



Grant Thornton

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Independent Auditor's Report to the Members of Greenko Group plc

We have audited the accompanying consolidated financial statements of Greenko Group plc (the financial statements) for the period ended 31 December 2014 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 29, the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2014 and of its profit for the period then ended in accordance with IFRSs as adopted by the European Union.

Grant Thornton Limited
Chartered Accountants
Douglas, Isle of Man

30 April 2015

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of financial position

	Notes	31 December 2014	31 March 2014 (Restated)	1 April 2013 (Restated)
Assets				
Non-current assets				
Intangible assets	8	142,649,773	146,605,275	149,131,451
Property, plant and equipment	9	1,002,281,404	757,892,746	511,566,499
Bank deposits	15	29,115,837	14,354,681	9,649,321
Trade and other receivables	12	7,140,919	7,321,355	5,615,873
Other non-current financial assets	10	12,911,549	7,445,067	-
		1,194,099,482	933,619,124	675,963,144
Current assets				
Inventories	13	9,718,485	9,391,530	9,379,093
Trade and other receivables	12	78,442,400	66,088,210	54,727,829
Available-for-sale financial assets	11	100,965	73,210	77,876
Bank deposits	15	8,201,710	4,904,746	5,515,046
Current tax assets		740,445	542,838	-
Cash and cash equivalents	14	109,852,216	44,322,712	30,611,218
		207,056,221	125,323,246	100,311,062
Assets of disposal group classified as held for sale	16	12,737,960	15,425,146	-
Total assets		1,413,893,663	1,074,367,516	776,274,206
Equity and liabilities				
Equity				
Ordinary shares	17.1	1,078,994	1,045,976	1,045,976
Share premium		290,799,067	280,494,895	280,494,895
Other components of equity	17.2	(88,003,290)	(44,765,693)	(74,623,156)
Retained earnings		50,825,968	41,561,091	39,889,688
Equity attributable to owners of the Company		254,700,739	278,336,269	246,807,403
Non-controlling interests		173,021,988	175,165,825	93,768,846
Total equity		427,722,727	453,502,094	340,576,249
Liabilities				
Non-current liabilities				
Retirement benefit obligations	22	794,255	488,876	475,294
Borrowings	19	790,800,851	382,211,439	293,998,691
Other financial liabilities	10	52,379,735	36,301,770	31,365,951
Deferred tax liabilities	20	48,669,248	46,767,436	45,350,264
Trade and other payables	18	4,554,745	3,433,520	2,640,070
		897,198,834	469,203,041	373,830,270
Current liabilities				
Trade and other payables	18	71,850,115	57,325,555	38,616,071
Current tax liabilities		1,590,898	3,414,002	172,868
Borrowings	19	12,736,358	87,338,753	23,078,748
		86,177,371	148,078,310	61,867,687
Liabilities of disposal group classified as held for sale	16	2,794,731	3,584,071	-
Total liabilities		986,170,936	620,865,422	435,697,957
Total equity and liabilities		1,413,893,663	1,074,367,516	776,274,206

The notes are an integral part of these consolidated financial statements.

Greenko Group plc*(All amounts in US Dollars unless otherwise stated)***Consolidated statement of profit or loss**

	Notes	31 December 2014	31 March 2014 (Restated)
Revenue	21	100,206,933	70,992,192
Other operating income		143,105	359,299
Cost of material and power generation expenses		(10,029,831)	(7,685,925)
Employee benefits expense	23	(5,652,582)	(5,310,489)
Other operating expenses		(6,122,021)	(6,406,194)
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	30	2,036,236	2,968,303
Earnings before interest, taxes, depreciation and amortization (EBITDA)		80,581,840	54,917,186
Depreciation, amortization and impairment	8&9	(21,435,766)	(18,205,665)
Employee share based payments		(1,502,599)	(158,312)
Operating profit before exceptional items		57,643,475	36,553,209
Exceptional items (net)	26	6,177,759	-
Operating profit		63,821,234	36,553,209
Finance income	25	1,950,130	6,360,911
Finance cost	25	(41,876,903)	(25,148,389)
Profit before tax		23,894,461	17,765,731
Income tax expense	27	(7,978,254)	(5,611,834)
Profit for the period / year		15,916,207	12,153,897
Attributable to:			
Owners of the Company		9,264,877	8,743,129
Non – controlling interests		6,651,330	3,410,768
		15,916,207	12,153,897
Earnings per share for profit attributable to the equity holders of the Company during the period / year			
-Basic (in cents)		6.07	5.80
-Diluted (in cents)		5.84	5.28

The notes are an integral part of these consolidated financial statements.

Greenko Group plc*(All amounts in US Dollars unless otherwise stated)***Consolidated statement of comprehensive income**

	31 December 2014	31 March 2014 (Restated)
Profit for the period /year	15,916,207	12,153,897
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(8,812,518)	(13,791,642)
Items that will be reclassified subsequently to profit or loss		
Unrealised losses on available-for-sale financial assets	(1,748)	(1,840)
Exchange differences on translating foreign operations	(44,551,280)	(33,623,392)
Total other comprehensive income	(53,365,546)	(47,416,874)
Total comprehensive income	(37,449,339)	(35,262,977)
Total comprehensive income attributable to:		
Owners of the Company	(35,288,151)	(24,882,103)
Non-controlling interest	(2,161,188)	(10,380,874)
	(37,449,339)	(35,262,977)

The notes are an integral part of these consolidated financial statements.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of changes in equity

	Ordinary shares	Share premium	Other components of equity	Retained earnings	Total attributable to owners of Parent	Non- controlling interests	Total equity
At 1 April 2013 (Restated)	1,045,976	280,494,895	(74,623,156)	39,889,688	246,807,403	93,768,846	340,576,249
Transfer from revaluation reserve	-	-	(5,407)	33,141	27,734	(27,734)	-
Issue of shares to non-controlling interests in subsidiaries	-	-	63,329,790	(7,104,867)	56,224,923	91,805,587	148,030,510
Employee share based payments	-	-	158,312	-	158,312	-	158,312
Transaction with owners	-	-	63,482,695	(7,071,726)	56,410,969	91,777,853	148,188,822
Profit for the year	-	-	-	8,743,129	8,743,129	3,410,768	12,153,897
Other comprehensive income							
Unrealised loss on available-for-sale financial assets	-	-	(1,840)	-	(1,840)	-	(1,840)
Exchange differences on translating foreign operations	-	-	(33,623,392)	-	(33,623,392)	(13,791,642)	(47,415,034)
Total comprehensive income	-	-	(33,625,232)	8,743,129	(24,882,103)	(10,380,874)	(35,262,977)
At 31 March 2014 (Restated)	1,045,976	280,494,895	(44,765,693)	41,561,091	278,336,269	175,165,825	453,502,094
Transfer from revaluation reserve	-	-	(17,351)	-	(17,351)	17,351	-
Issue of shares under employee share option plan	33,018	10,304,172	(10,304,172)	-	33,018	-	33,018
Employee share based payments	-	-	11,152,970	-	11,152,970	-	11,152,970
Government grants	-	-	483,984	-	483,984	-	483,984
Transaction with owners	33,018	10,304,172	1,315,431	-	11,652,621	17,351	11,669,972
Profit for the period	-	-	-	9,264,877	9,264,877	6,651,330	15,916,207
Other comprehensive income							
Unrealised loss on available-for-sale financial assets	-	-	(1,748)	-	(1,748)	-	(1,748)
Exchange differences on translating foreign operations	-	-	(44,551,280)	-	(44,551,280)	(8,812,518)	(53,363,798)
Total comprehensive income	-	-	(44,553,028)	9,264,877	(35,288,151)	(2,161,188)	(37,449,339)
At 31 December 2014	1,078,994	290,799,067	(88,003,290)	50,825,968	254,700,739	173,021,988	427,722,727

The notes are an integral part of these consolidated financial statements.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of cash flow

	Note	31 December 2014	31 March 2014 (Restated)
A. Cash flows from operating activities			
Profit before income tax		23,894,461	17,765,731
<i>Adjustments for</i>			
Depreciation, amortization and impairment	8 & 9	21,435,766	18,205,665
Profit on sale of assets		-	(26,486)
Employee share based payments		1,502,599	158,312
Finance income		(1,950,130)	(6,360,911)
Finance cost		41,876,903	25,148,389
Exceptional items		(6,177,759)	-
Excess of Group's interest in the fair value of acquiree's assets and liabilities over cost	30	(2,036,236)	(2,968,303)
<i>Changes in working capital</i>			
Inventories		(610,225)	(1,684,897)
Trade and other receivables		(11,632,587)	(28,191,070)
Trade and other payables		(7,495,511)	19,090,722
<i>Cash generated from operations</i>		58,807,281	41,137,152
Taxes paid		(4,726,311)	(1,505,210)
Net cash from operating activities		54,080,970	39,631,942
B. Cash flows from investing activities			
Purchase of property, plant and equipment and capital expenditure		(175,339,659)	(284,627,853)
Proceeds from sale of property, plant and equipment		-	56,939
Acquisition of business, net of cash acquired	30	(17,854,375)	(6,865,834)
Investment in mutual funds		(16,455)	-
Advance given for purchase of equity		(1,151,884)	(2,724,716)
Payment for acquisitions relating to earlier years		(192,250)	(11,793,072)
Acquisition of licence holding company		-	(125,671)
Bank deposits		(1,089,475)	(725,099)
Interest received		930,045	1,600,881
Dividends received from mutual funds		45,615	971
Net cash used in investing activities		(194,668,438)	(305,203,454)
C. Cash flows from financing activities			
Proceeds from issue of shares		33,018	-
Proceeds from non-controlling interests (net of costs)		-	148,267,699
Proceeds from borrowings (net of costs)		786,515,640	220,138,338
Repayment of borrowings		(523,926,105)	(35,497,187)
Interest paid		(56,346,938)	(44,404,186)
Net cash from financing activities		206,275,615	288,504,664
Net increase in cash and cash equivalents		65,688,147	22,933,152
Cash and cash equivalents at the beginning of the period/year	14	44,322,712	30,611,218
Exchange losses on cash and cash equivalents		(158,643)	(9,221,658)
Cash and cash equivalents at the end of the period/year	14	109,852,216	44,322,712

The notes are an integral part of these consolidated financial statements.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Notes to the consolidated financial statements

1. General information

Greenko Group plc (“the Company” or “the Parent”) is a company domiciled in the Isle of Man and registered as a company limited by shares under company number 001805V pursuant to the provisions of Part XI of the Isle of Man Companies Act 2006. The registered office of the Company is at 4th floor, 14 Athol Street, Douglas, Isle of Man, IM1 1JA. The Company is listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

The Company together with its subsidiaries (“the Group”) is in the business of owning and operating clean energy facilities in India. All the energy generated from these plants is sold to state utilities, captive consumers, direct sales to private customers and other electricity transmission and trading companies in India through a mix of long-term power purchase agreements (“PPA”), short-term power supply contracts and spot markets of energy exchanges. The Group holds licence to trade up to 100 million units of electricity per annum in the whole of India except the state of Jammu and Kashmir. However, the Group is yet to commence trading in electricity. The Group is also a part of the Clean Development Mechanism (“CDM”) process and generates and sells emissions reduction benefits such as Certified Emission Reductions (“CER”), Voluntary Emission Reductions (“VER”) and Renewable Energy Certificates (“REC”).

Change in fiscal year

In line with its decision to change our reporting currency from the Euro to the US\$, thereby better enabling the Group to be viewed on par with our global peer groups, the Board has also decided to change the financial year (presently April to March) to 1 January to 31 December. As a result, the present consolidated financial statements are prepared for a period of nine months from 1 April 2014 to 31 December 2014. Accordingly, the comparative amounts for the income statement, statement of changes in equity, cash flow statement and related notes are not entirely comparable.

These consolidated financial statements were authorised for issue by the board of directors on 30 April 2015.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented except as stated in note 3.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the critical accounting estimates and judgments section (note 6).

2.2 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its return.

The Company reassesses whether or not its controls an investee if facts and circumstances indicate that there are any changes to one or more of the three elements of the control listed above.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give its power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holdings;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total Comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even of this result in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financials statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in exiting subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration is received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted/ by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value of initial recognition for subsequent accounting under IAS 39, when applicable the cost on initial recognition of an investment in an associate or a joint venture.

2.3 Business combination

The acquisition method of accounting is used to account for the acquisition of businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss. Acquisition related costs are expensed as incurred.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

If the business combination is achieved in stages, previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquired entity. The movement in fair value is recognized in profit or loss.

When the consideration transferred by the Group in the business combination included assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration depends on how the contingent consideration is classified. Contingent consideration that is qualified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in the profit or loss.

2.4 Segment reporting

The Group's operations predominantly relate to generation and sale of electricity. The chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operating segment level. Accordingly, there is only a single operating segment "generation and sale of electricity, related emission rights and benefits".

2.5 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). During the period, the Group has changed its presentation currency from 'Euro' to 'US Dollar' ("US\$"). While the functional currency of the Parent is Euro, the functional currency of the Group's subsidiaries in India is Indian Rupees ("INR"). Considering the guidance in IAS 21 and changes in statement of financial position and cash flows, resulting from significant increase in US\$ denominated debt and related payments, effective 1 April 2014, Greenko Mauritius, prospectively changed its functional currency from Euro to US\$.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except for exchange differences arising on monetary items that form part of a net investment in a foreign operation (i.e., items that are receivable from or payable to a foreign operation, for which settlement is neither planned, nor likely to occur in the foreseeable future), which are recognized in the 'currency translation reserve' component of equity. Foreign exchange gains and losses that relate to financial liabilities are presented in the income statement within 'Finance costs'.

c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented for each reporting date are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- resulting exchange differences are charged/ credited to other comprehensive income and recognised in the currency translation reserve within equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that are attributable to the non-controlling interests is derecognised and is not reclassified to profit or loss.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

When a foreign operation is partially disposed of or sold, exchange differences that were recorded as other comprehensive income are recognised in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditure are charged to profit or loss during the period in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset category	Useful life
Buildings	30 – 35 years
Plant and machinery	20 – 36 years
Furniture, fixtures and equipment	15 – 20 years
Vehicles	10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the period the item is derecognised.

Capital work-in-progress comprises costs of property, plant and equipment that are under construction and not yet ready for their intended use at the reporting date and the outstanding advances given for construction of such property, plant and equipment.

2.7 Intangible assets

a) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Other intangibles

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortization and any impairment in value. The intangible assets are amortised over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Asset category	Useful life
Licences	20 - 40 years
Power purchase agreements	4 - 10 years

Amortisation of intangible assets is included within 'Depreciation, amortization and impairment'.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested for impairment annually, or more frequently when there is an indication that the asset may be impaired. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables, financial assets at fair value through profit and loss (FVTPL) and available for sale. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value.

The fair value of the mutual fund units is based on the net asset value publicly made available by the respective mutual fund managers. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in note 2.13.

The Group derecognises financial assets when it transfers substantially all the risks and rewards of ownership of the financial asset. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in profit or loss.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables, bank deposits and cash and cash equivalents in the statement of financial position (notes 2.13, 2.14 and 2.15). Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are carried at amortised cost using the effective interest method.

b) Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised as other comprehensive income are included in the profit or loss as 'gains and losses from investment securities'. Dividends on available-for-sale mutual fund units are recognised in the profit or loss as a part of other income.

2.10 Financial liabilities and equity instruments

2.10.1 Classification as debt or equity

Debt and equity instruments issued by the group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.10.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group entity is recognized at the proceeds received, net of direct issue costs.

2.10.3 Compound instruments

The compound parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity as determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital/share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognized in equity will be transferred to other reserves in equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allotted to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

2.10.4 Financial liabilities

Financial liabilities are classified as either financial liabilities at 'Fair value through profit and loss (FVTPL)' or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described in note 10.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.10.5 Options with non-controlling interests in subsidiaries

The Group has entered into put and call options over certain non-controlling interests in subsidiaries. The option exercise price is fixed and the options are exercisable within a fixed timeframe. The potential cash payments related to options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities at the present value of the redemption amount in line with the requirements of IAS 32 and 39. The amount that may become payable under the option on exercise is initially recognised at fair value with a corresponding debit to 'Option Reserve' under equity. Such financial liabilities are subsequently measured at amortized cost, using the effective interest rate method. Derivatives embedded in the options with non-controlling interests in subsidiaries are accounted as derivative financial instruments (refer note 2.11) and are presented under other financial assets/liabilities.

2.11 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 10.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.11.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts are traded as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not, measured at FVTPL.

2.12 Inventories

a) Raw material, stores and consumables

Inventories of raw material, stores and consumables are valued at the lower of cost and net realisable value. Cost includes expenses incurred in bringing each product to its present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

b) Emission Reductions ("ER") and Renewable Energy Certificates ("REC")

Inventories of ER and REC are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. ER are generated and held for sale in the ordinary course of business. Electricity and ERs/RECs are treated as joint products, as they are generated simultaneously. Cost of generation is allocated in the ratio of relative net sale value

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

of the products. Cost comprises all production, acquisition and conversion costs and is aggregated on a weighted average basis. To the extent that any impairment arises, losses are recognised in the period they occur. The costs associated with generating inventories are charged to the profit or loss in the same period as the related revenues are recognised.

2.13 Trade and other receivables

Trade receivables are recognized initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment, if the effect of discounting is considered material. The carrying amounts, net of provision for impairment, reported in the statement of financial position approximate the fair value due to their short realisation period. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The provision is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the receivables' original effective interest rate. The amount of the provision is recognized in the profit or loss.

2.14 Bank deposits

Bank deposits represent term deposits placed with banks earning a fixed rate of interest. bank deposits with maturities of less than a year are disclosed as current assets and more than one year as non-current assets. At the reporting date, these deposits are measured at amortised cost using the effective interest method. Cash and cash equivalents which are pledged with the banks for availing short-term loans are classified as part of bank deposits.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of cash management and where there is a legal right of set-off against positive cash balances are included in cash and cash equivalents. Otherwise bank overdrafts are classified as borrowings.

2.16 Assets and liabilities classified as held for sale

Non-current assets/liabilities (or disposal groups) are classified as 'assets held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Assets and liabilities are stated at the lower of carrying amount and fair value less costs to sell. However, some 'held for sale assets' such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policies for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

2.17 Equity

Ordinary shares are classified as equity and represent the nominal value of shares that have been issued.

Share premium includes any premiums received on the issue of ordinary shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Retained earnings include all current and prior period retained profits.

All transactions with owners of the Parent are recorded separately within equity.

Other components of equity include the following:

- Share-based payment reserve - represents fair value of employee services received in consideration for the equity instruments (options) of the Group.
- Revaluation reserve - comprises gains and losses due to the revaluation of intangible assets.
- Currency translation reserve – represents foreign currency translation differences arising on the translation of the Group's foreign entities.
- Other reserves - includes all other transaction with the owners in their capacity as owners, impact of changes in the ownership interest in subsidiaries that do not result in loss of control and government grants accounted under capital approach.
- Option reserve - represents fair value of non-controlling interests put option on initial recognition.

2.18 Current and deferred income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.19 Employee benefits

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. The Group also operates retirement benefit plans for its employees.

a) Gratuity plan

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the statement of financial position in respect of the gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government of India securities that have terms to maturity approximating to the terms of the related gratuity liability.

Re-measurement, comprising actuarial gain and losses, the effect of changes to the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

b) State administered Provident Fund

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (currently 12.0 per cent.) of the employees' basic salary. The Group has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

c) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is accounted as cost of employee benefits based on efforts and time utilization of the employee. The total amount to be expensed is determined by reference to the fair value of the

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

options granted, including the impact of market conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised on a graded vesting basis over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

2.21 Revenue recognition

a) Sale of electricity

Revenue from the sale of electricity is recognised on the basis of the number of units of power exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the power purchase agreement/feed-in-tariff policy/market rates as applicable less the wheeling and banking charges applicable if any. Claims for delayed payment charges and other claims, if any, are recognised as per the terms of power purchase agreements.

b) Sale of emission reductions

Revenue from sale of CER is recognized after registration of the project with United Nations Framework Convention on Climate Change (UNFCCC), generation of emission reductions, execution of a firm contract of sale and billing to a customer.

VER are emission reductions achieved by the power generation plants before the effective date of registration by the UNFCCC. The quantity of the VER is based on the estimation of the management, verification by an independent assessor and subject to the satisfaction of the buyer. Revenue is recognized upon execution of a firm contract of sale and on billed VER to the customers.

c) Sale of REC

Revenue from sale of RECs is recognized after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognised energy exchanges in India.

d) Generation Based Incentive (GBI)

Revenue from GBI is recognized based on the number of units exported and if the eligibility criteria is met in accordance with the guidelines issued by regulatory authority for GBI Scheme.

e) Interest income

Interest income is recognised as the interest accrues to the net carrying amount of the financial asset using the net effective interest rate method.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

2.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The Group follows the capital approach under which a grant is credited directly to equity when the grants received by the Group represent incentives provided by government, unrelated to costs, to promote power generation based on certain renewable energy sources.

Other government grants are recognised as income over the period necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3. Change in accounting policies

Change in presentation currency

Consequent to issue of US\$550 million Senior Notes by Greenko Dutch B.V. and borrowing of US\$125 million Notes by Greenko Mauritius ('GM'), the Group's exposure to US\$ denominated funds and to global investor base has significantly increased. Hence, effective 1 April 2014, the Group has decided to present the consolidated financial statements in US Dollars.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Statutory financial information included in the Group's consolidated financial statements for the year ended 31 March 2014 previously reported in Euros has been restated into US Dollars using the procedures outlined below:

- assets and liabilities of foreign operations where the functional currency is other than US\$ were translated into US\$ at the relevant closing rates of exchange. Non-US Dollar operating results were translated into US\$ at the relevant average rates of exchange. Differences arising from the retranslation of the opening net assets and the results for the year have been taken to the currency translation reserve;
- Share capital, share premium and other reserves were translated at the historic rates prevailing at the dates of transactions; and
- all exchange rates used were extracted from the Group's underlying financial records. The exchange rates used in previous three years were as follows:

	31 March 2014	31 March 2013	31 March 2012
Euro / US\$ exchange rate			
Closing rate	1.3752	1.2816	1.3338
Average rate	1.3402	1.2882	1.3784
US\$ / INR exchange rate			
Closing rate	60.10	54.39	51.16
Average rate	60.50	54.45	47.95

Presentation of 'EBITDA' on the statement of profit or loss

During the period, the Group has included a new sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in the consolidated statement of profit or loss. Management believes that EBITDA is

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

meaningful for investors because it provides an analysis of our operating results, profitability and ability to service debt and because EBITDA is used by our chief operating decision makers to track our business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as operating profit before depreciation, amortization and Impairment.

EBITDA is not a measure of financial performance under IFRS. The calculation of EBITDA by the Group may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a substitute for analysis of the Group's operating results as reported under IFRS. EBITDA is not a direct measure of the Group's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Group's financial commitments. EBITDA may not be indicative of the Group's historical operating results, nor is it meant to be predictive of the Group's potential future results.

Presentation of 'Other components of equity'

The Group earlier presented all components of equity separately on the statement of financial position and their movement in the statement of changes of equity. During the period, the Group has replaced the following constituents of equity viz. share-based payment reserve, revaluation reserve, currency translation reserve, other reserves and option reserve, with a single item 'other components of equity'. The Group now presents these components of equity in the notes to the financial statements. In view of the management, this would present more clearly the overall equity and changes in equity.

Presentation of 'Exceptional items' on the statement of profit or loss

During the period, the Group has included a new line item 'Exceptional items' in the consolidated statement of profit or loss. Exceptional items are material items which individually, or of a similar type, in aggregate, need to be disclosed separately by virtue of their size, nature or incidence in order to better understand the Group's financial performance. Management believes that 'exceptional items' is meaningful for users of the consolidated financial statements as it helps the investors in analysing operating results and profitability.

New and revised standards on consolidation, joint arrangements, associates and disclosures:

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011) Separate Financial Statements and IAS 28 (as revised in 2011) Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current period, the Group has applied for the first time IFRS 10, IFRS 11, IFRS 12 and IAS 28 (as revised in 2011) together with the amendments to IFRS 10, IFRS 11 and IFRS 12 regarding the transitional guidance. IAS 27(as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The Impact of the application of these standards is set out below.

IFRS 10 'Consolidated Financial Statements' (IFRS 10)

IFRS 10 replaces the parts of IAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee; b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from the activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee. Some guidance included in IFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Management has reviewed its control assessments in accordance with IFRS 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

IFRS 11 'Joint Arrangements' (IFRS 11)

IFRS 11 supersedes IAS 31 'Interests in Joint Ventures' (IAS 31) and SIC 13 'Jointly Controlled Entities- Non-Monetary-Contributions by Venturers'. IFRS 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, IAS 31's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. IFRS 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

As the Group does not hold any investment in joint ventures, this amendment has no effect on the consolidated financial statements for any period presented.

IFRS 12 'Disclosure of Interests in Other Entities' (IFRS 12)

IFRS 12 is a new disclosure standard and is applicable to entities that have interest in subsidiaries, joint arrangement, associate and/or unconsolidated structured entities. In general, the application of IFRS 12 has resulted in more extensive disclosures in the consolidated financial statements (please see note 7 for details).

IFRIC 21 'Levies'

The Group has applied IFRIC 21 Levies for the first time in the current period. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

These amendments clarify the application of certain offsetting criteria in IAS 32, including:

- the meaning of 'currently has a legally enforceable right of set-off'
- that some gross settlement mechanisms may be considered equivalent to net settlement.

The amendments have been applied retrospectively in accordance with their transitional provisions. As the Group does not currently present any of its financial assets and financial liabilities on a net basis using the provisions of IAS 32, these amendments had no material effect on the consolidated financial statements for any year presented.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

These amendments clarify that an entity is required to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognised or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired assets is based on fair value less costs of disposal, including:

- additional information about fair value measurement including the applicable level of the fair value hierarchy, and a description of any valuation techniques used and key assumptions made
- the discount rates used if fair value less costs of disposal is measured using a present value technique.

As the Group has not recognized any impairment loss during the period/years presented, these amendments had no impact on the disclosures in the consolidated financial statements for any period/years presented.

4. New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB and but are not yet effective or endorsed by European Union, and have not been adopted early by the Group.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

IFRS 9 'Financial Instruments' (2014)

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The Group's management have yet to assess the impact of IFRS 9 on these consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. The Group's management have not yet assessed the impact of IFRS 15 on these consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The Annual Improvements to IFRSs 2010-2012 cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusion of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party to the reporting entity. Consequently, the reporting entity should disclose as related party transaction the amounts incurred for the service paid or payable to the management entity for the provision of the key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the company do not anticipate that the application of these amendments will have a significant impact on the group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual improvements to IFRSs 2011-2013 cycle include a number of amendments to various IFRSs, which are summarised below.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendment to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The directors of the company do not anticipate that the application of these amendments will have a significant impact on the Group's consolidated financial statements.

5. Financial risk management

The Group's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The financial instruments of the Group, other than derivatives, comprise loans from banks and financial institutions, non-convertible bonds, demand deposits, short-term bank deposits, trade and other receivables, available for sale investments, trade and other payables.

5.1. Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign exchange risk and b) Interest rate risk

a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The operations of the Group are conducted in functional currency of its subsidiaries and further, the foreign currency assets/liabilities as at 31 December 2014 are not significant. Accordingly, the Company considers the impact of foreign exchange risk on the statement of profit or loss as not material.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets other than investment in bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Company considers the impact of fair value interest rate risk on investment in bank deposits as not material. A significant portion the Group's borrowing carry fixed rate of interest, however, as these debts are carried at amortized cost, there is no fair value interest rate risk to the Group. The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

If interest rates on borrowings had been 50 basis points higher or lower with all other variables held constant, post-tax profit for the period would have been lower or higher by US\$709,407 mainly as a result of the higher or lower interest expense on variable rate borrowings. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

5.2. Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's credit risk arises from accounts receivable balances on sales to customers. In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty (non-government) or any group of counterparties having similar characteristics. Significant portion of the Group's revenue is derived from sales to state owned utilities and corporations under long-term power purchase agreements and hence, potential risk of default is predominantly a governmental one. The Group's also has trade receivables due from private parties. The Group is paid monthly by the customers for electricity sales. The Group assesses the credit quality of the purchaser based on its financial position and other information.

The Group maintains banking relationships with only creditworthy banks which it reviews on an on-going basis. The Group enters into derivative financial instruments where the counter-party is generally a bank. Consequently, the credit risk on the derivatives and bank deposits is not considered material.

5.3. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

The Group intends to be acquisitive in the immediate future. In respect of its existing operations, the Group funds its activities primarily through long-term loans secured against each power plant. In addition, each of the operating plants has working capital loans available to it which are renewable annually, together with certain intra-group loans. The Group's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level and in particular purchase the necessary raw materials required.

In respect of each acquisition, the Group prepares a model to evaluate the necessary funding required. The Group's strategy is to primarily fund such acquisitions by assuming debt in the acquired companies or by borrowing specific long-term funds secured on the power plant to be acquired. In relation to the payment towards equity component of companies to be acquired, the Group ordinarily seeks to fund this by the injection of external funds by debt or equity.

The Group has identified a large range of acquisition opportunities which it is continually evaluating and which are subject to constant change. In respect of its overall business the Group therefore does not, at the current time, maintain any overall liquidity forecasts. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and the data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 December 2014	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings				
- Principal	12,736,358	14,255,485	582,654,604	193,890,763
- Interest	67,826,667	67,561,151	187,780,608	87,227,876
Other financial liabilities	-	-	98,548,524	-
Trade and other payables	71,850,115	4,554,745	-	-
Other liabilities	1,590,897	-	-	-
Total	154,004,037	86,371,381	868,983,736	281,118,639
At 31 March 2014 (Restated)	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings				
- Principal	88,740,354	31,276,139	125,171,634	233,760,595
- Interest	62,502,825	51,425,540	125,112,523	247,705,658
Other financial liabilities	-	-	98,548,524	-
Trade and other payables	57,325,555	3,433,520	-	-
Other liabilities	3,414,001	-	-	-
Total	211,982,735	86,135,199	348,832,681	481,466,253

5.4. Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Group may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the aggregate of equity as shown in the consolidated statement of financial position and net debt. Currently, the Group primarily monitors its capital structure in terms of evaluating the funding of potential acquisitions. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Group.

The capital for the reporting period under review is summarised as follows:

	31 December 2014	31 March 2014 (Restated)
Total borrowings	803,537,209	481,407,311
Less: Cash and cash equivalents and bank deposits	(147,169,763)	(63,582,139)
Net debt	656,367,446	417,825,172
Total equity	427,722,727	453,502,094
Total capital	1,084,090,173	871,327,266
Gearing ratio	61%	48%

6. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources.

6.1. Critical judgments in applying the accounting policies**a) Application of business combination accounting rules, including identification and valuation of intangible assets acquired in a business combination**

The Group allocates the purchase price of the acquired companies to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The Group engages third-party external appraisal firms to assist in determining the fair values of the acquired assets and liabilities. Such valuation requires the Group to make significant estimate and assumptions, especially with respect to identification and valuation of intangible assets.

b) Application of lease accounting rules

Significant judgment is required to apply lease accounting rules under IFRIC 4 Determining whether an Arrangement contains a Lease and IAS 17 Leases. In assessing the applicability to arrangements entered into by the Group, management has exercised judgment to evaluate customer's right to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under IFRIC 4.

c) Application of interpretation for service concession arrangements

Management has assessed applicability of IFRIC 12: Service Concession Arrangements for certain arrangements that are part of business combinations acquired during the period. In assessing the applicability the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices etc in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

d) Classification and measurement of disposal group held for sale

The Group has classified certain assets as disposal group held for sale. Significant judgment is required to apply the principles relating classification and measurement of disposal group as laid under IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'.

e) Classification of financial instruments as equity or liability

Significant judgment is required to apply the rules under IAS 32: Financial Instruments: Presentation and IAS 39: Financial Instruments: Recognition and Measurement to assess whether an instrument is equity or a financial liability. The management has exercised significant judgment to evaluate the terms and conditions of certain financial instruments with reference to the applicability of contingent settlement provisions, evaluation of whether options under the contract will be derivative or a non-derivative, assessing if certain settlement terms are within the control of the Company and if not whether the occurrence of these events are extremely rare, highly abnormal and very unlikely, clarifications between the parties to the agreement subsequent to the date of the agreement etc to conclude that the instruments be classified as an equity or liability instrument.

f) Assessment of long-term receivables from foreign operations

The Group has considered its investment in non-convertible debentures of Indian subsidiaries as part of its net investment in foreign operation. The Group has considered these receivables as long-term receivables from foreign operations, as in view of the management, the settlement of these receivables is neither planned, nor likely to occur in the foreseeable future. Accordingly, all exchange differences on translation of these receivables are recognized in other comprehensive income.

g) Assessment of functional currency

Note 2.5 describe the change in functional currency of Greenko Mauritius during the year. Consequent to significant amount of fund raise during the year, the management was required to re-assess the functional currency of Greenko Mauritius. In line with the Group's general policy on determination of functional currency in accordance with IAS 21 and based on consideration of various factors such as currency of debts, funding transactions, expenses etc., the management has determined US\$ as functional currency of Greenko Mauritius.

6.2. Key sources of estimation uncertainty**a) Fair value estimation**

The fair value of financial instruments that are not traded in an active market (for example, forward contracts) is determined by using valuation techniques. The Group uses its judgment to determine an appropriate method and make assumptions that are based on market conditions existing at each reporting date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to the short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

b) Income taxes

The Group is subject to income taxes in a number of jurisdictions. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

c) Estimated impairment of goodwill

In accordance with the accounting policy stated in note 2.7, the Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including future operating margins and discount rates (note 8).

d) Useful life of depreciable assets

Management reviews the useful life of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. The carrying amounts are analysed in note 9. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

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Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

7. Subsidiaries

7.1. Principal subsidiaries

Set out below are the details of the Group's material subsidiaries at the end of reporting period. Unless otherwise stated, the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group. The country of incorporation or registration is also their principal place of business.

	Country of incorporation	Principal business	Holding as at 31 December 2014	Holding as at 31 March 2014
Greenko Mauritius#	Mauritius	Intermediate holding company	68.53%	68.53%
Greenko Dutch B.V.	Netherlands	Intermediate financing company	100%	-
Greenko Energies Private Limited	India	Generation of power	100%	100%
Greenko Wind Projects Private Limited# (note 19.8) (‘Greenko Wind’)	India	Generation of power	75.85%	79.24%
AMR Power Private Limited	India	Generation of power	100%	100%
Fortune Five Hydel Projects Private Limited	India	Generation of power	100%	100%
Greenko Budhil Hydro Power Private Limited	India	Generation of power	100%	-
Hemavathy Power & Light Private Limited	India	Generation of power	100%	100%
LVS Power Private Limited	India	Generation of power	100%	100%
Mangalore Energies Private Limited	India	Generation of power	99.13%	99.13%
Matrix Power (Wind) Private Limited	India	Generation of power	74%	74%
Ratnagiri Wind Power Projects Private Limited	India	Generation of power	100%	100%
Rayala Wind Power Company Private Limited	India	Generation of power	100%	100%
Rithwik Energy Generation Private Limited	India	Generation of power	100%	100%
Sneha Kinetic Power Projects Private Limited	India	Generation of power	99.97%	99.96%
Tejassarnika Hydro Energies Private Limited	India	Generation of power	100%	100%

Entities have preferential shares in addition to ordinary shares.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

7.2. Composition of the Group

In addition to above material subsidiaries, the Group has 49 (31 March 2014: 43) subsidiaries based in India and 5 (31 March 2014: 5) subsidiaries incorporated and based in Mauritius. The principal activity of Indian subsidiaries is owning, developing, constructing, operating and maintaining power projects. The Mauritian subsidiaries are primarily intermediate holding companies.

7.3. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries that have material non-controlling interests:

	Greenko Mauritius		Greenko Wind	
	31 December 2014	31 March 2014 (Restated)	31 December 2014	31 March 2014 (Restated)
Proportion of ownership interests and voting rights held by non-controlling interests	31.47%	31.47%	24.15%	20.76%
Profit / (loss) allocated to non-controlling interests	(2,143,837)	(19,928,284)	312,805	-
Accumulated non-controlling interests	173,021,988	175,165,825	44,407,549	44,094,743

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interest is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Summarised balance sheet

	Greenko Mauritius		Greenko Wind	
	31 December 2014	31 March 2014 (Restated)	31 December 2014	31 March 2014 (Restated)
Non-current assets	1,175,925,520	926,815,803	532,474,060	431,113,656
Current assets	201,056,142	122,239,292	44,782,684	20,691,733
Total assets	1,376,981,662	1,049,055,095	577,256,744	451,805,389
Non-current liabilities	856,138,860	432,626,616	359,328,341	192,117,818
Current liabilities	85,116,764	147,238,514	39,349,851	37,824,199
Total liabilities	941,255,624	579,865,130	398,678,192	229,942,017
Equity attributable to owners of the entity	262,704,050	294,024,140	134,158,604	177,756,229
Non-controlling interests	173,021,988	175,165,825	44,419,948	44,107,144
Total equity	435,726,038	469,189,965	178,578,552	221,863,373

Summarised income statement

	Greenko Mauritius		Greenko Wind	
	31 December 2014	31 March 2014 (Restated)	31 December 2014	31 March 2014 (Restated)
Revenue	100,206,933	70,992,192	57,232,726	17,374,663
Expenses (including income taxes)	(87,594,589)	(63,122,017)	(49,850,541)	(15,344,634)
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	2,036,236	2,968,303	-	-
Exceptional Items (Net)	6,177,759	-	-	-
Profit for the period/year	20,826,339	10,838,478	7,382,185	2,030,029
Other comprehensive income	(28,002,917)	(54,480,149)	-	-
Total comprehensive income/(loss)	(7,176,578)	(43,641,671)	7,382,185	2,030,029
Total comprehensive income allocated to non-controlling interests	(2,143,837)	(19,928,284)	-	-
Dividends paid to non-controlling interests	-	-	-	-

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Summarised cash flows

	Greenko Mauritius		Greenko Wind	
	31 December 2014	31 March 2014 (Restated)	31 December 2014	31 March 2014 (Restated)
Net cash from operating activities	60,727,000	39,680,878	38,918,560	25,493,695
Net cash used in investing activities	(193,798,293)	(299,883,703)	(157,611,465)	(174,043,412)
Net cash flow from financing activities	198,800,981	288,621,132	140,638,438	153,928,019
Net cash inflow	65,729,688	28,418,307	21,945,533	5,378,302
Cash and cash equivalents at the beginning of the period/year	44,158,732	31,246,322	7,283,278	1,904,976
Effect of exchange rate changes on cash and cash equivalents	(143,082)	(15,505,897)	-	-
Cash and cash equivalents at the end of the period/year	109,745,338	44,158,732	29,228,811	7,283,278

7.4. Restrictions

The Group has assets and liabilities in multiple jurisdictions held by various subsidiaries. There are certain restrictions on inter-se transfer/settlement of liabilities and movement of funds among subsidiaries in India. Further as per governmental regulations, there are certain restrictions on transfer of assets outside India.

8. Intangible assets

	Licences	Electricity PPAs	Goodwill	Total
Cost				
At 1 April 2013 (Restated)	117,664,568	16,587,902	23,105,497	157,357,967
Additions	497,532	-	-	497,532
Acquisition on business combination (note: 30.2)	15,553,677	-	-	15,553,677
Asset classified as held for sale	(146,423)	(307,820)	(693,763)	(1,148,006)
Exchange differences	(11,421,657)	(1,575,989)	(2,195,215)	(15,192,861)
At 31 March 2014 (Restated)	122,147,697	14,704,093	20,216,519	157,068,309
Acquisition on business combination (note: 30.1)	5,832,361	-	-	5,832,361
Adjustments	-	(1,459,235)	-	(1,459,235)
Exchange differences	(6,535,615)	(675,523)	(1,031,097)	(8,242,235)
At 31 December 2014	121,444,443	12,569,335	19,185,422	153,199,200
Accumulated amortization and impairment				
At 1 April 2013 (Restated)	1,602,722	6,623,794	-	8,226,516
Charge for the year	691,434	2,620,616	689,177	4,001,227
Asset classified as held for sale	(57,521)	(258,468)	(693,763)	(1,009,752)
Exchange differences	(147,670)	(611,873)	4,586	(754,957)
At 31 March 2014 (Restated)	2,088,965	8,374,069	-	10,463,034
Charge for the period	934,375	1,139,997	-	2,074,372
Adjustments	-	(1,459,235)	-	(1,459,235)
Exchange differences	(143,060)	(385,684)	-	(528,744)
At 31 December 2014	2,880,280	7,669,147	-	10,549,427
Net book value				
At 31 December 2014	118,564,163	4,900,188	19,185,422	142,649,773
At 31 March 2014 (Restated)	120,058,732	6,330,024	20,216,519	146,605,275
At 1 April 2013 (Restated)	116,061,846	9,964,108	23,105,497	149,131,451

Amortization and impairment charges are included under 'Depreciation, amortization and impairment' in the statement of profit or loss. The average remaining amortization period for licences is 27.7 years and for electricity PPA is 2.1 years.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Impairment tests for goodwill

Goodwill acquired through business combinations have been allocated to each individual power generation unit as cash generating unit ("CGU"). A CGU level summary of goodwill is presented below:

	31 March 2014 (Restated)	Exchange difference	31 December 2014
Hemavathy Power & Light Private Limited – HLBC unit	4,634,248	(236,359)	4,397,889
LVS Power Private Limited	3,194,567	(162,932)	3,031,635
Hemavathy Power & Light Private Limited – HRB unit	2,464,149	(125,678)	2,338,471
Tejassarnika Hydro Energies Private Limited	2,238,440	(114,167)	2,124,273
Astha Projects (India) Private Limited – Dehar unit	1,248,971	(63,701)	1,185,270
Astha Projects (India) Private Limited – Awa unit	1,123,026	(57,277)	1,065,749
Cimaron Constructions Private Limited	946,652	(48,282)	898,370
Roshni Powertech Private Limited	846,551	(43,176)	803,375
Tarela Power Limited	724,576	(36,955)	687,621
Multiple units without significant goodwill	2,795,339	(142,570)	2,652,769
	20,216,519	(1,031,097)	19,185,422

The recoverable amount of a CGU is determined based on value-in-use calculations. As the Group has long-term power purchase agreements with customers, these calculations use pre-tax cash flow projections prepared by management based on balance life of the license. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The recoverable amount of significant CGUs is set out below:

	31 December 2014	31 March 2014 (Restated)
Hemavathy Power & Light Private Limited – HLBC unit	16,848,255	24,475,515
LVS Power Private Limited	46,676,141	49,622,674
Hemavathy Power & Light Private Limited – HRB unit	9,158,377	10,983,362
Tejassarnika Hydro Energies Private Limited	24,759,198	22,796,404

The key assumptions used for value-in-use calculations are as follows:

	31 December 2014		31 March 2014	
	Budgeted gross margin	Discount rate	Budgeted gross margin	Discount rate
Hemavathy Power & Light Private Limited – HLBC unit	87.10%	19.60%	89.00%	23.00%
LVS Power Private Limited	25.30%	21.30%	24.80%	20.00%
Hemavathy Power & Light Private Limited – HRB unit	92.00%	19.80%	92.80%	22.10%
Tejassarnika Hydro Energies Private Limited	84.50%	15.70%	85.80%	19.50%

Management has determined gross margins based on industry trends and the existing PPA with the transmission companies. The PPA is a long-term contract with agreed price per unit of power sold, and the growth rates used are consistent with those contracts. The discount rate used is pre-tax and reflects the specific risks associated with the entity.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

9. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
Cost							
At 1 April 2013 (Restated)	4,215,306	128,192,061	112,215,627	1,882,205	1,434,144	288,030,975	535,970,318
Additions	6,910,075	5,491,155	258,714,056	1,030,245	385,574	281,728,780	554,259,885
Acquisition through business combination	-	-	-	378	-	1,538,430	1,538,808
Disposals/capitalisation	(8,649)	-	-	-	(40,248)	(256,691,954)	(256,740,851)
Asset classified as held for sale	(339,886)	(1,453,408)	(11,022,756)	(116,445)	(7,796)	(3,331)	(12,943,622)
Exchange differences	(56,287)	(11,912,019)	2,012,336	(120,494)	(119,113)	(22,416,922)	(32,612,499)
At 31 March 2014 (Restated)	10,720,559	120,317,789	361,919,263	2,675,889	1,652,561	292,185,978	789,472,039
Additions	4,653,241	1,629,360	144,199,043	375,748	110,655	199,293,677	350,261,724
Acquisition through business combination	130,295	9,458,007	97,909,932	102,483	33,328	-	107,634,045
Disposals/capitalisation	-	-	-	-	-	(141,242,819)	(141,242,819)
Exchange differences	(742,061)	(6,702,202)	(29,125,207)	(113,998)	(143,478)	(18,470,053)	(55,296,999)
At 31 December 2014	14,762,034	124,702,954	574,903,031	3,040,122	1,653,066	331,766,783	1,050,827,990
Accumulated depreciation and impairment							
At 1 April 2013 (Restated)	-	7,666,182	15,747,752	545,017	444,868	-	24,403,819
Charge for the year	-	3,845,239	9,865,893	337,488	155,818	-	14,204,438
Disposal	-	-	-	-	(13,357)	-	(13,357)
Asset classified as held for sale	-	(296,391)	(4,497,875)	(65,018)	(6,593)	-	(4,865,877)
Exchange differences	-	(706,288)	(1,367,034)	(37,150)	(39,258)	-	(2,149,730)
At 31 March 2014 (Restated)	-	10,508,742	19,748,736	780,337	541,478	-	31,579,293
Charge for the period	-	3,027,269	15,664,193	448,302	221,630	-	19,361,394
Exchange differences	-	(657,541)	(1,631,715)	(34,242)	(70,603)	-	(2,394,101)
At 31 December 2014	-	12,878,470	33,781,214	1,194,397	692,505	-	48,546,586
Net book value							
At 31 December 2014	14,762,034	111,824,484	541,121,817	1,845,725	960,561	331,766,783	1,002,281,404
At 31 March 2014 (Restated)	10,720,559	109,809,047	342,170,527	1,895,552	1,111,083	292,185,978	757,892,746
At 1 April 2013 (Restated)	4,215,306	120,525,879	96,467,875	1,337,188	989,276	288,030,975	511,566,499

Certain borrowings which are at project level are secured against the present and future moveable and immovable assets of the project. During the period, the Group has capitalised borrowing costs amounting to US\$23,408,741 (31 March 2014: US\$24,790,281) on qualifying assets during construction. The weighted average of the borrowing costs applicable to general borrowings is 13.14 per cent. Note 29 (g) provide details of asset purchase commitments outstanding as at 31 December 2014.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

10. Financial assets and liabilities

The accounting policies for financial instruments have been applied to the line items below:

31 December 2014

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Other non-current financial assets	-	12,911,549	-	12,911,549
Bank deposits (note 15)	29,115,837	-	-	29,115,837
Trade and other receivables (note 12)	7,140,919	-	-	7,140,919
Current				
Available-for-sale financial assets (note 11)	-	-	100,965	100,965
Bank deposits (note 15)	8,201,710	-	-	8,201,710
Trade and other receivables (note 12)	75,626,042	-	-	75,626,042
Cash and cash equivalents (note 14)	109,852,216	-	-	109,852,216
Total	229,936,724	12,911,549	100,965	242,949,238
	Liabilities at FVTPL	Liabilities measured at amortised cost		Total
Financial liabilities				
Non-current				
Borrowings (note 19)	-	790,800,851		790,800,851
Other financial liabilities	11,562,519	40,817,216		52,379,735
Trade and other payables (note 18)	-	4,554,745		4,554,745
Current				
Borrowings (note 19)	-	12,736,358		12,736,358
Trade and other payables (note 18)	-	71,850,115		71,850,115
Total	11,562,519	920,759,285		932,321,804

31 March 2014 (Restated)

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Other non-current financial assets	-	7,445,067	-	7,445,067
Bank deposits (note 15)	14,354,681	-	-	14,354,681
Trade and other receivables (note 12)	7,321,355	-	-	7,321,355
Current				
Available-for-sale financial assets (note 11)	-	-	73,210	73,210
Bank deposits (note 15)	4,904,746	-	-	4,904,746
Trade and other receivables (note 12)	65,112,977	-	-	65,112,977
Cash and cash equivalents (note 14)	44,322,712	-	-	44,322,712
Total	136,016,471	7,445,067	73,210	143,534,748
	Liabilities at FVTPL	Liabilities measured at amortised cost		Total
Financial liabilities				
Non-current				
Borrowings (note 19)	-	382,211,439		382,211,439
Other financial liabilities	-	36,301,770		36,301,770
Trade and other payables (note 18)	-	3,433,520		3,433,520

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

	Liabilities at FVTPL	Liabilities measured at amortised cost	Total
Current			
Borrowings (note 19)	-	87,338,753	87,338,753
Trade and other payables (note 18)	-	57,325,555	57,325,555
Total	-	566,611,037	566,611,037

The carrying amounts reported in the statement of financial position for cash and cash equivalents, trade and other receivables, trade and other payables and other liabilities approximate their respective fair values due to their short maturity.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, 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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 December 2014 and 31 March 2014:

31 December 2014

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	100,965	-	-	100,965
Other non-current financial assets	-	12,911,549	-	12,911,549
Financial liabilities				
Other financial liabilities	-	11,562,519	-	11,562,519

31 March 2014 (Restated)

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	73,210	-	-	73,210
Other non-current financial assets	-	7,445,067	-	7,445,067

Measurement of fair value of financial instruments

The Group's finance team performs valuations of financial items for financial reporting purposes in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

The valuation techniques used for instruments categorised in Level 2 are described below:

Other non-current financial assets (Level 2)

The estimated fair value of options on non-controlling interests and option hedging arrangements for repayment of principal of Senior Notes are categorised within Level 2 of the fair value hierarchy. The fair value estimate has been determined considering inputs that include other than quoted prices of similar assets/industry that are observable like interest rates, yield curves, implied volatilities and credit spreads.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Other financial liabilities (Level 2)

The estimated fair value of the warrants issued by the Company is categorised within Level 2 of the fair value hierarchy. The fair value of share purchase warrants issued during the period was calculated using the Black-Scholes option pricing model. The inputs for this model include stock price, exercise price, expected term, volatility, risk free rates etc.

11. Available-for-sale financial assets

	31 December 2014	31 March 2014 (Restated)
Beginning of the period/year	73,210	77,876
Additions	8,244,199	-
Dividend reinvestment	18,669	-
Redemption	(8,227,744)	-
Exchange differences	(5,621)	(2,826)
Unrealized losses transferred to equity	(1,748)	(1,840)
End of the period/year	100,965	73,210
Less: Non-current portion	-	-
Current portion	100,965	73,210

During the period ended 31 December 2014, dividend income aggregating to US\$45,615 (31 March 2014: US\$971) was earned on investment in units of mutual funds.

There are no impairment provisions on available-for-sale financial assets during the period. None of the financial assets is either past due or impaired. Available-for-sale financial assets include the following:

	31 December 2014	31 March 2014 (Restated)
Unlisted securities:		
— Units of open-ended mutual funds	100,965	73,210
	100,965	73,210

Available-for-sale financial assets are denominated in Indian rupees. The maximum exposure to credit risk at the reporting date is the fair value of the units of mutual funds classified as available-for-sale.

12. Trade and other receivables

	31 December 2014	31 March 2014 (Restated)
Trade receivables	57,567,451	43,613,666
Less: Provision for impairment of trade receivables	(315,806)	(332,779)
Net trade receivables	57,251,645	43,280,887
Other receivables	19,170,632	22,899,636
Less: Provision for impairment of other receivables	(726,354)	(765,391)
	18,444,278	22,134,245
Pre-payments	2,816,358	975,233
Advance for expenses	181,314	205,321
Sundry deposits	704,246	476,234
Advance for purchase of equity	6,185,478	6,337,645
Total trade and other receivables	85,583,319	73,409,565
Less: Non-current portion	(7,140,919)	(7,321,355)
Current portion	78,442,400	66,088,210

Advance for purchase of equity represents interest free amounts paid under memorandum of understanding with various parties which have been identified as potential entities to be acquired in the future. These advances do not provide the Group with additional rights and are adjusted against the purchase consideration when the transaction is

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

consummated else these amounts are refunded by the parties. Other receivables include advances against purchase of raw materials, advances for expenses, and other advance recoverable.

Trade receivables include unbilled revenue of US\$6,056,146 (31 March 2014: US\$1,241,180)

With the exception of the non-current portion of trade and other receivables all amounts are short-term and their carrying values are considered a reasonable approximation of fair values.

Trade receivables that are due for more than one month are considered past due. As at 31 December 2014, trade receivables of US\$45,086,477 (31 March 2014: US\$27,504,454) were past due but not impaired. Receivables aggregating to US\$34,562,885 (31 March 2014: US\$29,668,237) have been considered as fully recoverable based on management's assessment of their recoverability based on its evaluation of terms implicit in the contracts with the customers, legal opinions and other pertinent factors.

The ageing analysis of past due but not impaired trade receivables as at the reporting date is as follows:

	31 December 2014	31 March 2014 (Restated)
1 to 6 months	15,159,628	9,230,400
6 to 9 months	2,272,683	6,006,718
9 to 12 months	4,141,648	2,679,635
Beyond 12 months	23,512,518	9,587,701
	45,086,477	27,504,454

The carrying amounts of trade receivables are denominated in the following currencies:

	31 December 2014	31 March 2014 (Restated)
Indian rupee	54,806,792	40,429,254
Euro	2,444,853	2,851,633
	57,251,645	43,280,887

Movements in provision for impairment of other receivables are as follows:

	31 December 2014	31 March 2014 (Restated)
Beginning of the period/year	765,391	846,678
Exchange difference	(39,037)	(81,287)
End of the period/year	726,354	765,391

Movements in provision for impairment of trade receivables are as follows:

	31 December 2014	31 March 2014 (Restated)
Beginning of the period/year	332,779	368,121
Exchange difference	(16,973)	(35,342)
End of the period/year	315,806	332,779

The creation and release of provisions for impaired receivables have been included in 'other operating expenses' in the profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

13. Inventories

	31 December 2014	31 March 2014 (Restated)
Stores and consumables	2,944,198	2,813,795
Raw materials	3,301,895	3,043,517
Emission reductions	2,357,829	2,824,500
Renewable energy certificates	1,114,563	709,718
	9,718,485	9,391,530

Cost of material consumed during the period aggregated to US\$4,793,009 (31 March 2014: US\$5,000,367) which includes US\$2,541,354 (31 March 2014: Nil) attributable to adjustment for net realizable value.

14. Cash and cash equivalents

	31 December 2014	31 March 2014 (Restated)
Cash on hand	391,375	375,194
Cash at bank	109,460,841	43,947,518
	109,852,216	44,322,712

Cash at bank includes US\$55,525,772 (31 March 2014: US\$3,656,391) in currencies other than INR (i.e., in US\$, GBP and EURO).

15. Bank deposits

The Group holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months are classified as 'bank deposits'. Deposits with maturity date beyond 12 months from the balance sheet date are disclosed under non-current assets. The Group can redeem these deposits with a short notice. Bank deposits aggregating to US\$37,104,254 (31 March 2014: US\$15,726,639) are restricted.

Bank deposits includes US\$24,659,836 (31 March 2014: US\$2,659,755) in currencies other than INR (i.e., in US\$).

16. Assets and liabilities classified as held for sale

The assets and liabilities related to two biomass units viz. ISA Power Private Limited and Ecofren Power & Projects Private Limited continues to be classified as held for sale following the intention of the Group's management to sell these entities in the near future. The management is committed to the plan to dispose these entities and is taking active steps, including obtaining firm commitments from potential buyers, to complete the disposal of these entities.

(a) Assets of disposal group classified as held for sale

	31 December 2014	31 March 2014 (Restated)
Intangible assets	98,605	138,254
Property, plant and equipment	7,205,480	8,067,623
Inventories	935,367	1,106,600
Other current assets	4,498,508	6,112,669
	12,737,960	15,425,146

(b) Liabilities of disposal group classified as held for sale

	31 December 2014	31 March 2014 (Restated)
Borrowings	1,725,266	2,501,579
Deferred tax liabilities	977,645	938,085
Other liabilities	91,820	144,407
	2,794,731	3,584,071

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 using agreed prices with prospective buyer and is therefore falls within level 3 of the fair value hierarchy.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

17. Equity

17.1 Share capital

	31 December 2014	31 March 2014 (Restated)
Authorised capital		
— 300,000,000 (31 March 2014: 300,000,000) ordinary shares of €0.005 each	2,065,050	2,065,050
Issued and fully paid		
— 155,761,606 (31 March 2014: 150,661,606) ordinary shares of €0.005 each	1,078,994	1,045,976

17.2 Other components of equity

The details of other components of equity are as follows:

	Share based payment reserve	Revaluation reserve	Currency translation reserve	Other reserves	Option reserve	Total
At 1 April 2013 (Restated)	-	22,758	(49,771,365)	(4,888,603)	(19,985,946)	(74,623,156)
Transfer from revaluation reserve	-	(5,407)	-	-	-	(5,407)
Issue of shares to non-controlling interests in subsidiaries	-	-	4,930,085	58,399,705	-	63,329,790
Employee share based payments	158,312	-	-	-	-	158,312
Transaction with owners	158,312	(5,407)	4,930,085	58,399,705	-	63,482,695
Other comprehensive income						
Unrealised loss on available-for-sale financial assets	-	-	-	(1,840)	-	(1,840)
Exchange differences on translating foreign operations	-	-	(33,623,392)	-	-	(33,623,392)
Total comprehensive income	-	-	(33,623,392)	(1,840)	-	(33,625,232)
At 31 March 2014 (Restated)	158,312	17,351	(78,464,672)	53,509,262	(19,985,946)	(44,765,693)
Transfer from revaluation reserve	-	(17,351)	-	-	-	(17,351)
Issue of shares	(10,304,172)	-	-	-	-	(10,304,172)
Employee share based payments	11,152,970	-	-	-	-	11,152,970
Government grants	-	-	-	483,984	-	483,984
Transaction with owners	848,798	(17,351)	-	483,984	-	1,315,431
Other comprehensive income						
Unrealised loss on available-for-sale financial assets	-	-	-	(1,748)	-	(1,748)
Exchange differences on translating foreign operations	-	-	(44,551,280)	-	-	(44,551,280)
Total comprehensive income	-	-	(44,551,280)	(1,748)	-	(44,553,028)
At 31 December 2014	1,007,110	-	(123,015,952)	53,991,498	(19,985,946)	(88,003,290)

17.3 Share-based payment reserve

During the period, the Company has granted 5,100,000 share options under its Long Term incentive Plan to ACMK Enterprises Limited ("ACMK"), a company wholly owned by the executive directors, Anil Kumar Chalamalasetty and Mahesh Kolli. These shares have been vested and exercised at a nominal price of €0.005 per share on successful achievement of vesting condition linked to completion of construction or acquisition of specified assets. The total cost of the grant US\$9,887,044 has been accounted under property, plant and equipment and operating expenses based on management estimates of its efforts and time.

The Company has also granted a further performance related award to ACMK 3,100,000 new ordinary shares exercisable at a nominal price of €0.005 per share which may vest and becomes exercisable over the period 2016 to 2018 subject to achieving certain agreed key performance indicators.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

17.4 Preference Shares in GM

Global Environment Emerging Markets Fund III L.P., through its wholly owned subsidiary GEEMF III GK Holdings MU, ("GEEMF") owns 36,369,551 Preference Shares ("PS") in Greenko Mauritius ("GM") representing 14.09% of the voting power of GM at 31 December 2014. PS will be redeemable in the event of a sale or delisting but not eligible for interest payments or any right to a fixed dividend. GEEMF has certain affirmative rights on management reserved matters and shareholder reserved matters along with its right to appoint two directors to the GM board. GEEMF has right but not obligation to exchange PS, subject to final adjustment based on certain protective returns, for a minimum of 29,124,371 ordinary shares of the Company, anytime between 1 July 2015 and 30 June 2017 and under certain specified circumstances at a period earlier than 1 July 2015.

17.5 'A Exchangeable Shares' in GM

Government of Singapore Investment Corporation Pte Limited ("GIC") through its affiliate Cambourne Investments Private Limited ("CIPL") owns 74,074,074 "A Exchangeable Shares" ("AES") in GM representing 17.38% of the voting rights of GM at 31 December 2014. Pursuant to the terms of adjustment deed, CIPL has the right, subject to final adjustment based on certain protective returns as per the terms of agreements, for a minimum of 44,861,538 ordinary shares of the Company, anytime between 1 July 2015 and 30 June 2017 and under certain specified circumstances at a period earlier than 1 July 2015, on a one to one basis.

If CIPL does not exercise this right, the AES shall be automatically exchanged into ordinary shares at the expiry of the Exchange Period 1 July 2017. However, the shareholding of CIPL in the Company, including any shares already held, shall not exceed 29.99% and the remaining AES, if any, shall remain at GM.

17.6 Other reserves – government grants

Government of India ("GoI") has been providing cash grants to grid-interactive power generation projects based on renewable energy sources. The quantum of cash grant is linked to the power generation capacity of the project. In respect of projects which are financed by a financial institution, the request for the cash grant has to be placed by the financial institution. The financial institution directly receives the cash grant from GoI towards reduction of loan.

18. Trade and other payables

	31 December 2014	31 March 2014 (Restated)
Trade payables	1,474,383	1,939,099
Capital creditors	35,339,009	35,853,334
Interest accrued but not due on borrowings	19,416,508	11,857,119
Other payables	15,540,495	6,323,958
Cost of acquisition payable	3,939,643	4,558,541
Issue expenses payable	694,822	227,024
Total	76,404,860	60,759,075
Less: Non-current portion - Trade and other payables	4,554,745	3,433,520
Current portion - Trade and other payables	71,850,115	57,325,555

Other payables include accruals for expenses, statutory liabilities and other liabilities. All amounts are short term and the carrying values of trade and other payables are considered a reasonable approximation of fair value.

19. Borrowings

The carrying amount of Group's borrowings, net of unamortised transaction costs/issue expenses, are as follows:

	31 December 2014	31 March 2014 (Restated)
Non-current – Financial liabilities measured at amortised cost		
Bank borrowings	82,609,508	176,462,567
Term loans from financial institutions	69,549,570	205,668,363
Senior Notes	528,320,396	-
Notes	110,290,511	-

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

	31 December 2014	31 March 2014 (Restated)
Equipment and vehicle loans	30,866	80,509
	790,800,851	382,211,439
Current – Financial liabilities measured at amortised cost		
Bank borrowings	1,637,049	10,312,137
Term loans from financial institutions	11,038,232	76,923,318
Equipment and vehicle loans	61,077	103,298
	12,736,358	87,338,753
Total borrowings	803,537,209	469,550,192

19.1. Borrowings from banks and financial institutions mature over 2015 to 2031 and bear floating rates of interest in the range of 13.30% to 15.75% (31 March 2014: 11.55% to 16%). The fair value of borrowings from bank and financial institutions approximates their carrying value as these borrowings carry a floating rate of interest.

19.2. Borrowings from banks and financial institutions are secured against first charge by way of hypothecation of all immovable properties including plant and machinery and all other movable properties both present and future of respective subsidiary. Some of the loans are also secured by personal guarantees of directors and pledge of shares. Working capital loans are secured by inventory and trade receivables. Additionally, the borrowings are also secured by a lien on bank deposits amounting to US\$31,007,832 (31 March 2014: US\$13,782,838).

19.3. The maturity profile of the Group's borrowings at the reporting dates is as follows:

	31 December 2014	31 March 2014 (Restated)
1 year or less, or on demand	12,736,358	87,338,753
1 to 2 years	14,255,485	30,595,761
2 to 5 years	585,801,573	122,947,008
Over 5 years	190,743,793	228,668,670
	803,537,209	469,550,192

19.4. The carrying amounts and fair value of the borrowings are as follows:

	31 December 2014		31 March 2014 (Restated)	
	Carrying amount	Fair value	Carrying amount	Fair value
Bank borrowings	84,246,557	84,246,557	186,774,704	186,774,704
Loans from financial institutions and others	80,587,802	80,587,802	282,591,681	282,591,681
Senior Notes	528,320,396	528,320,396	-	-
Notes	110,290,511	110,290,511	-	-
Equipment and vehicle loans	91,943	91,943	183,807	183,807

19.5. The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31 December 2014	31 March 2014 (Restated)
Indian rupee	164,283,554	400,680,886
US dollar	639,253,655	68,869,306
	803,537,209	469,550,192

19.6. In December 2014, GM raised funds to the tune of US\$125 million by issuing Notes to EIG Greenko Holdings S.À R.L. ("EIG"). The investment by EIG is through a long term 6-year instrument with a cash coupon of 5% per annum payable on a semi-annual basis and a payment-in-kind ("PIK") coupon of 6% per annum payable on maturity. As part of the transaction, the Company has entered into a separate agreement to create and confer 13,688,300 warrants to EIG. Each warrant is convertible into one equity share of the Company at GBP 240 per share between fourth and sixth years from the date of agreement and under certain specified circumstances at a period earlier than 1 July 2015. EIG may pay warrant share subscription amount in cash or by settling off some or all of the PIK amount which is payable on or before the settlement date. These notes are secured by pledge of 131.64 million equity shares of GM held by the Company.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

19.7. In August 2014, Greenko Dutch B.V. ("Greenko Dutch"), a subsidiary of the Group, raised funds to the tune of US\$550 million by issuing 8% US\$ Senior Notes (the Senior Notes) to institutional investors. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Dutch invested issue proceeds, net of issue expenses and interest reserve, in non-convertible debentures of Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Dutch is duly registered as Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 31 July 2019. The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of Greenko Dutch owned by GM. Further, the assets of Indian subsidiaries have been pledged to secure non-convertible debentures through an Indian trustee.

During the period, the Greenko Dutch has entered into option hedging arrangements in relation to principal repayment of the Senior Notes to the extent of US\$55 million and the option is fair valued and recognised through profit or loss.

19.8. In 2012-13, GE Equity International Mauritius (GE) has made an investment of US\$50 million in the Group to indirectly acquire Class A equity shares and compulsorily convertible cumulative preference shares ('CCPS') of Greenko Wind. GE has certain preferential rights as to payment of dividends and on liquidation in Greenko Wind. The Company has an option to call on GE to buy CCPS between February 2016 to February 2017 while GE has an option to put any of the Class A equity shares and CCPS to the Company between February 2017 to February 2018 or earlier on the occurrence of certain events as mentioned in the agreements. The options should be exercised at such prices which would provide GE with certain protective returns as per the terms of the agreements. The mandatory dividends on preference shares have been recognized as a liability valued at US\$7,109,472 (31 March 2014: US\$6,606,052) as at 31 December 2014. The options have been valued in accordance with the group accounting policy (note 2.10.5).

20. Deferred income tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities from the same taxation authority. The offset amounts are as follows:

	31 December 2014	31 March 2014 (Restated)
Deferred income tax liabilities		
— to be recovered after more than 12 months	48,669,248	46,767,436
— to be recovered within 12 months	-	-
	48,669,248	46,767,436

The movement in deferred income tax liabilities during the period is as follows:

	Tangible assets	Intangible assets	Others	Total
At 1 April 2013 (Restated)	12,109,055	33,208,895	32,314	45,350,264
Recognised in profit or loss	1,090,646	558,955	12,939	1,662,540
Acquisition of subsidiary	1,097	5,046,391	-	5,047,488
Assets held for sale	(924,282)	(13,795)	-	(938,077)
Exchange difference	(1,120,625)	(3,231,170)	(2,984)	(4,354,779)
At 31 March 2014 (Restated)	11,155,891	35,569,276	42,269	46,767,436
Recognised in profit or loss	5,896,821	(612,605)	(62,820)	5,221,396
Acquisition of subsidiary	(1,531,773)	880,484	-	(651,289)
Exchange difference	(835,683)	(1,833,230)	618	(2,668,295)
At 31 December 2014	14,685,256	34,003,925	(19,933)	48,669,248

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable.

The Company is subject to Isle of Man corporate tax at the standard rate of zero percent. Further, dividends are not taxable in India in the hands of the recipient. However, the Indian subsidiaries will be subject to a 'dividend distribution tax' currently at the rate of 18.5% (plus applicable surcharge and education cess) on the total amount distributed as dividend. As at 31 December 2014 and 31 March 2014, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future as the Group earnings will continue to be fully re-invested to finance the on-going growth of the Group.

21. Revenue

	31 December 2014	31 March 2014 (Restated)
Sale of power	96,789,968	68,860,931
Sale of renewable energy certificates	263,153	886,814
Generation based incentive	3,153,812	1,244,447
	100,206,933	70,992,192

22. Retirement benefit obligations

	31 December 2014	31 March 2014 (Restated)
Statement of financial position obligation for		
Gratuity	443,145	288,202
Compensated absences	351,110	200,674
	794,255	488,876
Expense recognised in the profit or loss		
Gratuity	138,483	27,709
Compensated absences	110,793	29,136
	249,276	56,845

The principal actuarial assumptions used were as follows:

	31 December 2014	31 March 2014
Discount rate	8.00%	8.70%
Future salary increases	7%	7%
Return on plan assets	8%	8%
Retirement age	60 years	60 years

The Group makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. The Group is not informed by LIC of the investments made by the LIC or the breakdown of plan assets by type of investments. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on the insurer managed funds during the estimated term of the obligation. The Group expects to contribute US\$28,750 towards the gratuity plan in the year ended 31 December 2015.

23. Employee benefit expense

	31 December 2014	31 March 2014 (Restated)
Salaries and wages	4,908,091	4,659,060
Employee welfare expenses	285,046	388,206
Retirement benefits—defined contribution plans	210,169	206,378
Retirement benefits—defined benefit plans (note 22)	138,483	27,709
Compensated absences (note 22)	110,793	29,136
	5,652,582	5,310,489

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

24. Other operating expenses include directors' fee of US\$249,724 (31 March 2014: US\$384,232) and auditor's remuneration of US\$184,170 (31 March 2014: US\$187,628).

25. Finance income and costs

	31 December 2014	31 March 2014 (Restated)
Finance income		
Foreign exchange gain	325,963	5,153,616
Interest on bank deposits and others	1,578,552	1,206,351
Dividend from units of mutual funds	45,615	944
	1,950,130	6,360,911
Finance cost		
Interest on borrowings	41,256,098	22,674,770
Bank charges	620,805	2,473,619
	41,876,903	25,148,389

26. Exceptional items

	31 December 2014	31 March 2014 (Restated)
Loan restructuring costs	(11,072,202)	-
Gain on change in the value of contingent consideration	17,249,961	-
Net Income	6,177,759	-

Loan restructuring costs

During the period, the Group raised US\$ denominated Senior Notes and invested the same as Non-convertible debentures. Loan restructuring costs represents the cost of prepayment and unamortized transaction costs of existing Rupees Loans. Refer note 19.7 for further details of US\$ Senior Notes.

Gain on change in value of contingent consideration

The consideration payable to the seller of Greenko Budhil Hydro Power Private Limited (Greenko Budhil) included additional consideration contingent upon the vendor securing lucrative customer contract on a long term basis. As at 31 December 2014, the fair value of this additional consideration is considered Nil as the sellers have not fulfilled obligation of securing the said customer contract within the agreed period and has been recognized in profit or loss. Refer note 30 for further details.

27. Income tax expense

	31 December 2014	31 March 2014 (Restated)
Current tax	2,756,859	3,949,294
Deferred tax (note 20)	5,221,395	1,662,540
	7,978,254	5,611,834

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

	31 December 2014	31 March 2014 (Restated)
Profit before income tax	23,894,461	17,765,731
Domestic tax rate for Greenko Group plc	0%	0%
Expected tax expense	-	-
Adjustment for tax differences in foreign jurisdictions	7,978,254	5,611,834
Tax charge	7,978,254	5,611,834

The tax rates used in computing the weighted average tax rate is the substantively enacted tax rate. In respect of the Indian entities this was 32.45% (31 March 2014: 32.45%).

The Indian subsidiaries of the Group engaged in power generation currently benefit from a tax holiday from the standard Indian corporate taxation for the period/year ended 31 December 2014 and 31 March 2014. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these companies are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant entity and is currently at a rate of 20.01% (31 March 2014: 20.01%).

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

28. Earnings per share

a) Basic

Basic earnings per share, is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	31 December 2014	31 March 2014 (Restated)
Profit attributable to equity holders of the Company	9,264,877	8,743,129
Weighted average number of ordinary shares in issue	152,608,879	150,661,606
Basic earnings per share (in cents)	6.07	5.80

b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	31 December 2014	31 March 2014 (Restated)
Profit attributable to equity holders of the Company	9,264,877	8,743,129
Increase in non-controlling interests share of Group profit	3,258,048	1,878,162
Total profit attributable to equity holders of the Company	12,522,925	10,621,291
Reconciliation of number of shares		
Weighted average number of equity shares		
-For basic earnings per equity share	152,608,879	150,661,606
Add: Shares deemed to be issued against swap option issued to PS holders	16,984,771	9,671,795
Add: Adjustment for assumed conversion of AES	44,861,538	40,559,747
Add: Stock option to be exercised	149,995	149,995
-For diluted earnings per equity share	214,605,183	201,043,143
Diluted earnings per share (in cents)	5.84	5.28

29. Commitments and contingencies

- GEPL and Roshni Powertech Private Limited operate biomass power plants located in the State of Andhra Pradesh, India. These entities through the Biomass Energy Developers Association have challenged the order of Andhra Pradesh Electricity Regulatory Commission ("APERC") effecting a downward revision in billing rates. The Supreme Court of India has upheld the original billing mechanism as binding on the customer and has remanded the case back to APERC to determine the final tariff per unit. During the previous year, APERC has issued the final tariff along with interest vide orders dated 22 June 2013 and 6 August 2013. At the request of state utilities, the Court directed state utilities to make immediate payment of 50% of the tariff difference amount which was received by the Group. Further orders are awaited for balance amounts receivable from state utilities.
- A few of the Group's power generating units in India have income tax disputes with the tax authorities. The Group has appealed against the orders of the income tax officer/authority at appropriate levels. The Group has been successful in obtaining favourable orders in few cases. The tax authorities have appealed against these orders. Based on assessment of these claims, the management is confident of ultimate favourable outcome.
- In December 2010, Sai Spurthi Power Private Limited (SSPPL), an entity acquired by the Group in March 2010, received a letter from a bank informing SSPPL that three corporate guarantees aggregating to US\$7,457,960 were given by SSPPL in respect of loans availed by Sagar Power (Neerukatte) Limited, a company promoted and owned by erstwhile management of SSPPL. On verification of records and discussions with the erstwhile management, the management believes that only one corporate guarantee of US\$699,371 was provided to the bank. The management is confident that the contingent liability of SSPPL under the corporate guarantees issued will not exceed US\$699,371. Further, as per the terms of the share purchase agreement with the promoters/erstwhile seller-shareholders of SSPPL, the promoters/erstwhile seller-shareholders of SSPPL are required to have the corporate guarantee(s) released without any liability to SSPPL or the Group.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

During 2012-13, SSPL received a communication from IREDA informing that SSPL had given a corporate guarantee of US\$1,195,505 for the credit facilities availed by Bhadragiri Power Private Limited. On verification of records and discussions with the erstwhile Managing Director, SSPL came to an opinion that the said corporate guarantee was not executed on behalf of SSPL and hence SSPL is not responsible for any liability under those documents. This is a matter of dispute which needs to be finally settled. The promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle this.

- d) Prior to acquisition by the Group, Greenko Budhil had received demand notices aggregating to US\$7,030,244 from various government authorities in relation to duty drawback, construction cess and entry tax. Greenko Budhil has contested these demands at various levels. Pending disposal of these matters, in view of the management no provision is required to be made in the books of account. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle these disputes.
- e) Greenko Budhil terminated Power Purchase Agreement (PPA) entered with PTC India Limited (PTC). Haryana Power Generation Corporation Limited (HPGCL), the ultimate beneficiary (as PTC entered into a power supply agreement with HPGCL), disputed the termination. HPGCL approached the Haryana Electricity Regulatory Commission (HERC) seeking inter alia that (i) the termination of the PPA to be declared illegal and invalid and (ii) that both the Greenko Budhil and PTC be directed to comply with their obligations qua HPGCL ("HPGCL Petition"). Appellate Tribunal for Electricity (APTEL) has held that HERC does not have jurisdiction over the dispute. HPGCL and PTC both have challenged the decision of APTEL separately with Hon'ble Supreme Court of India. Petitions have been admitted by Hon'ble Supreme Court. The matter is pending with Hon'ble Supreme Court for hearing. Based on the legal opinion of an independent counsel, the Group is confident of a favourable outcome in this matter. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle this.
- f) Him Kailash Hydro Power Private Limited (HKHPPL) has given corporate guarantee in respect of a term loan of US\$2,289,594 sanctioned to Madhava Vasistha Hydro Power Private Limited, a company owned by erstwhile owners of HKHPPL. Pursuant to the terms of share purchase agreement with erstwhile owners of HKHPPL, erstwhile owners of HKHPPL are required to get the corporate guarantee released without any liability to HKHPPL or the Group.
- g) Capital commitments
Capital expenditure contracted for at 31 December 2014 but not yet incurred aggregated to US\$136,766,141 (31 March 2014: US\$98,205,621).

30. Business combinations

30.1 Acquisitions of business during the period ended 31 December 2014

On 15 June 2014, the Group acquired 100% of the equity instruments of Greenko Budhil Hydro Power Private Limited (earlier known as Lanco Budhil Hydro Power Private Limited) (Budhil Project). The acquisition was made to enhance the generating capacity of the Group from clean energy assets. Budhil Project has an operating hydro power plant with installed capacity of 70MW in the state of Himachal Pradesh in north India. Details of this acquisition are set out below:

Details of consideration transferred and net assets acquired are as follows:

	Amount
Purchase consideration	
Cash	18,058,657
Consideration payable	2,296,514
Contingent consideration arrangement	18,210,298
Total Purchase consideration	38,565,469
Fair value of net asset acquired	40,601,705
Excess of Group's interest in fair value of acquirees' assets and liabilities	(2,036,236)

Pursuant to the terms of share purchase agreement, the Group is required to pay the vendors an additional consideration up to US\$19,996,667 if they are able to secure a long-term power purchase agreement (long-term PPA) at favourable prices. The amount of additional consideration would be based on the selling price under the new long-term PPA. As the vendors had made good progress in discussions with potential customers and the Group had given guarantee to secure payment of additional consideration, the management has considered payment

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

of additional consideration as probable on the acquisition date. US\$18,210,298 represents the present value of the Group's probability weighted estimate of cash outflow at the acquisition date.

The excess of the Group's interest in the fair value of acquiree's assets and liabilities over cost represents value which the Group gained due to strong negotiating skills of the Group.

Fair value of the assets acquired and liabilities recognized at the date of acquisition are as follows:

	Amount
Property, plant and equipment	107,634,044
Inventories	111,441
Licence	5,832,361
Trade and other receivables	825,638
Cash and cash equivalents	204,282
Trade and other payables	(14,022,545)
Deferred income tax assets	651,289
	101,236,510
Borrowings	60,634,805
Net assets	40,601,705
Purchase consideration settled in cash	18,058,657
Cash and cash equivalents acquired	(204,282)
Cash outflow on acquisition	17,854,375

Impact of acquisition on results of the Group

Greenko Budhil generated revenues of US\$8,314,414 and made profit of US\$243,884 from the acquisition date to the date of balance sheet.

If Greenko Budhil had been acquired on 1 April 2014, revenue of the Group would have been higher by US\$3,286,266 whereas the profit for the period would have been lower by US\$88,392.

30.2 Acquisitions of business during the year ended 31 March 2014

During the year ended 31 March 2014, the Group acquired the following companies to enhance the generating capacity of the Group from clean energy assets. Details of these acquisitions are set out below:

	Effective Date of acquisition	Percentage acquired
Harsar Hydro Projects Private Limited (HHPPL)	1 July 2013	100.00%
Bharmour Hydro Projects Private Limited (BHPPL)	1 July 2013	100.00%

HHPPL and BHPPL hold licenses to develop 75MW and 40MW of hydel projects in the state of Himachal Pradesh, India respectively. These projects had obtained significant approvals to implement the projects and these projects were under various stages of development at the date of acquisition. These projects are hereinafter collectively referred as 'Himachal Projects'.

Generally, the total gestation period, starting from obtaining a licence till commencement of commercial operations, for these types of hydro power projects is four to five years. Hence, the projects have significant value embedded in them, which is generally not reflected in the books of account, and captured in the fair value of licences. The excess of the Group's interest in the fair value of an acquiree's assets and liabilities over cost resulted from the time value which the Group gained, the value in readiness for implementation and the negotiating skills of the Group.

Details of net assets acquired are as follows:

	Himachal Projects
Purchase consideration:	
- Cash paid	6,903,488
- Amounts paid as advance in earlier year	650,385
Total Purchase consideration	7,553,873
Fair value of net asset acquired	10,522,176
Excess of Group's interest in fair value of acquirees' assets and liabilities	(2,968,303)

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

Fair value of the acquiree's assets and liabilities arising from the acquisition are as follows:

	Himachal Projects
Property, plant and equipment	378
Work in progress	1,538,430
Licence	15,553,677
Trade and other receivables	1,673
Cash and cash equivalents	37,654
Trade and other payables	(1,545,031)
Deferred income tax liabilities	(5,064,604)
Net assets	10,522,177
 Purchase consideration settled in cash	 6,903,488
Cash and cash equivalents	(37,654)
Cash outflow on acquisition	6,865,834

Since the above companies were in the construction phase, they did not generate revenue and profits for the Group for the year ended 31 March 2014.

31. Related-party transactions

The Group is not controlled by any single individual or group or entity. GIC and GEEMF with their substantial shareholding in Greenko Mauritius and certain management reserved rights have significant influence over the Group. Further, ACMK Enterprises Limited, in which Anil Kumar Chalamalasetty and Mahesh Kolli have a beneficial interest, holds 17.17% in the Company.

The following transactions were carried out with related parties:

a. Key management compensation

	31 December 2014	31 March 2014 (Restated)
Short-term employee benefits		
Anil Kumar Chalamalasetty	227,910	309,586
Mahesh Kolli	227,910	309,586
John Rennocks	49,952	64,745
Keith Nicholas Henry	99,904	129,490
Vivek Tandon	-	60,531
Hari Kiran Vadlamani	49,934	64,733
Vinodka Murria	49,934	64,733
Vasudeva Rao Kaipa	151,273	134,020
Bonus/arrears to Executive Directors	443,975	321,648
Total short-term employee benefits	1,300,792	1,459,072
Share-based payments		
Keith Nicholas Henry	116,547	158,312
ACMK Enterprises Limited	10,681,742	-
Total remuneration	12,099,081	1,617,384

- b. The management has provided towards the performance bonus of US\$363,949 (31 March 2014: US\$321,648) for the period. The balance payable as at period-end is US\$822,483 (31 March 2014: US\$660,096).
- c. Anil Kumar Chalamalasetty and Mahesh Kolli have given personal guarantees in respect of certain loans availed by Indian subsidiaries of the Group.

Greenko Group plc

(All amounts in US Dollars unless otherwise stated)

32. Segment reporting

The Group has adopted the “management approach” in identifying the operating segments as outlined in IFRS 8. The Group operations predominantly relate to generation and sale of electricity. The chief operating decision maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators at operational unit level. Accordingly there is only a single operating segment “generation and sale of electricity and related emission reductions”. Consequently no segment disclosures of the Group are presented.

The Group has majority of its non-current assets (other than financial assets) located within India, and earn its revenues from customers located in India.

Revenues from four major customers relating to power generating activities represent US\$51,878,497 (31 March 2014: US\$45,757,353) of the total revenue.