		4,974	8,403	9,150	-	-
Employee benefit liability		495	1,061	953	-	-
Deferred tax liabilities		31,567	35,985	38,098	-	-
		2,062,759	1,942,298	1,508,712	-	-
Current liabilities						
Interest-bearing loans and borrowings	9	944,750	1,021,122	1,128,911	62,028	54,119
Other current financial liabilities	10	5,073	-	-	-	-
Trade and other payables		391,124	438,664	285,898	1,486	1,276
Deferred revenue		740	928	984	-	-
Other current liabilities		9,336	9,258	6,417	-	-

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
as at 31 March
(All amount in thousands of US $, unless otherwise stated)

	Notes	Consolidated			Company	
		2014	**2013 (Restated*)**	**1 April 2012 (Restated*)**	**2014**	**2013**
Taxes payable		1,910	1,429	2,828	-	-
		1,352,933	1,471,401	1,425,038	63,514	55,395
Liabilities associated with assets held for sale	5	18,456	-	-	-	-
Total liabilities		3,434,148	3,413,699	2,933,750	63,514	55,395
Total equity and liabilities		**4,016,421**	**4,054,885**	**3,560,213**	**367,335**	**305,919**

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

* The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

CONSOLIDATED AND COMPANY INCOME STATEMENT
for the year ended 31 March

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

	Notes	Consolidated		Company	
		2014	**2013 (Restated*)**	**2014**	**2013**
Revenue	11	335,866	392,821	-	-
Cost of revenue		(244,720)	(235,602)	-	-
Gross profit		**91,146**	**157,219**	-	-
Other operating income		7,064	1,648	-	42
Distribution costs		(11,014)	(7,037)	-	-
General and administrative expenses		(29,169)	(31,678)	(1,041)	(784)
Operating profit / (loss)		**58,027**	**120,152**	**(1,041)**	**(742)**
Finance costs	12	(165,969)	(120,984)	(3,719)	(2,342)
Finance income	13	35,819	38,296	560	1,490
(Loss) / profit before tax		**(72,123)**	**37,464**	**(4,200)**	**(1,594)**
Tax income / (expense)	14	13,106	1,405	-	-
(Loss) / profit for the year		**(59,017)**	**38,869**	**(4,200)**	**(1,594)**
Attributable to:					
Owners of the Company		(49,039)	24,406	(4,200)	(1,594)
Non-controlling interests		(9,978)	14,463	-	-
		(59,017)	**38,869**	**(4,200)**	**(1,594)**
(Loss) / earnings per share					
Weighted average number of ordinary shares for basic and diluted earnings per share		160,565,712	159,378,600		
Basic and diluted (loss) / earnings per share (US $)		(0.31)	0.15		

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

* The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

CONSOLIDATED AND COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 March

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

	Consolidated		Company	
	2014	**2013 (Restated*)**	**2014**	**2013**
(Loss) / profit for the year	**(59,017)**	**38,869**	**(4,200)**	**(1,594)**
Items that will never be reclassified to income statement				
Re-measurement of defined benefit liability	859	523	-	-
Income tax relating to re-measurement of defined benefit liability	(254)	(159)	-	-
	605	**364**	-	-
Items that are or may be reclassified subsequently to income statement				
Foreign currency translation differences	(52,881)	(28,570)	6,160	(5,797)
Available-for-sale financial assets				
- current period losses	(1,755)	(3,051)	-	-
- reclassification to income statement	2,986	4,258	-	-
Income tax relating to available for sale financial asset	(188)	35	-	-
	(51,838)	**(27,328)**	**6,160**	**(5,797)**
Other comprehensive (expense) / income, net of tax	**(51,233)**	**(26,964)**	**6,160**	**(5,797)**
Total comprehensive (expense) / income for the year	**(110,250)**	**11,905**	**1,960**	**(7,391)**
Attributable to:				
Owners of the Company	(83,106)	6,321	1,960	(7,391)
Non-controlling interests	(27,144)	5,584	-	-
	(110,250)	**11,905**	**1,960**	**(7,391)**

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

* The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

Approved by the Board of Directors on 11 July 2014 and signed on behalf by:

S. Kishore
Executive Director

K. A. Sastry
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2013

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

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Issued capital	**Share premium**	**Foreign currency translation reserve**	**Revaluation reserve**	**Other reserves**	**Retained earnings**	**Total**		
As at 1 April 2012 (Restated*)	**263**	**253,890**	**(58,881)**	**2,859**	**140,415**	**99,475**	**438,021**	**188,442**	**626,463**
Non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	-	2	2
Issuance of equity shares by subsidiaries	-	-	-	-	27	-	27	2,813	2,840
Acquisition of non-controlling interests without change in control	-	-	-	-	251	-	251	(275)	(24)
Transfer of economic interest to non-controlling interests[1]	-	-	-	-	-	(3,049)	(3,049)	3,049	-
Net depreciation transfer for property, plant and equipment	-	-	-	(107)	-	107	-	-	-
Transaction with owners	**-**	**-**	**-**	**(107)**	**278**	**(2,942)**	**(2,771)**	**5,589**	**2,818**
Profit for the year	-	-	-	-	-	24,406	24,406	14,463	38,869
Other comprehensive income									
Items that will never be reclassified to income statement									
Re-measurement of defined benefit liability	-	-	-	-	523	-	523	-	523
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	(159)	-	(159)	-	(159)
Items that are or may be reclassified subsequently to income statement									
Foreign currency translation differences	-	-	(19,654)	-	-	-	(19,654)	(8,916)	**(28,570)**
Available-for-sale financial assets									
- current period (losses) / gains	-	-	-	-	(3,079)	-	(3,079)	28	**(3,051)**
- reclassification to profit or loss	-	-	-	-	4,258	-	4,258	-	**4,258**
Income tax relating to available-for-sale financial asset	-	-	-	-	26	-	26	9	**35**
Total comprehensive income / (loss) for the year	**-**	**-**	**(19,654)**	**-**	**1,569**	**24,406**	**6,321**	**5,584**	**11,905**
Balance as at 31 March 2013 (Restated*)	**263**	**253,890**	**(78,535)**	**2,752**	**142,262**	**120,939**	**441,571**	**199,615**	**641,186**

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

*The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

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

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									Non - controlling interests	Total equity
	Issued capital	**Share premium**	**Share application money**	**Foreign currency translation reserve**	**Revaluation reserve**	**Capital redemption reserve**	**Other reserves**	**Retained earnings**	**Total**		
As at 1 April 2013 (Restated*)	**263**	**253,890**	**-**	**(78,535)**	**2,752**	**-**	**142,262**	**120,939**	**441,571**	**199,615**	**641,186**
Issue of shares (Note 8)	26	33,301	-	-	-	-	-	-	33,327		33,327

Receipt of share application money	-	-	18,000	-	-	-	-	-	18,000	-	18,000
Issuance of equity shares by subsidiary (note 3 and 4)	-	-	-	-	-	-	12	-	12	(12)	-
Transfer of economic interest to non-controlling interests[1]	-	-	-	-	-	-	-	2,677	2,677	(2,677)	-
Equity-settled share based payment	-	-	-	-	-	-	10	-	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**	**(2,689)**	**51,337**
Loss for the year	-	-	-	-	-	-	-	(49,039)	(49,039)	(9,978)	**(59,017)**
Other comprehensive income											
Items that will never be reclassified to income statement											
Re-measurement of defined benefit liability	-	-	-	-	-	-	803	-	803	56	**859**
Income tax relating to re-measurement of defined benefit liability	-	-	-	-	-	-	(254)	-	(254)	-	**(254)**
Items that are or may be reclassified subsequently to income statement											
Foreign currency translation differences	-	-	-	(35,398)	-	-	-	-	(35,398)	(17,483)	**(52,881)**
Available-for-sale financial assets											
- current period (losses) / gains	-	-	-	-	-	-	(2,063)	-	(2,063)	308	**(1,755)**
- reclassification to profit or loss	-	-	-	-	-	-	2,986	-	2,986	-	**2,986**
Income tax relating to available-for-sale financial asset	-	-	-	-	-	-	(141)	-	(141)	(47)	**(188)**
Total comprehensive (expense) / income for the year	**-**	**-**	**-**	**(35,398)**	**-**	**-**	**1,331**	**(49,039)**	**(83,106)**	**(27,144)**	**(110,250)**
Balance as at 31 March 2014	**289**	**287,191**	**18,000**	**(113,933)**	**2,614**	**5,461**	**143,615**	**69,254**	**412,491**	**169,782**	**582,273**

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

* The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

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

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended

(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 2012	**263**	**253,890**	**-**	**12,217**	**-**	**(8,455)**	**257,915**
Loss for the year	-	-	-	-	-	(1,594)	**(1,594)**
Other comprehensive income							
Foreign currency translation differences	-	-	-	(5,797)	-	-	**(5,797)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(5,797)**	**-**	**(1,594)**	**(7,391)**
Balance as at 31 March 2013	**263**	**253,890**	**-**	**6,420**	**-**	**(10,049)**	**250,524**
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 profit / (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**

(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	
	2014	**2013 (Restated*)**	**2014**	**2013**
Cash inflow / (outflow) from operating activities				
(Loss) / profit before tax	(72,123)	37,464	(4,200)	(1,594)
Adjustment				
Depreciation and amortization	43,926	39,492	1	-
Finance cost	154,829	120,984	3,242	2,341
Finance income	(35,819)	(28,008)	(1,554)	(1,586)
Provision and impairment of trade receivable, PPE and other advances	9,068	8,958	335	-
(Profit) / loss on sale of fixed assets, net	(352)	458	-	-
Others	869	17	10	-
Change in				
Trade receivables and unbilled revenue	(50,712)	(28,347)	-	-
Inventories	1,658	(4,286)	-	-
Other assets	(53,024)	(12,305)	(4,851)	(845)
Trade payables and other liabilities	53,819	1,573	84	(126)
Provisions and employee benefit liability	(566)	103	-	-
Cash generated from /(used in) operating activities	51,573	136,103	(6,933)	(1,810)
Taxes paid, net	(5,364)	(10,440)	-	-
Net cash provided by / (used in) operating activities	**46,209**	**125,663**	**(6,933)**	**(1,810)**
Cash inflow / (outflow) from investing activities				
Movement in restricted cash, net	123,310	35,969	**-**	**-**
Purchase of property, plant and equipment and other non-current assets	(199,997)	(394,515)	-	-
Proceeds from sale of property, plant and equipment	1,709	4,815	-	-
Proceed from sale of wind mill undertaking (PPE)	-	11,069	-	-

Purchase of financial assets	(23,906)	(103,168)	(47,652)	-
Proceeds from sale of financial assets	59,675	121,337	-	1,184
Dividend received	120	482	-	-
Finance income received	31,350	37,460	-	-
Net cash flow provided by / (used in) investing activities	**(7,739)**	**(286,551)**	**(47,652)**	**1,184**
Cash inflow / (outflow) from financing activities				
Proceeds from borrowings	1,252,455	1,202,714	7,663	1,515
Repayment of borrowings	(993,151)	(786,440)	-	(240)
Finance costs paid	(316,109)	(314,275)	(2,972)	(1,997)
Payment of Derivative liability	(4,519)	(24)	-	-
Net proceeds from issue of shares and share application money in subsidiary to non-controlling interest	2,303	4,478	-	-
Net proceeds from issue of shares and share application money	51,327	-	51,327	-
Net cash flow provided by / (used in) financing activities	**(7,694)**	**106,453**	**56,018**	**(722)**
Effect of exchange rate changes	(18,676)	(21,917)	(1,547)	37
Net increase/(decrease) in cash and cash equivalent	**12,100**	**(76,352)**	**(114)**	**(1,311)**
Cash and cash equivalents at the beginning of the year	43,834	120,186	287	1,598
Cash and cash equivalents at the end of the year (note 7)	**55,934**	**43,834**	**173**	**287**

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

* The comparative information has been restated so as to reflect the adoption of new accounting standards, details of which have been set out in note 18.

EXTRACT OF NOTES TO CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
for the year ended 31 March 2014

(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 ventures (collectively referred to as 'the Group') are primarily engaged in the development, operation and maintenance of private sector power projects, predominantly through subsidiaries and jointly controlled entities with multiple industrial consumers and utilities in India with next level of growth coming through large base load power plant subsidiaries.

KSK focused its strategy on the private sector power development market, undertaking entire gamut of development, investment, construction (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 11.

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 11 July 2014.

1.4. Financial period

The Consolidated and Company financial statements cover the period from 1 April 2013 to 31 March 2014, with comparative figures from 1 April 2012 to 31 March 2013. In addition, statement of financial position as at 1 April 2012 presented in these consolidated financial statements due to retrospective application of certain accounting policies.

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 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. The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in construction projects for its power plants. The Group currently has net current liabilities of US $ 880,224, with short term facilities including current maturities of long term debts expiring in March 2015 totalling US $ 944,750 and a committed capital spend of US $ 1,589,164. The Group continues to generate cash flows from the current operations which together with the available cash and short term deposits provides liquidity both in short-term as well as in long-term.

Further, within current liabilities is an amount of long term debt of US $ 140,863 classified as the current portion of debt borrowed for KSK Mahanadi Power Project. As there has been time overrun in the project by approx. two years, a time and cost overrun proposal was submitted to the lead lender for approval of the re-scheduling of the DCCO (Date of commencement of commercial operation) and accordingly a consequential shift in the repayment date from 30 June 2014 to 30 June 2016. The same has been approved by the board of the lead lender of the project. Hence, an amount of US $ 140,863 will not be materialised till 30 June 2016.

Anticipated future cash flow, including QIP proceeds of US $ 65,072 (refer note 19) and undrawn long term committed facilities of US $ 1,135,523 together with cash and short term deposits of US $ 194,054 (including restricted cash) as at 31 March 2014 on a consolidated basis, are expected to be utilised to meet the on-going capital investment programme and liquidity requirement of the Group in the near future. In addition, a number of the facilities that are due to expire at 31 March 2015 are in the process of being extended and have a rollover clause in a number of cases.

The Group's forecast and projections, taking into account reasonable possible changes in trading performance, show that the Group has sufficient financial resources, together with assets that are expected to generate free cash flow to the Group. As a consequence, the Directors have a reasonable expectation that the Company and the Group are well placed to manage their business risks and continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting when preparing these financial statements.

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 2013, 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 2013.

- IFRS 13 Fair Value Measurement
- Presentation of items of Other Comprehensive Income (Amendments to IAS 1)
- IAS 19 Employee Benefits (2011)
- IFRIC 20 stripping cost in the production phase of surface mine
- IFRS 7 Financial instruments Disclosures - offsetting Financial Assets and Financial Liabilities
- Annual Improvements to IFRS 2009-2011 cycle

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

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other IFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 *Financial Instruments: Disclosures*, accordingly, the Group has included additional disclosures in this regard.

In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

Presentation of items of Other Comprehensive Income (Amendments to IAS 1)

As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its consolidated income statement and statement of other comprehensive income, to present separately items that would be reclassified to profit or loss in the future from those that would never be. Comparative information has also been re-presented accordingly. The adoption of the amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

IAS 19R Employee Benefits (2011)

IAS 19R includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets that are no longer recognised in profit or loss, instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures.

In case of the Group, the transition to IAS 19R had an impact on the net defined benefit plan obligations due to the difference in accounting for interest on plan assets and unvested past service costs. The effect of the adoption of IAS 19R is explained in note 18.

IFRIC 20 stripping cost in the production phase of surface mine

This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. Under the interpretation, the costs from this waste removal activity (stripping) which provide improved access to ore is recognised as a non-current asset (stripping activity asset) when certain criteria are met, whereas the cost of normal on-going operational stripping activities are accounted for in accordance with IAS 2 Inventories. The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset and classified as tangible or intangible according to the nature of the existing asset of which it form parts.

In case of the Group, the transition to IFRIC 20 had an impact on trade and other payable as the existing stripping cost liability balances have been written off to income statement. The effect of the adoption of IFRIC 20 is explained in Note 18.

IFRS 7 Financial instruments Disclosures - offsetting Financial Assets and Financial Liabilities

The amendment requires an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendment does not have an impact on the Group.

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

3. Acquisition of non-controlling interest

During the year ended 31 March 2014, the Group has issued additional 30,148,613 shares in KSK Mahanadi Power Company Limited ("KMPCL") to KSK Energy Limited ("KEL") at a face value of Rs 10 (US $ 0.17) at par. The above transactions resulted in acquisition of 0.26 % of non-controlling interest.

The acquisition of interest in subsidiary from non-controlling interest is accounted as an equity transaction, and accordingly no gain or loss is recognised in the Consolidated income statement. The difference of US $ (29) between the fair value of the net consideration paid (US $ Nil) and the amount by which the non-controlling interest (US $ 29) is adjusted are debited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

4. Dilution on Issuance of Equity Shares by Subsidiaries

During the year ended 31 March 2014, the Group has issued additional 78,000,000 shares in KSK Mahanadi Power Company Limited ("KMPCL") to Sai Wardha Power Limited ("SWPL") at a face value of Rs 10 (US $ 0.17) at par. The above transactions resulted in dilution of 0.42 % of non-controlling interest.

The dilution of interest in subsidiary from non-controlling interest is accounted as an equity transaction, and accordingly no gain or loss is recognised in the Consolidated income statement. The difference of US $ 41 between the fair value of the net consideration paid (US $ Nil) and the amount by which the non-controlling interest (US $ (41)) is adjusted are credited to 'other reserve' within consolidated statement of changes in equity and attributed to the owners of the Company.

5. Disposal group held for sale

The assets and liabilities related to Sai Regency Wind division (part of the power generation segment) have been presented as held for sale following the approval of the group's management and shareholders on 03 March 2014 to sell Sai Regency wind division. The transaction was completed by May 2014.

- **Impairment loss relating to the disposal group**

Impairment loss of US $ 1,476 for write down of the disposal group to the lower of its carrying amount and its fair value less cost to sell have been included in General and administrative expenses. The impairment losses have been applied to reduce the carrying amount of property plant and equipment within the disposal group.

- **Assets and liabilities of disposal group held for sale**

At 31 March 2014, the disposal group was stated at fair value less cost to sell and comprised the following assets and liabilities

Particulars	**2014**
Property, plant and equipment	16,452
Trade receivables	334
Loans and receivables	1,670
Assets held for sale	**18,456**
Interest bearing loans and borrowings	13,475
Deferred tax liabilities	4,981
Liabilities associated with assets held for sale	**18,456**

- **Cumulative income or expense included in OCI**

There are no cumulative incomes or expenses included in OCI relating to the disposal group.

- **Measurement of fair values**

In accordance with IFRS 5, the assets and liabilities held for sale were written down to their fair value less costs to sell. This is a non-recurring fair value which has been measured based on definitive agreement entered into with third party and is therefore within level 1 of the fair value hierarchy.

6. Investments and other financial assets

	Consolidated		**Company**	
	2014	**2013**	**2014**	**2013**
Current				
Financial assets at fair value through profit or loss				
- held-for-trading	130	3,293	-	-
Loans and receivables	72,333	66,429	4	9,557
Loans to and receivables from JV partners	777	11,742	-	-
	73,240	**81,464**	**4**	**9,557**
Non-current				
Financial assets at fair value through profit or loss				

- Derivative assets	50,196	-	-	-
Available-for-sale investments	22,865	26,354	-	-
Deposit with banks	10,953	31,208	-	-
Loans and receivables	39,336	24 264	5,660	-
Loans to and receivables from JV partners	31,227	16,219	-	-
Loans to and receivable from subsidiaries	-	-	133,873	151,877
Investment in subsidiaries	-	-	227,234	143,314
	154,577	**98,045**	**366,767**	**295,191**
Total	**227,817**	**179,509**	**366,771**	**304,748**

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. 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 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.

Loans and receivables

This primarily includes interest-bearing inter-corporate deposits of US $ 5,010 (2013: US $ 13,538), deferred loan origination costs US $ 4,424 (2013: US $ 9,783), security deposit US $ 53,882 (2013: US $ 20,721), advance for investments US $ 2,610 (2013: US $ 3,469) and other financial assets US $ 45,743 (2013: US $ 43,182).

Loans to and receivables from JV partners

This primarily includes the share application money in the joint venture entities, interest bearing inter corporate deposit to joint venture partners and redeemable preference share capital held in the joint venture entities redeemable between 5 to 20 years.

Loans to and receivable from subsidiary

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 (2013: 139,244,601) in KEL, 12,000 equity shares (2013: 12,000) in KASL, 100,000,000 equity shares (2013: 100,000,000) in KGPP, 84,146,843 equity shares (2013: Nil) in KGEPL and 1 equity share (2013: 1) in KSVP totalling to US $ 227,234 (2013: US $ 143,414).

Investment and other financial assets amounting of US $ 177,207 (2013: US $ 153,621) for the Group is subject to security restrictions.

Impairment of financial assets

During the year ended 31 March 2014, the Group's available-for-sale financial asset of US $ 2,986 (31 March 2013: US $ 4,363) and loans and receivable of US $ 1,657 (31 March 2013: US $ 2,466) were collectively impaired.

During the year ended 31 March 2014, the Company's loans and receivable of US $ 335 (31 March 2013: US $ Nil) were collectively impaired and written off.

7. Cash and short-term deposits

Cash and short-term deposits comprise of the following:

	Consolidated		**Company**	
	2014	**2013**	**2014**	**2013**
Cash at banks and on hand	55,810	39,875	173	287
Short-term deposits	138,244	265,389	-	-
Total	**194,054**	**305,264**	**173**	**287**

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

The Group has pledged a part of its short-term deposits amounting US $ 136,233 (2013: US $ 252,053) in order to fulfil collateral requirements (see note 9).

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

	Consolidated		**Company**	
	2014	**2013**	**2014**	**2013**
Cash at banks and on hand	55,810	39,875	173	287
Short-term deposits	138,244	265,389	-	-
Total	**194,054**	**305,264**	**173**	**287**
Less: Restricted cash[1]	(138,120)	(261,430)	-	-
Cash and cash equivalent	**55,934**	**43,834**	**173**	**287**

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

8. Issued share capital

Share capital

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of the Company on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Company.

The Company has an authorised share capital of 500,000,000 equity shares (31 March 2013: 500,000,000) at par value of US $ 0.002 (£ 0.001) per share amounting to US $ 998.

During the 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 / parent pending allotment of ordinary shares

Reserves

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

Revaluation reservecomprises gains and losses due to the revaluation of previously held interest of the assets acquired and liabilities assumed in a business combination.

Foreign currency translation reserve is used to record the exchange difference arising from the translation of the financial statements of the Group entities.

Capital redemption reserve represents statutory reserve required to be maintained under local law of India on account of redemption of capital. The reserve is credited equivalent to amount of capital redeemed by debiting retained earnings.

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

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

9. Interest-bearing loans and borrowings

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

	Interest rate(range %)	Final Maturity	Consolidated		Company	
			2014	**2013**	**2014**	**2013**
Long-term "project finance" loans	3.71 to 16.75	March-26	2,153,328	1,908,435	-	-
Short-term loans	0.00 to 14.50	December-15	230,856	245,113	12,177	4,514
Buyers' credit facility	0.47 to 4.83	June-16	372,892	562,951	49,851	49,605
Cash credit and other working capital facilities	11.71 to 16.50	March-15	99,823	113,295	-	-
Redeemable preference shares	0.01 to 15.00	February-28	17,591	25,854	-	-
Convertible debt	0.01 to 15.00	March-25	14,186	-	-	-
Total			**2,888,676**	**2,855,648**	**62,028**	**54,119**

Total debt of US $ 2,888,676 (2013: US $ 2,855,648) comprised:

§Long-term "project finance" loans of the Group amounting US $ 2,153,328 (2013: US $ 1,908,435) is fully secured on the property, plant and equipment and other assets of joint venture and subsidiaries that operate power stations, allied services and by a pledge over the promoter's shareholding in equity and preference capital of some of the joint ventures and subsidiaries.

§ The short term loan taken by the Group is secured by the corporate guarantee provided by the Company, fixed deposits of the Group and by pledge of shares held in the respective entities.

§ Buyer's credit facility is secured against property, plant and equipment and other assets on pari-passu basis, pledge of fixed deposits and corporate guarantee of KEVL. These loans bear interest at LIBOR plus 25 to 450 basis points.

§ A number of the facilities that are due to expire at 31 March 2015 are in the process of being extended and have rollover clause in a number of cases.

§ Cash credit and other working capital facilities are fully secured against property, plant and equipment and other assets on pari-passu basis with other lenders of the respective entities availing the loan facilities.

§ Redeemable preference shares are due for repayment in 1-14 year.

§ Convertible debts are repayable by March 2025 as per the terms of the agreement.

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 2014, the Group has complied with the relevant significant covenants.

As at 31 March 2014, the Group has available US $ 1,135,523 of undrawn long term committed borrowing facilities.

The fair value of borrowings at 31 March 2014 was US $ 2,888,676 (2013: US $ 2,853,565). 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	
	2014	**2013**	**2014**	**2013**
Current liabilities				
Amounts falling due within one year	944,750	1,021,122	62,028	54,119
Non-current liabilities				
Amounts falling due after more than one year but not more than five years	982,475	1,184,566	-	-
Amounts falling due in more than five years	961,451	649,960	-	-
Total	**2,888,676**	**2,855,648**	**62,028**	**54,119**

10. Other financial liabilities

	Consolidated	
	2014	**2013**
Current		
Option premium payable	5,020	-
Provision for mark to market loss on derivative instruments	53	-
	5,073	-
Non-Current		
Option premium payable	27,148	
Provision for mark to market loss on derivative instruments	1,045	-
	28,193	-
Total	**33,266**	**-**

11. 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.

Year ended 31 March 2014	**Project development**	**Power generating**	**Reconciling / Elimination**	**Consolidated**

	activities	activities	activities	
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**

Year ended 31 March 2013 (Restated)	**Project development activities**	**Power generating activities**	**Reconciling / Elimination activities**	**Consolidated**
Revenue				
External customers	1,229	391,592	-	392,821
Inter-segment	7,782	-	(7,782)	-
Total revenue	**9,011**	**391,592**	**(7,782)**	**392,821**
Segment operating results	5,744	115,849	468	122,061
Unallocated operating expenses, net				(1,909)
Finance costs				(120,984)
Finance income				38,296
Profit before tax				**37,464**
Tax income				1,405
Profit after tax				**38,869**
Segment assets	12,965	3,876,008	(350)	3,888,623
Unallocated assets				166,262
Total assets				**4,054,885**
Segment liabilities	3,151	489,139	(350)	491,940
Unallocated liabilities				2,921,759
Total liabilities				**3,413,699**
Other segment information				
Depreciation and amortisation	364	39,025	103	39,492
Capital expenditure	159	758,782	148	759,089

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 $ 35,819 and US $ 165,969 respectively (2013: US $ 38,296 and US $ 120,984 respectively).
c) Segment assets do not include deferred tax US $ 33,269 (2013: US $ 15,649), financial assets and other investments US $ 128,277 (2013: US $ 99,088), short-term deposits with bank and cash US $ 5,173 (2013: US $ 10,253), and corporate assets US $ 48,855 (2013: US $ 41,250).
d) Segment liabilities do not include deferred tax US $ 31,567 (2013: US $ 35,985), current tax payable US $ 1,910 (2013: US $ 1,429), interest-bearing current and non-current borrowings US $ 2,888,676 (2013: US $ 2,855,648), derivative liabilities US $ 33,266 (2013: US $ Nil) and corporate liabilities US $ 110,089 (2013: US $ 28,697).
e) The Company operates in one business and geographic segment. Consequently no segment disclosures of the Company are presented.

12. Finance costs

Finance costs comprise:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
Interest expenses on loans and borrowings [1]	94,974	109,830	761	1,423
Other finance costs	15,287	5,209	2,481	919
Impairment of financial assets [2]	2,986	4,363	-	-
Foreign exchange loss, net	51,153	-	477	-
Net loss on held-for-trading financial assets on disposal	1	-	-	-
Unwinding of discounts	1,568	1,582	-	-
Total	**165,969**	**120,984**	**3,719**	**2,342**

[1]Borrowing cost capitalised during the year amounting to US $ 274,243 (2013: US $ 217,834) to property, plant and equipment at an effective interest rate of 14.39% (2013: 14.25%).

[2]Provision for impairment of financial assets relates to available-for-sale financial asset of US $ 2,986 (2013: US $ 4,363).

13. Finance income

The finance income comprises:

	Consolidated		Company	
	2014	**2013**	**2014**	**2013**
Interest income				
bank deposits	17,405	27,443	-	-
loans and receivables	4,031	6,635	-	-
Dividend income	120	520	-	-
Net gain on held-for-trading financial assets				
on disposal	-	67	-	-
on re-measurement	13	12	-	-
Unwinding of discount on security deposits	1,395	1,404	-	-
Net gain on financial liability at fair value through profit or loss , net[1]	12,855	1,529	560	-
Foreign exchange gain, net	-	672	-	1,490
Reclassification adjustment in respect of available-for-sale financial assets disposed	-	14	-	-

Total	**35,819**	**38,296**	**560**	**1,490**

[1]Net gain on financial liability 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.

14. Tax income / (expense)

The major components of income tax for the period ended 31 March 2014 and 2013 are:

	2014	2013(Restated)
Current tax	(2,731)	(364)
Deferred tax	15,837	1,769
Tax income reported in the income statement	**13,106**	**1,405**

15. Related party transactions

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

Key management personnel and their relatives (KMP):

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

Related party transactions during the year

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

Particulars	Consolidated						Company				
	2014			2013			2014			2013	
	Joint Venture	Parent / GUP	KMP	Joint Venture	Parent / GUP	KMP	Subsidiaries	Parent / GUP	KMP	Subsidiaries	KMP
Transactions[1,2]											
Project development fees and corporate support services fees	106	-	-	1,229	-	-	-	-	-	-	-
Interest income	2,650	-	-	4,674	-	-	-	-	-	-	-
Interest expense	10	-	-	-	-	-	-	-	-	-	-
Sale of material	1,313	-	-	507	-	-	-	-	-	-	-
Capacity charges paid	2,368	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits and loans given	31,157	-	-	10,564	38	-	44,340	-		35	-
Inter-corporate deposits and loans refunded	23,335	-	-	7,991	-	-	-	-	-	1,174	-
Loan taken	1,526	-	-	-	-	-	77	-	-	-	-
Repayment of loan taken	19	-	-	-	-	-	-	-	-	-	-
Receipt of share application money	-	18,000	-	-	-	-	-	18,000	-	-	-
Issue of shares	-	20,300	-	-	-	-	-	20,300	-	-	-
Investment in subsidiaries	-	-	-	-	-	-	84,147	-	-	-	-
Equity-settled share based payment	-	-	10	-	-	-	-	-	10	-	-
Managerial remuneration [3]	-	-	541	-	-	692	-	-	211	-	250
	2014			2013			2014			2013	
Balances [1,2]											
Interest receivable	3,586	-	-	4,084	-	-	-	-	-	-	-
Interest payable	9	-	-	-	-	-	-	-	-	-	-
Loans and inter corporate deposits receivable	32,004	1,034	-	27,455	1,133	-	133,873	-	-	151,886	-
Loans payable	-	-	-	-	-	-	80	-	-	-	-
Other receivable	769	-	-	506	-	-	-	-	-	-	-
Other payable	1,521	-	-	-	-	-	-	-	-	-	-
Guarantees given	150	-	-	2,966			483,110	-	-	257,159	-
Managerial remuneration payable[3]	-	-	131	-	-	83	-	-	86	-	52

[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 2014, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2013: 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 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.

16. Commitments and contingencies

Capital commitments

As at 31 March 2014, the Group is committed to purchase property, plant and equipment for US $ 1,589,164 (2013: US $ 1,429,536). In respect of its interest in joint ventures the Group is committed to incur capital expenditure of US $ 1,153 (2013: US $ 1,114).

Guarantees

· The Company has guaranteed the loans and non-fund based facilities availed by subsidiaries to unrelated parties for US $ 339,442 (2013: US $ 207,945) and

· The Group guaranteed the performance of the joint ventures under the power delivery agreements to unrelated parties. No liability is expected to arise.

17. 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
	2014	**2014**	**2013**	**2013**
			(Restated)	**(Restated)**
Non- current financial assets				
Trade and other receivables	3,422	3,422	6,272	6,272
Equity securities - available-for-sale	22,865	22,865	26,354	26,354
Loans and receivables	70,563	70,563	40,483	40,483
Derivative assets	50,196	50,196	-	-
Non-current bank deposits	10,953	10,953	31,208	31,208
Total non-current	**157,999**	**157,999**	**104,317**	**104,317**
Current financial assets				
Trade and other receivables	158,139	158,139	116,252	116,252
Equity securities - held for trading	97	97	144	144
Debt securities-held for trading	33	33	3,149	3,149
Loans and receivables	73,110	73,110	78,171	78,171
Cash and short-term deposits	194,054	194,054	305,264	305,264
Total current	**425,433**	**425,433**	**502,980**	**502,980**
Total	**583,432**	**583,432**	**607,297**	**607,297**
Non- current financial liabilities				
Trade and other payables	51,110	51,110	59,782	59,782
Interest bearing loans and borrowings	1,943,926	1,943,926	1,834,526	1,834,526
Interest rate swaps	1,045	1,045	-	-
Option premium payable	27,148	27,148	-	-
Total non-current	**2,023,229**	**2,023,229**	**1,894,308**	**1,894,308**
Current financial liabilities				
Trade and other payables	391,124	391,124	438,664	438,664
Interest bearing loans and borrowings	944,750	944,750	1,021,122	1,019,039
Derivatives not designated as hedge	53	53	-	-
Option premium payable	5,020	5,020	-	-

Total current	**1,340,947**	**1,340,947**	**1,459,786**	**1,457,703**
Total	**3,364,176**	**3,364,176**	**3,354,094**	**3,352,011**

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**
	2014	**2014**	**2013**	**2013**
Non-current financial assets				
Loans and receivables to subsidiaries	133,873	133,873	151,877	151,877
Loans and receivables	5,660	5,660	-	-
Total non-current	**139,533**	**139,533**	**151,877**	**151,877**
Current financial assets				
Loans and receivables	4	4	9,557	9,557
Cash and short-term deposits	173	173	287	287
Total current	**177**	**177**	**9,844**	**9,844**
Total	**139,710**	**139,710**	**161,721**	**161,721**
Current financial liabilities				
Trade and other payables	1,486	1,486	1,276	1,276
Interest bearing loans and borrowings	62,028	62,028	54,119	54,119
Total current	**63,514**	**63,514**	**55,395**	**55,395**

Fair value hierarchy

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

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
Equity securities - available-for-sale	1,425	-	21,439	22,864
Equity securities - held for trading	97	-	-	97
Debt securities-held for trading	33	-	-	33
Derivative assets	-	50,196	-	50,196
Total	**1,555**	**50,196**	**21,439**	**73,190**
Financial liabilities measured at fair value				
Interest rate swaps	-	1,045	-	1,045
Option premium payable	-	32,168	-	32,168
Currency forward contract	-	53	-	53
Total	**-**	**33,266**	**-**	**33,266**

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 2014, there were no transfers between Level 1 and Level 2 fair value measurements. However an amount of US $ 21,145 has been transferred from Level 2 to Level 3.

Reconciliation of Level 3 fair value measurements of financial assets:

2014	**Available-for-sale Unquoted Equities**	**Total**
Opening balance	322	322
Total gains or losses:	-	-
- in income statement	-	-
- in other comprehensive income	(28)	(28)
Settlements	-	-
Transfers into level 3	21,145	21,145
Closing balance	**21,439**	**21,439**

Valuation techniques

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

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

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

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

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

18. Note on change in accounting policy

Consequent to amendments in new accounting standards as enumerated in note 2, the Group has restated the statement of financial performance and position of the Group for the year ended 31 March 2013 so as to show the impact of applicable accounting standards for the Group. The impact of adoption of these new accounting standards is as follows:

A. Income statement, Statement of comprehensive income and statement of financial position for the year ended 31 March 2014

Income Statement

	IFRIC 20	IAS 19 R	Total
Cost of revenue	1,488	-	1,488
General and administrative expenses	-	(336)	(336)
Tax income / (expense)	(546)	256	(290)
(Loss) / profit for the year	942	(80)	862
Attributable to:			
Owners of the Company	857	(52)	805
Non-controlling interests	85	(28)	57
	942	(80)	862
Statement of Comprehensive Income			
(Loss) / profit for the period	942	(80)	862
Items that will never be reclassified to income statement			
Re-measurement of defined benefit liability	-	859	859
Income tax relating to re-measurement of defined benefit liability	-	(254)	(254)
Total	**-**	**605**	**605**
Items that are or may be reclassified subsequently to income statement			
Foreign currency translation differences	1,769	402	2,171
Total	**1,769**	**402**	**2,171**
Other comprehensive (expense) / income, net of tax	**1,769**	**1,007**	**2,776**
Total comprehensive (expense) / income for the year	**2,711**	**927**	**3,638**
Attributable to:			
Owners of the Company	2,625	956	3,581
Non-controlling interests	86	(29)	57
	2,711	**927**	**3,638**

B Statement of financial position as at 31 March 2014

	IFRIC 20	IAS 19 R	Total
Property, plant and equipment	-	880	880
Other non-current assets	-	54	54
Foreign currency translation reserve	1,769	403	2,172
Other reserves	-	549	549
Retained earnings / (Accumulated deficit)	791	(21)	770
Equity attributable to owners of the Company	2,560	931	3,491
Non-controlling interests	152	(4)	148
Deferred tax liability	1,397	-	1,397
Employee benefit liability	-	7	7
Trade and other payables	(4,109)	-	(4,109)

C. Income statement, Statement of comprehensive income for the year ended 31 March 2013

Income Statement

	As reported at 31 March 2013	IFRIC 20	IAS 19 R	As restated at 31 March 2013
Revenue	392,821	-	-	392,821
Cost of revenue	(236,741)	1,139	-	(235,602)
Gross profit	**156,080**	**1,139**	**-**	**157,219**
Other operating income	1,648	-	-	1,648
Distribution costs	(7,037)	-	-	(7,037)
General and administrative expenses	(31,541)	-	(137)	(31,678)
Operating profit / (loss)	**119,150**	**1,139**	**(137)**	**120,152**
Finance costs	(120,984)	-	-	(120,984)
Finance income	38,296	-	-	38,296
(Loss) / profit before tax	**36,462**	**1,139**	**(137)**	**37,464**
Tax income / (expense)	1,788	(545)	162	1,405
(Loss) / profit for the year	**38,250**	**594**	**25**	**38,869**
Attributable to:				
Owners of the Company	23,843	545	18	24,406
Non-controlling interests	14,407	49	7	14,463
	38,250	594	25	38,869
Statement of Comprehensive Income				
(Loss) / profit for the year	38,250	594	25	38,869
Items that will never be reclassified to income statement				
Re-measurement of defined benefit liability	-	-	523	523
Income tax relating to re-measurement of defined benefit liability	-	-	(159)	(159)
Total	**-**	**-**	**364**	**364**
Items that are or may be reclassified subsequently to income statement				
Foreign currency translation differences	(28,501)	(67)	(2)	(28,570)
Available-for-sale financial assets				
- current period losses	(3,051)	-		(3,051)
- reclassification to income statement	4,258	-		4,258
Income tax relating to available for sale financial asset	35	-		35
Other comprehensive (expense) / income, net of tax	**(27,259)**	**(67)**	**(2)**	**(27,328)**
Total comprehensive (expense) / income for the year	**10,991**	**527**	**387**	**11,905**
Attributable to:				
Owners of the Company	5,451	490	380	6,321
Non-controlling interests	5,540	37	7	5,584
	10,991	**527**	**387**	**11,905**

D Statement of financial position as at 31 March 2013.

	As reported at 31 March 2013	IFRIC 20	IAS 19 R	As restated at 31 March 2013
Property, plant and equipment	3,273,033	-	417	3,273,450
Other non-current assets	67,406		21	67,427
Foreign currency translation reserve	(78,380)	(139)	(16)	(78,535)
Other reserves	141,674	-	588	142,262
Retained earnings / (Accumulated deficit)	119,337	1,741	(139)	120,939
Equity attributable to owners of the Company	439,536	1,602	433	441,571
Non-controlling interests	199,290	326	(1)	199,615
Deferred tax liability	35,063	926	(4)	35,985
Employee benefit liability	1,050	-	11	1,061
Trade and other payables	441,518	(2,854)	-	438,664

E Statement of financial position as at 1 April 2012.

	As reported at 1 April 2012	IFRIC 20	IAS 19 R	As restated at 1 April 2012
Property, plant and equipment	2,685,771	-	37	2,685,808
Other non-current assets	58,722	-	11	58,733
Foreign currency translation reserve	(58,783)	(102)	4	(58,881)
Other reserves	140,189	-	226	140,415
Retained earnings / (Accumulated deficit)	98,407	1,252	(184)	99,475
Equity attributable to owners of the Company	436,825	1,150	46	438,021
Non-controlling interests	188,192	252	(2)	188,442
Deferred tax liability	37,699	401	(2)	38,098
Employee benefit liability	947	-	6	953
Trade and other payables	287,701	(1,803)	-	285,898

19. Subsequent Event:

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

During the month of June 2014, KEVL issued an additional 40,404,040 equity shares of face value of Rs. 10 (U.S. $ 0.17) each at a premium of Rs. 89 (U.S. $ 1.49) per share in the Indian domestic market by way of Qualified Institutional Placement (QIP). The issue was fully subscribed and KEVL raised Rs. 3,895,379,320 (U.S. $ 65,072) net of share issue expenses of Rs 104,620,640 (US $ 1,748).

Pursuant to the issuance of the additional equity share's the ownership interest of the Group in KEVL decreased from 74.94 percent to 67.61 percent resulting in a 7.33 percent deemed partial disposal of the Group's controlling interest in a subsidiary without loss of control.

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