GREENKO ENERGY HOLDINGS
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENKO ENERGY HOLDINGS

We have audited the accompanying consolidated financial statements of Greenko Energy Holdings (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at 31 March 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board ("IFRS"), and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENKO ENERGY HOLDINGS (CONTINUED)

Opinion

In our opinion, these consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS.

Sd/-

KPMG
Ebène, Mauritius

Date: 29 July 2016

Independent Auditors' Report
To the Board of Directors of Greenko Mauritius

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Greenko Mauritius (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 20 November 2015, and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the period for 11 month 20 days period then ended, and notes, comprising a summary of significant accounting policies and other explanatory information..

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report to the Board of Directors of Greenko Mauritius (continued)

Opinion

In our opinion, these consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 20 November 2015, and of its consolidated financial performance and its consolidated cash flows for the 11 month 20 days period then ended in accordance with International Financial Reporting Standards as issued by International Accounting Standards Board.

Other matter

The consolidated financial statements of Greenko Mauritius for the nine months period ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those combined financial statements on 29 July 2016.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231W/W-100024

Sd/-

Sriram Mahalingam
Partner
Membership number: 049642

Place: Hyderabad
Date: 29 July 2016

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Greenko Mauritius

We have audited the accompanying consolidated financial statements of Greenko Mauritius and its subsidiaries (collectively, the "Group"), which comprise the Consolidated Statement of Financial Position as at 31 December 2014 and the related Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the nine month period ended 31 December 2014; and a summary of significant accounting policies and other explanatory information. The consolidated financial statements have been prepared by the management of the Company solely for the purpose of their inclusion in the offering memorandum in connection with the proposed issue of senior notes as described in note 2 to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board ("IFRS"), and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2014, and of its operations and its cash flows for the nine month period ended 31 December 2014 in accordance with IFRS.

Other matter

As described in note 2 to the consolidated financial statements, these consolidated financial statements have been prepared solely for the purpose of inclusion in the offering memorandum in connection with the proposed issue of senior notes. As a result, the consolidated financial statements may not be suitable for another purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Sd/-

per **Sumesh E S**
Partner
Membership No: 206931

Place: Chennai
Date: 29 July 2016

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of financial position

	Notes	Successor As at 31 March 2016	Predecessor As at 20 November 2015	As at 31 December 2014
Assets				
Non-current assets				
Intangible assets and goodwill	8	398,642,521	138,225,672	142,748,378
Property, plant and equipment	9	1,429,808,400	1,254,452,247	996,254,469
Bank deposits	15	33,653,696	31,544,757	29,115,837
Other non-current financial assets	10	3,950,420	16,654,813	2,769,369
Trade and other receivables	12	3,274,818	7,247,456	7,140,919
		1,869,329,855	**1,448,124,945**	**1,178,028,972**
Current assets				
Inventories	13	6,213,042	6,287,707	10,653,853
Trade and other receivables	12	82,576,431	82,535,555	80,387,633
Available-for-sale financial assets	11	902,305	93,941	100,965
Bank deposits	15	3,101,651	5,126,090	8,201,710
Current tax assets		2,111,122	1,519,282	769,334
Cash and cash equivalents	14	71,754,254	75,629,509	109,869,537
		166,658,805	**171,192,084**	**209,983,032**
Total assets		**2,035,988,660**	**1,619,317,029**	**1,388,012,004**
Equity and liabilities				
Equity				
Share capital	16	665,397,586	438,800,453	438,800,453
Share application money		-	6,810,739	6,810,739
Currency translation deficit		(3,235,562)	(182,012,419)	(139,940,278)
Other reserves		-	(229,145)	(229,145)
Retained earnings/(deficit)		(35,436,347)	84,374,242	84,611,687
Equity attributable to owners of the Company		**626,725,677**	**347,743,870**	**390,053,456**
Non-controlling interests		407,215	47,657,472	46,227,193
Total equity		**627,132,892**	**395,401,342**	**436,280,649**
Liabilities				
Non-current liabilities				
Retirement benefit obligations	21	1,077,439	794,999	812,136
Borrowings	18	1,129,801,079	1,038,541,755	803,656,689
Other financial liabilities	18.6	-	7,703,829	7,109,472
Deferred tax liabilities	19	99,776,544	50,988,150	49,646,893
Trade and other payables	17	13,004,265	11,026,338	4,554,745
		1,243,659,327	**1,109,055,071**	**865,779,935**
Current liabilities				
Trade and other payables	17	132,492,929	81,148,620	70,863,448
Current tax liabilities		1,444,850	4,141,355	1,590,898
Borrowings	18	31,258,662	29,570,641	13,497,074
		165,196,441	**114,860,616**	**85,951,420**
Total liabilities		**1,408,855,768**	**1,223,915,687**	**951,731,355**
Total equity and liabilities		**2,035,988,660**	**1,619,317,029**	**1,388,012,004**

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

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Notes	Successor	Predecessor	
		For the period from 12 June 2015 to 31 March 2016	For the period from 1 January 2015 to 20 November 2015	For the period from 1 April 2014 to 31 December 2014
Revenue	20	27,191,501	130,785,936	100,206,933
Other operating income		93,288	334,392	143,105
Cost of material and power generation expenses		(6,394,042)	(13,828,145)	(10,029,831)
Employee benefits expense	22	(3,962,541)	(7,916,585)	(5,127,047)
Other operating expenses		(3,748,346)	(12,314,298)	(5,283,072)
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost		-	-	2,036,236
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**13,179,860**	**97,061,300**	**81,946,324**
Depreciation and amortisation	8&9	(16,714,500)	(29,626,940)	(21,310,117)
Operating profit / (loss) before exceptional items		**(3,534,640)**	**67,434,360**	**60,636,207**
Exceptional items (net)	25	-	-	6,177,759
Operating profit / (loss)		**(3,534,640)**	**67,434,360**	**66,813,966**
Finance income	24	578,152	1,534,812	5,551,410
Finance costs	24	(31,618,180)	(57,422,968)	(44,524,028)
Profit / (Loss) before tax		**(34,574,668)**	**11,546,204**	**27,841,348**
Income tax expense	26	(1,208,479)	(8,195,556)	(7,978,254)
Profit / (Loss) for the period		**(35,783,147)**	**3,350,648**	**19,863,094**
Attributable to:				
Owners of the Company		(35,436,347)	(237,445)	17,754,645
Non – controlling interests		(346,800)	3,588,093	2,108,449
		(35,783,147)	**3,350,648**	**19,863,094**

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of profit or loss and other comprehensive income

	Successor	Predecessor	
	For the period from 12 June 2015 to 31 March 2016	For the period from 1 January 2015 to 20 November 2015	For the period from 1 April 2014 to 31 December 2014
Profit / (Loss) for the period	**(35,783,147)**	**3,350,648**	**19,863,094**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	-	(2,157,814)	(2,456,176)
Items that will be reclassified subsequently to profit or loss			
Unrealised losses on available-for-sale financial assets	-	-	(1,748)
Exchange differences on translating foreign operations	(3,235,562)	(42,072,141)	(50,827,102)
Total other comprehensive income	**(3,235,562)**	**(44,229,955)**	**(53,285,026)**
Total comprehensive income	**(39,018,709)**	**(40,879,307)**	**(33,421,932)**
Total comprehensive income attributable to:			
Owners of the Company	(38,671,909)	(42,309,586)	(33,074,205)
Non-controlling interests	(346,800)	1,430,279	(347,727)
	(39,018,709)	**(40,879,307)**	**(33,421,932)**

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

(All amounts in US Dollars unless otherwise stated)

Consolidated statement of changes in equity

Successor:

	Ordinary shares	Currency Translation Deficit	Retained deficit	Total attributable to owners of Parent	Non-controlling interests	Total equity
At 12 June 2015	-	-	-	-	-	-
Issue of Ordinary Shares (Refer note 6)	665,397,586	-	-	665,397,586	-	665,397,586
Acquisition through business combination	-	-	-	-	713,309	713,309
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	40,706	40,706
	665,397,586	**-**	**-**	**665,397,586**	**754,015**	**666,151,601**
Loss for the period	-	-	(35,436,347)	**(35,436,347)**	(346,800)	**(35,783,147)**
Exchange differences on translating foreign operations	-	(3,235,562)	-	**(3,235,562)**	-	**(3,235,562)**
Total comprehensive income	**-**	(3,235,562)	(35,436,347)	**(38,671,909)**	(346,800)	**(39,018,709)**
At 31 March 2016	**665,397,586**	**(3,235,562)**	**(35,436,347)**	**626,725,677**	**407,215**	**627,132,892**

(All amounts in US Dollars unless otherwise stated)

Predecessor:

	Share capital	Share application money	Currency Translation deficit	Other reserves	Retained earnings	Total attributable to owners of Parent	Non-controlling interests	Total equity
At 1 April 2014	438,800,453	8,039,240	(89,113,176)	(1,205,837)	66,857,042	423,377,722	46,146,492	469,524,214
Transfer from revaluation reserve	-	-	-	(17,351)	-	(17,351)	17,351	-
Dilution of interest in subsidiary	-	-	-	(411,077)	-	(411,077)	411,077	-
Contribution from the ultimate parent company	-	-	-	922,884	-	922,884	-	922,884
Share application money refunded	-	(1,228,501)	-	-	-	(1,228,501)	-	(1,228,501)
Government grants	-	-	-	483,984	-	483,984	-	483,984
Transaction with owners	**-**	**(1,228,501)**	**-**	**978,440**	**-**	**(250,061)**	**428,428**	**178,367**
Profit for the period	-	-	-	-	17,754,645	17,754,645	2,108,449	19,863,094
Other comprehensive income								
Unrealised loss on available-for-sale financial assets	-	-	-	(1,748)	-	(1,748)	-	(1,748)
Exchange differences on translating foreign operations	-	-	(50,827,102)	-	-	(50,827,102)	(2,456,176)	(53,283,278)
Total comprehensive income	**-**	**-**	**(50,827,102)**	**(1,748)**	**-**	**(50,828,850)**	**(2,456,176)**	**(53,285,026)**
At 31 December 2014	**438,800,453**	**6,810,739**	**(139,940,278)**	**(229,145)**	**84,611,687**	**390,053,456**	**46,227,193**	**436,280,649**
Profit for the period	-	-	-	-	(237,445)	(237,445)	3,588,093	3,350,648
Exchange differences on translating foreign operations	-	-	(42,072,141)	-	-	(42,072,141)	(2,157,814)	(44,229,955)
Total comprehensive income	**-**	**-**	**(42,072,141)**	**-**	**(237,445)**	**(42,309,586)**	**1,430,279**	**(40,879,307)**
At 20 November 2015	**438,800,453**	**6,810,739**	**(182,012,419)**	**(229,145)**	**84,374,242**	**347,743,870**	**47,657,472**	**395,401,342**

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

(All amounts in US Dollars unless otherwise stated)

Consolidated cash flow statement

		Note	Successor	Predecessor	
			For the period from 12 June 2015 to 31 March 2016	For the period from 1 January 2015 to 20 November 2015	For the period from 1 April 2014 to 31 December 2014
A.	**Cash flows from operating activities**				
	Profit/ (Loss) before tax		(34,574,668)	11,546,204	27,841,348
	Adjustments for				
	Depreciation and amortization	8 & 9	16,714,500	29,626,940	21,310,117
	Finance income		(578,152)	(1,534,812)	(5,551,410)
	Finance costs		31,618,180	57,422,968	44,524,028
	Exceptional Items		-	-	(6,177,759)
	Excess of Group's interest in the fair value of acquiree's assets and liabilities over cost		-	-	(2,036,236)
	Changes in working capital				
	Inventories		(218,850)	4,412,368	(610,225)
	Trade and other receivables		1,281,748	(4,993,860)	(11,761,531)
	Trade and other payables		(13,711,065)	6,732,239	(8,055,065)
	Cash generated from operations		**531,693**	**103,212,047**	**59,483,267**
	Taxes paid		(3,237,141)	(4,735,875)	(4,726,311)
	Net cash from/ (used) in operating activities		**(2,705,448)**	**98,476,172**	**54,756,956**
B.	**Cash flows from investing activities**				
	Purchase of property, plant and equipment and capital expenditure		(88,709,767)	(295,079,248)	(174,814,123)
	Acquisition of business, net of cash and cash equivalents acquired*		(276,881,755)	(12,603,162)	(17,854,375)
	Investment in mutual funds		(798,751)	-	(16,455)
	Advance for purchase of equity		-	(900,407)	(1,151,884)
	Consideration paid for acquisitions made by subsidiaries		(451,247)	(867,496)	(192,250)
	Bank deposits		(821,720)	(193,676)	(1,089,475)
	Interest received		578,004	1,489,177	787,692
	Dividends received from mutual funds		-	-	45,615
	Net cash used in investing activities		**(367,085,236)**	**(308,154,812)**	**(194,285,255)**
C.	**Cash flows from financing activities**				
	Proceeds from issue of shares		433,519,071	-	-
	Proceeds from non-controlling interests		40,161	-	-
	Proceeds from borrowings		68,318,953	270,172,959	786,515,641
	Repayment of borrowings		(8,423,601)	(13,515,926)	(523,926,105)
	Interest paid		(51,287,444)	(73,005,474)	(56,302,571)
	Refund of share application money		-	-	(1,228,501)
	Net cash from financing activities		**442,167,140**	**183,651,559**	**205,058,464**
	Net increase in cash and cash equivalents		**72,376,456**	**(26,027,081)**	**65,530,165**
	Cash and cash equivalents at the beginning of the period	14	-	109,869,537	44,282,251
	Exchange losses on cash and cash equivalents		(622,202)	(8,212,947)	57,121
	Cash and cash equivalents at the end of the period	14	**71,754,254**	**75,629,509**	**109,869,537**

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

Successor:

*On 20 November 2015, the Company acquired shares of Greenko Mauritius ("Predecessor") from Greenko Group PLC, GEEMF III GK Holdings MU ("GEEMF") and Cambourne Investments Pte. Ltd. ("Cambourne") (collectively referred as "selling shareholders") for a consideration of US$ 584,389,778. In addition to cash payment of US$ 352,511,264 to selling shareholders and consideration of US$ 231,878,514 is discharged by way of issue of Company's ordinary shares to Cambourne. Cash and cash equivalents acquired on business combination is US$ 75,629,509 (Refer note 6).

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1. General information

Greenko Energy Holdings ("the Company" or "Successor") is a company domiciled in Mauritius and registered as a company limited by shares under company number C130988 pursuant to the provisions Companies Act 2001. The registered office of the Company is at 11th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. The Company was incorporated on 12 June 2015.

The principal activity of the company is that of investment holding.

Greenko Mauritius ("Predecessor") together with its subsidiaries are 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 500 million units of electricity per annum in the whole of India except the state of Jammu and Kashmir. 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") and Renewable Energy Certificates ("REC").

Acquisition:

On 20 November 2015, Greenko Energy Holdings ("Successor") acquired 100% of Greenko Mauritius ("Predecessor") in series of transactions with certain controlling stakeholders ("the Acquisition"). The acquisition is discussed further in note 6.

The Company together with its subsidiaries and the Predecessor together with its subsidiaries hereinafter referred to as "the Group" in respective periods.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

The accompanying consolidated financial statements as of 31 March 2016 and for the period from 12 June 2015 to 31 March 2016 includes accounts of the Company and it's subsidiaries ("the successor"). The Acquisition was accounted for as a purchase in accordance with the IFRS 3 "Business Combination" which resulted in a new valuations of the assets and liabilities, based on their estimated fair values as of the Acquisition date. The Company has no substantive operations prior to the Acquisition date.

The consolidated financial statements of Predecessor as of 20 November 2015 on for the period before 20 November 2015, the date of Acquisition, reflect the "pre-acquisition" financial position, results of operations and cash flows of the predecessor prepared on the historical basis of accounting prior to the Acquisition. As such, financial statements of these periods may not be comparable to those for those periods after the Acquisition and or indicated as those of the "Predecessor".

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by International Accounting Standards Board ("IFRS"). The consolidated financial statements have been prepared under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss.

The consolidated financial statements of the predecessor are presented for the period of 11 months 20 days ended 20 November 2015 and for the period 9 months ended 31 December 2014. Due to the different period lengths of each of financial period, the comparative amounts for the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are not directly comparable with one another.

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 financial information are disclosed in the critical accounting estimates and judgments section (note 5).

The purpose of these financial statements is for inclusion in the offering memorandum in relation to proposed issue of senior notes.

2.2 Statement of Compliance

These consolidated financial statements for the period from 12 June 2015 to 31 March 2016 have been prepared in accordance with the International Financial Reporting Standards and its interpretations as issued by the International Accounting Standards Board ("IFRS").

These consolidated financial statements have been prepared for the Group as in accordance with IFRS. These consolidated financial statements were authorised for issuance by the Company's Board of Directors. The consolidated statements of the Group are prepared to the nearest US Dollar.

2.3 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 Group:

- 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 Group reassesses whether or not it 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.

When the Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give its power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holdings;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- any additional facts and circumstances that indicate that the Group 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 Group obtains control over the subsidiary and ceases when the Group 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 Group gains control until the date when the Group ceases to control the subsidiary.

Non-Controlling Interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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 results 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 in 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 existing subsidiaries

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 IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value at initial recognition for subsequent accounting under IAS 39 "Financial Instruments – Recognition and Measurement", or applicable the cost on initial recognition of an investment in an associate or a joint venture.

2.4 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 acquired, 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 entity acquired, the difference is recognised directly in profit or loss. Acquisition related costs are expensed as incurred.

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. Further the equity interest previously held by the Group is re-measured at its acquisition-date fair value and any resulting gain or loss is recognised in the statement of profit or loss.

Initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalised within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognised in the statement of 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. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

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.

2.5 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"). The consolidated financial statements are presented in 'United States Dollar' ("$"), which is the Company's functional and presentation currency. The functional currency of Group's primary subsidiaries is Indian Rupee ("INR").

Predecessor:
Effective 1 April 2014, the predecessor has prospectively changed its functional currency from Euro to US Dollar (US$") based on the guidance in IAS 21 and the changes in the statement of financial position and cash flows, resulting from significant increase in US$ denominated debt and related payments.

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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. 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);
- resulting exchange differences are charged/ credited to other comprehensive income and recognised in the currency translation reserve within equity; and
- statement of cash flows are translated at average exchange rate for the period whereas cash and cash equivalents are translated at closing rate at the reporting date.

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.

On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation.

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 at the end of each reporting date.

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 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	5 – 10 years
Vehicles	10 years

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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	14 – 40 Years
Power purchase agreements ("PPA")	5 Years

Amortisation of intangible assets is included within 'Depreciation, amortisation 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 and depreciation 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 (non-derivative 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.

The Group recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. 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.

The fair value of the investment in 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 a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise 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 those with 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 FVTPL 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. Transactions costs which are directly attributable to financials assets at FVTPL is recognised in profit or loss.

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. Available-for-sale financial assets are subsequently carried at fair value.

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. 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 instruments 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 Financial liabilities

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

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when liabilities are classified as FVTPL when held-for-trading or is designated as such on initial recognition.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised 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. The Group does not have any financial liabilities classified or designated as FVTPL.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value less any transaction costs and 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 derecognises 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 derecognised and the consideration paid and payable is recognised in profit or loss.

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 financials instruments are disclosed in note 10.

Derivatives are initially recognised 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.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

2.11.2 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.

2.12 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) Renewable Energy Certificates (“REC”)

Inventories of 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. Electricity and RECs are treated as joint products, as they are generated simultaneously. Cost of generation is allocated in the ratio of relative net sale value 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 recognised initially at fair value. They are subsequently measured at amortised cost using the effective interest method, net of provision for impairment. Trade receivables are shown inclusive of unbilled amounts to customers. 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 recognised 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 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.

2.16 Equity

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

Retained earnings include current period profits.

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

Other reserves includes all other transactions with the owners in their capacity as owners, impact of changes in the ownership interest do not result in loss of control and fair value adjustments.

Currency translation reserve – represents foreign currency translation differences arising on the translation of the Group's foreign entities.

2.17 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.

Current tax

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 Group'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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.18 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 of the employees' basic salary. The Group has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

2.19 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.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

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 only when there is no uncertainty associated with the collectability of this claims.

b) Sale of REC

Revenue from sale of RECs is recognised 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.

c) 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.

d) Interest income

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

2.21 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.

2.22 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.

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

The Group has included a sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in the statement of profit or loss. The Directors believes that EBITDA is meaningful for investors because it provides an analysis of the Group's operating results, profitability and ability to service debt and because EBITDA is used by the Group's chief operating decision makers to track the Group's business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as operating profit before depreciation and amortisation.

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.

3. Recent Accounting Pronouncements

The following standards which may be significant to the Group, have been issued but are not yet effective:

IFRS 9- Financial instruments

In July 2014, the IASB issued the final version of IFRS 9, "Financial instruments". IFRS 9 significantly differs from IAS 39, "Financial Instruments: Recognition and Measurement", and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is in the process of evaluating the impact of the new standard on its consolidated financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The new revenue recognition standard was issued with an effective date of 1 January 2017. However, in April 2015, the IASB voted to defer the effective date of the new revenue recognition standard to 1 January 2018. Early application of the new standard is permitted. The Group is in the process of evaluating the impact of the new standard on its consolidated financial statements.

IFRS 16 – Leases

In January 2016, the IASB issued a new standard, IFRS 16, “Leases”. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17, “Leases”, and related interpretations and is effective for periods beginning on or after 1 January 2019. Earlier adoption of IFRS 16 is permitted if IFRS 15, “Revenue from Contracts with Customers”, has also been applied. The Group is currently in the process of evaluating the impact of this new accounting standard on its consolidated financial statements.

Amendment to IAS 1

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to of the order of notes, OCI of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted. The Group is currently in the process of evaluating the impact of this amendment on its consolidated financial statements.

4. 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, senior notes, notes, demand deposits, short-term bank deposits, trade and other receivables, available for sale investments, trade and other payables.

4.1. 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 into: 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 and liabilities of these subsidiaries as at 31 March 2016 are not significant. The entities has no financial instruments denominated in a currency different from the functional currency of the entities. The Indian entities having INR has functional currency has no significant transactions in currency other than INR.

The translation of INR subsidiaries into USD for the consolidated financial statements of Group is only for the purpose of converting the financial statements into presentation currency and the currency differences are taken to OCI. The same has no impact on the Group’s cash flow.

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 Group considers the impact of fair value interest rate risk on investment in bank deposits are not material as majority of the non-current bank deposits do not carry any interest. A significant portion the Group’s borrowing carry fixed rate of interest, however, as these debts are carried at amortised 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.

(All amounts in US Dollars unless otherwise stated)

If interest rates on borrowings had been 50 basis points higher or lower with all other variables held constant, post-tax profit/loss for the period would have been lower or higher by US$850,308 (20 November 2015: US$297,303, 31 December 2014: 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.

4.2. 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 (Refer Note 10 for details).

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.

4.3. 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. 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.

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. 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 represent the maturity profile and are the contractual undiscounted cash flows.

Successor:

At 31 March 2016	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings				
- Principal	31,258,663	50,636,835	769,411,959	302,729,686
- Interest	110,129,439	107,733,524	427,657,542	184,364,753
Trade and other payables	132,492,929	13,004,265	-	-
Other liabilities	1,444,850	-	-	-
Total	**275,325,881**	**171,374,624**	**1,197,069,501**	**487,094,439**

(All amounts in US Dollars unless otherwise stated)

Predecessor:

At 20 November 2015	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings				
- Principal	29,570,641	41,272,234	620,333,615	398,984,777
- Interest	100,582,472	98,257,303	215,647,379	199,114,214
Trade and other payables	81,148,620	11,026,338	-	-
Other liabilities	4,141,354	-	-	-
Total	**215,443,087**	**150,555,876**	**835,980,994**	**598,098,991**

At 31 December 2014	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
Borrowings				
- Principal	13,497,074	15,016,201	586,005,408	202,635,080
- Interest	67,826,667	67,561,151	187,780,608	87,227,876
Trade and other payables	70,863,448	4,554,745	-	-
Other liabilities	1,590,898	-	-	-
Total	**153,778,087**	**87,132,097**	**773,786,016**	**289,862,956**

The entities forming part of the group, generate their own independent cash flows and while determining projected net cash flows, management used certain assumptions based on its current and future operations. The projected cash flows of these entities are based on the capacity utilization and net cash generated from the existing projects, technical report for wind generation and hydrology and long term power purchase agreements entered for the projects which in the process of commencement of commercial production.

Revenues and power generation expenses for the entities which have commenced operations during the period ended 31 March 2016 reflected the income and costs of these entities for the period from commencement till March 31 2016.

The net cash flows expected to be generated from the projects shall be sufficient to meet the group's operating and finance costs for the next 12 months.

5. Critical accounting judgements and key sources of estimating 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.

5.1. 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, intangible and other 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 do not meet the criteria for recognition as service concession arrangements.

d) 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 recognised in other comprehensive income.

5.2. Key sources of estimating uncertainty

a) Fair value estimation

The fair value of financial instruments that are not traded in an active market 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 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 multiple jurisdictions. Significant judgment is required in determining provision for income taxes. The Group recognises liabilities for anticipated tax issues based on 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 2.8, the Group tests annually whether goodwill has suffered any impairment. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. 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.

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 8 and 9.

e) Going Concern

The Directors have considered the financial position of the Group, its cash position and forecast cash flows for the 12 months period from the date of these consolidated financial statements. The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue its operational existence for a foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

(All amounts in US Dollars unless otherwise stated)

6. Acquisition of Greenko Mauritius ("Predecessor")

On 20 November 2015, the Company acquired 100% shareholding in Greenko Mauritius ("Predecessor") from Greenko Group Plc, GEEMF III GK Holdings MU ("GEEMF") and Cambourne Investment Pte Ltd ("Cambourne") through multiple Share Purchase Agreements ("SPA') for a consideration of US$ 584,389,778.

The Company has accounted for the transaction under IFRS 3, "Business Combinations" in the consolidated financial statements and allocated the aggregate purchase consideration as follows:

Description	Amount (US$)
Total consideration	584,389,778
Identifiable assets acquired	
Property, Plant and Equipment	1,328,901,416
Intangible assets	151,501,580
Cash and cash equivalents	75,629,509
Bank deposits	36,670,847
Non-cash working capital	16,464,403
Available for sale financial assets	93,941
Knock-out call option settlement amount {Refer Note 30(b)}	1,010,000
Other non-current financial assets	3,634,467
Identifiable liabilities assumed	
Debt taken over	(1,101,781,594)
Retirement benefit obligations	(794,999)
GE liability (Refer Note below)	(78,000,000)
Non-controlling interests	(713,309)
Deferred tax liability	(98,845,300)
Net assets acquired	**333,770,961**
Goodwill	**250,618,817**

The acquired receivables represent the fair value and the best estimate at the acquisition date of the cash flows from these receivables are all expected to be collected.

The above mentioned consideration is settled by cash payment of US$ 352,511,264 to Greenko Group Plc and GEEMF and US$ 231,878,514 by way of issue of Company's ordinary shares to Cambourne.

The total goodwill of US$250,618,817 is primarily attributable to the assemble work force, intangible assets that do not qualify for separate recognition and the expected synergies. The said goodwill is not deductible for tax purposes. Transaction cost incurred amounting to US$ 900,309 is recognised in profit or loss.

The acquired group comprises of an investment of US$ 50,000,000 by GE Equity International Mauritius ("GE") to indirectly acquire Class A equity shares and compulsorily convertible cumulative preference shares ("CCPS') of Greenko Wind Projects Pvt Ltd ("Greenko Wind"), one of the subsidiaries of Greenko Mauritius. GE had certain preferential rights as to payment of dividends and on liquidation in Greenko Wind. Greenko Mauritius ("Predecessor") had an option to call on GE to buy CCPS while GE has an option to put any of the Class A equity shares and CCPS to Greenko Mauritius ("Predecessor") as per the terms of the agreement. The options should be exercised at such prices which would provide GE with certain protective returns as per the terms of the agreements. This instrument was construed as a compound instrument with components of equity and liability. However subsequent to the acquisition, Greenko Mauritius ("Predecessor") entered into a Share Purchase Agreement wherein Greenko Mauritius ("Predecessor") agreed to purchase the shares held by GE for a consideration of US$ 78,000,000. Accordingly this consideration is reflected as liability assumed as part of business combination.

(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 periods. Unless otherwise stated, the subsidiaries as listed below have share capital consisting of ordinary shares except in cases mentioned below, 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.

			Successor	Predecessor	
	Country of incorporation	Principal business	Holding as at 31 March 2016	Holding as at 20 November 2015	Holding as at 31 December 2014
Greenko Mauritius	Mauritius	Intermediate holding company	100%	NA	NA
Greenko Dutch B.V.	Netherlands	Intermediate financing company	100%	100%	100%
Greenko Energies Private Limited	India	Generation of power	100%	100%	100%
Greenko Wind Projects Private Limited*	India	Generation of power	100%	75.85%	75.85%
AMR Power Private Limited	India	Generation of power	100%	100%	100%
Fortune Five Hydel Projects Private Limited	India	Generation of power	100%	100%	100%
Greenko Budhil Hydro Power Private Limited	India	Generation of power	100%	100%	100%
Hemavathy Power & Light Private Limited	India	Generation of power	100%	100%	100%
LVS Power Private Limited	India	Generation of power	100%	100%	100%
Mangalore Energies Private Limited	India	Generation of power	99.13%	99.13%	99.13%
Matrix Power (Wind) Private Limited	India	Generation of power	74%	74%	74%
Ratnagiri Wind Power Projects Private Limited	India	Generation of power	100%	100%	100%
Greenko Rayala Wind Power Company Private Limited	India	Generation of power	100%	100%	100%
Rithwik Energy Generation Private Limited	India	Generation of power	100%	100%	100%
Sneha Kinetic Power Projects Private Limited	India	Generation of power	99.97%	99.97%	99.97%
Tanot Wind Power Ventures Private Limited	India	Generation of power	100%	100%	100%
Greenko Tejassarnika Hydro Energies Private Limited	India	Generation of power	100%	100%	100%
Vyshali Energy Private Limited	India	Generation of power	100%	100%	100%

* Entity has preferential shares in addition to ordinary shares.

7.2. Composition of the Group

In addition to above material subsidiaries, the Group has 51 (20 November 2015: 48, 31 December 2014: 47) subsidiaries based in India and 5 (20 November 2015: 4, 31 December 2014: 4) 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.

(All amounts in US Dollars unless otherwise stated)

7.3. 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.

7.4. The table below shows details of Greenko Wind Projects Private Limited ("Greenko Wind"), a non-wholly owned subsidiary of the Predecessor, that has material non-controlling interests:

	Greenko Wind	
	20 November 2015	**31 December 2014**
Proportion of ownership interests and voting rights held by non-controlling interests	24.15%	24.15%
Comprehensive income / (loss) allocated to non-controlling interests	(851,683)	(325,562)
Accumulated non-controlling interests	44,857,028	45,708,711

8. Intangible assets and Goodwill

Successor:

	Licences	Electricity PPAs	Goodwill	Total
Acquisition through business combination (Refer Note 6)	130,260,197	21,241,383	250,618,817	402,120,397
Exchange differences	(463,462)	(75,575)	(906,808)	(1,445,845)
At 31 March 2016	**129,796,735**	**21,165,808**	**249,712,009**	**400,674,552**
Accumulated amortisation				
Charge for the period	630,301	1,374,526	-	2,004,827
Exchange differences	8,553	18,651	-	27,204
At 31 March 2016	**638,854**	**1,393,177**	**-**	**2,032,031**
Net book value				
At 31 March 2016	**129,157,881**	**19,772,631**	**249,712,009**	**398,642,521**

Amortisation charges are included under 'Depreciation and amortisation' in the statement of profit or loss and other comprehensive income. The average remaining amortisation period for licences is 28.51 years and for electricity PPA is 4.65 years.

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

	Acquired through business combination	Exchange difference	31 March 2016
Greenko Rayala Wind Power Company Private Limited	34,566,513	(125,071)	34,441,442
Sneha Kinetic Power Projects Private Limited	32,051,797	(115,973)	31,935,824
Tanot Wind Power Ventures Private Limited	24,580,587	(88,939)	24,491,648
Ratnagiri Wind Power Projects Private Limited	23,762,677	(85,980)	23,676,697
Fortune Five Hydel Projects Private Limited	22,591,713	(81,743)	22,509,970
Vyshali Energy Private Limited	19,061,820	(68,971)	18,992,849
Greenko Budhil Hydro Power Private Limited	17,142,215	(62,025)	17,080,190
Greenko Bagewadi Energies Private Limited	6,680,481	(24,172)	6,656,309
Swasti Power Private Limited	4,827,508	(17,467)	4,810,041
Multiple units without significant goodwill	65,353,506	(236,467)	65,117,039
	250,618,817	**(906,808)**	**249,712,009**

(All amounts in US Dollars unless otherwise stated)

Predecessor:

	Licences	Electricity PPAs	Goodwill	Total
At 1 April 2014	122,294,120	15,011,913	20,910,282	158,216,315
Acquisition on business combination (Refer note 28.2)	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	121,590,866	12,877,155	19,879,185	154,347,206
Acquisition on business combination (Refer note 28.1)	1,809,846	-	2,041,421	3,851,267
Exchange differences	(5,190,096)	(537,766)	(951,570)	(6,679,432)
At 20 November 2015	**118,210,616**	**12,339,389**	**20,969,036**	**151,519,041**
Accumulated amortisation				
At 1 April 2014	2,146,486	8,632,537	693,763	11,472,786
Charge for the period	934,375	1,139,997	-	2,074,372
Adjustments	-	(1,459,235)	-	(1,459,235)
Exchange differences	(103,411)	(385,684)	-	(489,095)
At 31 December 2014	2,977,450	7,927,615	693,763	11,598,828
Charge for the period	1,145,400	1,113,081	-	2,258,481
Exchange differences	(163,949)	(371,019)	(28,972)	(563,940)
At 20 November 2015	**3,958,901**	**8,669,677**	**664,791**	**13,293,369**
Net book value				
At 20 November 2015	**114,251,715**	**3,669,712**	**20,304,245**	**138,225,672**
At 31 December 2014	118,613,416	4,949,540	19,185,422	142,748,378

Amortisation charges are included under 'Depreciation and amortisation' in the statement of profit or loss and other comprehensive income. The average remaining amortisation period for licences is 27.8 years and for electricity PPA is 1.5 years.

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 project.

The following are the key assumptions used in calculation of value-in-use for each cash generating unit:

a) **Gross Margin** - The Group has determined gross margin based on industry trends and the existing PPAs with the transmission companies and other customers. 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 growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

b) **Other operating costs -** These costs are estimated using the historical performance and plant maintenance activity. The estimates of other operating costs used in value-in-use calculations are consistent with those used in the Group's business plan. The growth rate applied to other operating costs fully reflects the expected operating lives of the power projects.

c) **Discount Rates** - The discount rate used is pre-tax and reflects the specific risks associated with the respective projects and are in the range of 13.7% to 17%.

(All amounts in US Dollars unless otherwise stated)

9. Property, plant and equipment

Successor:

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
Cost							
Acquisition through business combination (Refer Note 6)	20,897,804	133,752,675	734,596,742	2,168,894	1,022,136	436,463,165	1,328,901,416
Additions	3,041,908	6,380,767	189,482,193	130,318	-	79,650,517	278,685,703
Disposals/capitalisation	-	-	(32,569)	-	(9,248)	(159,826,496)	(159,868,313)
Exchange differences	(34,340)	(397,376)	(87,206)	(6,079)	(4,022)	(2,494,221)	(3,023,244)
At 31 March 2016	**23,905,372**	**139,736,066**	**923,959,160**	**2,293,133**	**1,008,866**	**353,792,965**	**1,444,695,562**
Accumulated depreciation							
Charge for the period	-	1,479,975	12,949,152	182,291	98,255	-	14,709,673
Disposals	-	-	(16,174)	-	(5,629)	-	(21,803)
Exchange differences	-	20,081	175,480	2,474	1,257	-	199,292
At 31 March 2016	**-**	**1,500,056**	**13,108,458**	**184,765**	**93,883**	**-**	**14,887,162**
Net book values							
At 31 March 2016	**23,905,372**	**138,236,010**	**910,850,702**	**2,108,368**	**914,983**	**353,792,965**	**1,429,808,400**

Certain borrowings 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$15,748,548 on qualifying assets during construction. The weighted average of the borrowing costs applicable to general borrowings is 11.90 per cent. Note 27 (g) provide details of capital commitments outstanding as at 31 March 2016.

Greenko Energy Holdings
(All amounts in US Dollars unless otherwise stated)
Notes to the consolidated financial statements

Predecessor:

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in-progress	Total
Cost							
At 1 April 2014	11,060,445	121,771,197	368,234,188	2,792,334	1,660,357	291,968,533	797,487,054
Additions	4,653,241	1,629,360	134,557,883	375,748	110,655	200,216,560	341,543,447
Acquisition through business combination (Refer note 28.2)	130,295	9,458,007	97,909,932	102,483	33,328	-	107,634,045
Disposals/capitalisation	-	-	-	-	-	(143,961,246)	(143,961,246)
Exchange differences	(742,061)	(6,702,202)	(28,863,862)	(113,996)	(143,478)	(16,158,996)	(52,724,595)
At 31 December 2014	**15,101,920**	**126,156,362**	**571,838,141**	**3,156,569**	**1,660,862**	**332,064,851**	**1,049,978,705**
Additions	3,018,210	7,719,392	147,347,068	907,333	134,903	276,158,665	435,285,571
Acquisition through business combination (Refer note 28.1)	204,509	3,098,456	23,524,292	34,307	33,639	-	26,895,203
Disposals/capitalisation	-	-	-	-	-	(139,621,081)	(139,621,081)
Exchange differences	(761,547)	(5,785,328)	(16,400,806)	(222,625)	(25,592)	(16,895,838)	(40,091,736)
At 20 November 2015	**17,563,092**	**131,188,882**	**726,308,695**	**3,875,584**	**1,803,812**	**451,706,597**	**1,332,446,662**
Accumulated depreciation							
At 1 April 2014	-	10,805,133	24,146,883	845,355	548,071	-	36,345,442
Charge for the period	-	3,027,269	15,538,544	448,302	221,630	-	19,235,745
Exchange differences	-	(657,541)	(1,094,566)	(34,242)	(70,602)	-	(1,856,951)
At 31 December 2014	**-**	**13,174,861**	**38,590,861**	**1,259,415**	**699,099**	**-**	**53,724,236**
Charge for the period	-	4,766,270	21,808,439	523,886	269,864	-	27,368,459
Exchange differences	-	(720,088)	(2,261,751)	(112,818)	(3,623)	-	(3,098,280)
At 20 November 2015	**-**	**17,221,043**	**58,137,549**	**1,670,483**	**965,340**	**-**	**77,994,415**
Net book values							
At 20 November 2015	**17,563,092**	**113,967,839**	**668,171,146**	**2,205,101**	**838,472**	**451,706,597**	**1,254,452,247**
At 31 December 2014	15,101,920	112,981,501	533,247,280	1,897,154	961,763	332,064,851	996,254,469

Certain borrowings 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$37,766,337 (31 December 2014: US$23,408,741) on qualifying assets during construction. The weighted average of the borrowing costs applicable to general borrowings is 11.70 per cent (31 December 2014: 13.14). Note 27 (g) provide details of capital commitments.

(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:

Successor:

31 March 2016

	Loans and receivables	Financial assets at FVTPL	Available for-sale	Total
Financial assets				
Non-current				
Bank deposits (note 15)	33,653,696	-	-	33,653,696
Trade and other receivables (note 12)	3,274,818	-	-	3,274,818
Other non-current financial assets	-	3,950,420	-	3,950,420
Current				
Available-for-sale financial assets (note 11)	-	-	902,305	902,305
Bank deposits (note 15)	3,101,651	-	-	3,101,651
Trade and other receivables (note 12)	82,576,431	-	-	82,576,431
Cash and cash equivalents (note 14)	71,754,254	-	-	71,754,254
Total	**194,360,850**	**3,950,420**	**902,305**	**199,213,575**

	Liabilities measured at amortised cost	Total
Financial liabilities		
Non-current		
Borrowings (note 18)	1,129,801,079	1,129,801,079
Trade and other payables (note 17)	13,004,265	13,004,265
Current		
Borrowings (note 18)	31,258,662	31,258,662
Trade and other payables (note 17)	132,492,929	132,492,929
Total	**1,306,556,935**	**1,306,556,935**

Predecessor:

20 November 2015

	Loans and receivables	Financial assets at FVTPL	Available for-sale	Total
Financial assets				
Non-current				
Bank deposits (note 15)	31,544,757	-	-	31,544,757
Trade and other receivables (note 12)	7,247,456	-	-	7,247,456
Other non-current financial assets	-	16,654,813	-	16,654,813
Current				
Available-for-sale financial assets (note 11)	-	-	93,941	93,941
Bank deposits (note 15)	5,126,090	-	-	5,126,090
Trade and other receivables (note 12)	82,535,555	-	-	82,535,555
Cash and cash equivalents (note 14)	75,629,509	-	-	75,629,509
Total	**202,083,367**	**16,654,813**	**93,941**	**218,832,121**

(All amounts in US Dollars unless otherwise stated)

	Liabilities measured at amortised cost	Total
Financial liabilities		
Non-current		
Borrowings (note 18)	1,038,541,755	1,038,541,755
Trade and other payables (note 17)	11,026,338	11,026,338
Current		
Borrowings (note 18)	29,570,641	29,570,641
Trade and other payables (note 17)	81,148,620	81,148,620
Total	**1,160,287,354**	**1,160,287,354**

31 December 2014

	Loans and receivables	Financial assets at FVTPL	Available-for-sale	Total
Financial assets				
Non-current				
Other non-current financial assets	-	2,769,369	-	2,769,369
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)	77,550,113	-	-	77,550,113
Cash and cash equivalents (note 14)	109,869,537	-	-	109,869,537
Total	**231,878,116**	**2,769,369**	**100,965**	**234,748,450**

	Liabilities measured at amortised cost	Total
Financial liabilities		
Non-current		
Borrowings (note 18)	803,656,689	803,656,689
Other financial liabilities	7,109,472	7,109,472
Trade and other payables (note 17)	4,554,745	4,554,745
Current		
Borrowings (note 18)	13,497,074	13,497,074
Trade and other payables (note 17)	69,894,659	69,894,659
Total	**898,712,639**	**898,712,639**

The fair values of the financial liabilities are disclosed in Note 18.

The carrying amounts reported in the statement of Group 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).

(All amounts in US Dollars unless otherwise stated)

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 March 2016

Successor:

31 March 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	902,305	-	-	**902,305**
Other non-current financial assets	-	3,950,420	-	**3,950,420**

Predecessor:

20 November 2015

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	93,941	-	-	**93,941**
Other non-current financial assets	-	16,654,813	-	**16,654,813**

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	-	2,769,369	-	**2,769,369**

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)

Other non-current financial assets consist of Knock-out call options taken for repayment/payment of senior notes and interest on Senior Notes and call option on Senior Notes. The estimated fair value of options on hedging arrangements for payment of interest of Senior Notes and call option 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 indirect observables like interest rates, yield curves, implied volatilities and credit spreads.

11. Available-for-sale financial assets

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Beginning of the period/year	-	100,965	73,210
Acquired through business combination (Refer Note 6)	93,941	-	-
Additions	798,751	-	8,244,199
Dividend reinvestment	315	-	18,669
Redemption	(1,188)	(3,565)	(8,227,744)
Effect of exchange difference	10,486	(3,459)	(5,621)
Unrealized losses transferred to equity	-	-	(1,748)
At the end of the period	**902,305**	**93,941**	**100,965**
Less: Non-current portion	-	-	-
Current portion	**902,305**	**93,941**	**100,965**

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:

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Unlisted securities:			
— Units of open-ended mutual funds	902,305	93,941	100,965
	902,305	**93,941**	**100,965**

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

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Trade receivables	67,232,958	67,719,737	55,394,440
Other receivables	13,400,936	18,334,237	25,039,920
Advance for expenses	1,771,455	363,354	184,082
Sundry deposits	1,033,718	944,742	724,632
Advance for purchase of equity	2,412,182	2,420,941	6,185,478
Total trade and other receivables	**85,851,249**	**89,783,011**	**87,528,552**
Less: Non-current portion	(3,274,818)	(7,247,456)	(7,140,919)
Current portion	**82,576,431**	**82,535,555**	**80,387,633**

Advance for purchase of equity represents interest free amounts paid under memorandum of understanding with various parties for acquisition of their stake in certain entities which are 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 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.

Successor:

Trade receivables include unbilled revenue of US$7,701,358 and not past due US$16,076,896.

Predecessor:

Trade receivables include unbilled revenue of US$18,903,781 (31 December 2014: US$6,056,146) and not past due US$12,039,070 (31 December 2014: US$6,510,570).

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.

Successor:

Trade receivables that are due for more than one month are considered past due. As at 31 March 2016, trade receivables of US$43,454,704 were past due but not impaired. These receivables have been considered as fully recoverable based on Director's assessment. Recoverability is based on the evaluation of terms implicit in the contracts with the customers, legal opinions and other pertinent factors.

Predecessor:

Trade receivables that are due for more than one month are considered past due. As at 20 November 2015, trade receivables of US$36,776,886 (31 December 2014: US$42,827,724) were past due but not impaired. These receivables have been considered as fully recoverable based on Director's assessment. Recoverability is based on the evaluation of terms implicit in the contracts with the customers, legal opinions and other pertinent factors.

(All amounts in US Dollars unless otherwise stated)

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

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
1 to 6 months	15,109,725	12,752,716	15,159,628
6 to 9 months	2,686,333	1,448,306	2,272,683
9 to 12 months	1,562,838	1,420,062	4,141,648
Beyond 12 months	24,095,808	21,155,802	21,253,765
	43,454,704	**36,776,886**	**42,827,724**

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.

13. Inventories

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Stores and consumables	2,395,502	2,226,462	3,132,621
Raw materials	2,473,054	2,679,490	3,918,565
Emission reductions	-	-	2,488,104
Renewable energy certificates	1,344,486	1,381,755	1,114,563
	6,213,042	**6,287,707**	**10,653,853**

14. Cash and cash equivalents

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Cash on hand	541,338	742,846	408,927
Cash at bank	71,212,916	74,886,663	109,460,610
	71,754,254	**75,629,509**	**109,869,537**

Successor:

Cash at bank of the Group includes US$ 30,086,437 in currencies other than INR (i.e., in US$, GBP and EURO).

Predecessor:

Cash at bank of the Group includes US$ 12,464,528 (31 December 2014: US$55,418,894) in currencies other than INR (i.e., in US$, GBP and EURO).

15. Bank deposits

Successor:

The Group holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months amounting to US$ 3,101,651 are classified as 'bank deposits'. Deposits with maturity date beyond 12 months from the reporting date amounting to US$ 33,653,696 are disclosed under non-current assets. The Group can redeem these deposits with a short notice. Bank deposits aggregating to US$ 35,599,089 are restricted.

Bank deposits include US$ 25,126,600 in currencies other than INR (i.e., in US$).

(All amounts in US Dollars unless otherwise stated)

Predecessor:

The Group holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months amounting to US$ 5,126,090 (31 December 2014: US$ 8,201,710) are classified as 'bank deposits'. Deposits with maturity date beyond 12 months from the reporting date amounting to US$ 31,544,757 (31 December 2014: US$29,115,837) are disclosed under non-current assets. The Group can redeem these deposits with a short notice. Bank deposits aggregating to US$ 35,926,987 (31 December 2014: US$ 37,104,254) are restricted.

Bank deposits include US$ 25,126,747 (31 December 2014: US$ 24,659,836) in currencies other than INR (i.e., in US$).

16. Equity

Share capital

Successor:

	31 March 2016
Issued and fully paid	
Ordinary shares with no par value	
— 384,000,000 Class A shares	585,381,586
— 16,000,000 Class B shares	16,000
— 54,663,704 Class C shares	80,000,000
Total	**665,397,586**

Holders of the above shares are entitled to dividends as declared from time to time. Holders of Class A and Class C shares are entitled to one vote per share at the general meetings of the Company.

Predecessor:

	20 November 2015	31 December 2014
Issued and paid-up capital		
— 176,879,062 (31 December 2014: 176,879,062) ordinary shares of no par value	243,432,412	243,432,412
— 36,369,551 (31 December 2014: 36,369,551) preferred stock of no par value	40,293,583	40,293,583
— 74,074,074 (31 December 2014: 74,074,074) A Exchangeable shares of no par value	155,074,458	155,074,458
Total	**438,800,453**	**438,800,453**

a) **Preferred Stock**

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 the predecessor representing 14.09% of the voting power of the predecessor as 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 predecessor's 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 Greenko Group Plc, anytime between 1 July 2015 and 30 June 2017 and under certain specified circumstances at a period earlier than 1 July 2015. These preference shares were acquired by the successor in acquisition and converted into equal number of ordinary shares with no par value subsequently.

(All amounts in US Dollars unless otherwise stated)

b) **'A' Exchangeable Shares**

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 the Company representing 17.38% of the voting rights of the predecessor 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 Greenko Group Plc, 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. These 'A' Exchangeable shares were acquired by the successor in acquisition and converted into equal number of ordinary shares with no par value subsequently.

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

17. Trade and other payables

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Trade payables	2,951,050	2,159,091	1,500,397
Capital creditors	21,473,896	13,521,089	35,339,009
Interest accrued but not due on borrowings	22,169,701	26,423,805	19,416,508
Other payables*	98,902,547	50,070,973	18,542,123
Issues expenses payable	-	-	620,156
	145,497,194	**92,174,958**	**75,418,193**
Less: Non-current portion - Trade and other payables	(13,004,265)	(11,026,338)	(4,554,745)
Current portion - Trade and other payables	**132,492,929**	**81,148,620**	**70,863,448**

* Other payables of the Successor includes an amount of US$ 78,000,000 payable to GE. (Refer Note 6 for details).

Other payables include accruals for expenses, statutory liabilities, consideration payable towards acquisitions made by subsidiaries, premium payable on knock out call options 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.

18. Borrowings

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

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Non-current – Financial liabilities measured at amortised cost			
Bank borrowings	247,146,786	229,628,926	83,574,059
Term loans from financial institutions and others	192,159,133	147,973,180	69,549,570
Senior Notes	567,982,655	538,587,800	528,320,396
Notes	122,512,505	122,321,604	122,181,798
Vehicle loans	-	30,245	30,866
	1,129,801,079	**1,038,541,755**	**803,656,689**
Current – Financial liabilities measured at amortised cost			
Bank borrowings	9,134,502	13,852,325	2,397,765
Term loans from financial institutions	22,100,452	15,682,165	11,038,232
Vehicle loans	23,708	36,151	61,077
	31,258,662	**29,570,641**	**13,497,074**
Total borrowings	**1,161,059,741**	**1,068,112,396**	**817,153,763**

(All amounts in US Dollars unless otherwise stated)

18.1. Borrowings from banks and financial institutions mature over the financial years 2017 to 2032 and bear floating rates of interest in the range of 11.25% to 15.75%. The fair value of borrowings from bank and financial institutions approximates their carrying value as these borrowings carry a floating rate of interest. Senior notes and Notes are carrying fixed rates of interest.

18.2. Successor:

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 of subsidiaries. Working capital loans are secured by inventory and trade receivables. Additionally, the borrowings are also secured by lien on bank deposits amounting to US$ 31,437,511.

Predecessor:

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 of subsidiaries. Working capital loans are secured by inventory and trade receivables. Additionally, the borrowings are also secured by lien on bank deposits amounting to US$ 32,618,324 (31 December 2014: US$ 31,007,832).

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

Successor:

	31 March 2016	
	Carrying amount	**Fair value**
Bank borrowings	256,281,288	256,281,288
Loans from financial institutions and others	214,259,585	214,259,585
Senior Notes	567,982,655	567,982,655
Notes	122,512,505	122,512,505
Vehicle loans	23,708	23,708
Total	**1,161,059,741**	**1,161,059,741**

Predecessor:

	20 November 2015		31 December 2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Bank borrowings	243,481,251	243,481,251	85,971,824	85,971,824
Loans from financial institutions and others	163,655,345	163,655,345	80,587,802	80,587,802
Senior Notes	538,587,800	538,587,800	528,320,396	528,320,396
Notes	122,321,604	122,321,604	122,181,798	122,181,798
Vehicle loans	66,396	66,396	91,943	91,943
	1,068,112,396	**1,068,112,396**	**817,153,763**	**817,153,763**

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

	Successor	**Predecessor**	
	31 March 2016	**20 November 2015**	**31 December 2014**
Indian Rupee (INR)	470,564,581	407,202,992	166,008,821
US Dollar (US$)	690,495,160	660,909,404	651,144,942
	1,161,059,741	**1,068,112,396**	**817,153,763**

18.5. Notes and Senior Notes

a) Greenko Mauritius has obtained this loan in December 2014 with a cash coupon of 5% per annum payable on a semi-annual basis and PIK coupon of 6% per annum payable on maturity. As part of the transaction, Greenko Group Plc (Parent of Predecessor prior acquisition) had entered into a separate agreement to create and confer 13,688,300 warrants to EIG which are convertible into equity shares of Greenko Group Plc at a predetermined price in future and got terminated subsequent to acquisition by the successor. These notes were secured by pledge of 131.64 million equity shares of the Predecessor by Greenko Group Plc.

(All amounts in US Dollars unless otherwise stated)

On 20 November 2015, the successor has acquired Greenko Mauritius ("Predecessor") (Refer Note 6 for further details). As part of the acquisition, the successor assumed liability of US$125,000,000 represented by issue of Notes by Greenko Mauritius ("Predecessor") to EIG Greenko Holdings S.À R.L. ("EIG"). These Notes carry a cash coupon of 5% per annum payable on a semi-annual basis and a payment-in-kind ("PIK") coupon of 8% per annum payable on maturity. These notes are repayable in December 2020 and secured by pledge of 146,534,571 equity shares of Greenko Mauritius ("Predecessor") held by the successor. This forms part of debt taken over by successor amounting to US$1,101,781,594 as disclosed in Note 6 above.

b) Greenko Dutch B.V. ("Greenko Dutch"), a subsidiary of Greenko Mauritius, raised funds to the tune of US$550,000,000 by issuing 8% US$ Senior Notes (the Senior Notes) to institutional investors in August 2014. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). On 20 November 2015, the successor has acquired Greenko Mauritius ("Predecessor") (Refer Note 6 for further details). The Company assumed this liability as part of the said acquisition for a fair value of US$ 581,883,245. 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 parent and pledge of shares of Greenko Dutch owned by Greenko Mauritius. Further, the assets of Indian subsidiaries have been pledged to secure non-convertible debentures through an Indian trustee. This forms part of debt taken over successor amounting to US$ 1,101,781,594 as disclosed in Note 6 above.

18.6. In 2012-13, GE Equity International Mauritius (GE) has made an investment of US$50,000,000 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. Greenko Group Plc 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 Greenko Group Plc between February 2017 to February 2018 or earlier on the occurrence of certain events as mentioned in the agreements. The mandatory dividends on preference shares have been recognized as a liability valued at US$7,703,829 (31 December 2014: US$7,109,472) as at 31 December 2014 with the remaining amount being accounted as non-controlling interests. In June 2016, the Company had entered into a share purchase agreement wherein the Company agreed to purchase the shares held by GE for a consideration of US$78,000,000.

19. Deferred income tax (assets)/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:

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Deferred income tax liabilities			
— to be recovered beyond 12 months from reporting date	99,776,544	50,988,150	49,646,893
— to be recovered within 12 months	-	-	-
	99,776,544	**50,988,150**	**49,646,893**

The movement in deferred income tax (assets)/liabilities during the period is as follows:

Successor:

	Tangible assets	Intangible assets	Others	Total
Acquisition through business combination (Refer Note 6)	71,688,596	50,093,999	(22,937,295)	98,845,300
Recognised in profit or loss	1,859,420	(662,856)	-	1,196,564
Exchange difference	(158,066)	(190,248)	82,994	(265,320)
At 31 March 2016	**73,389,950**	**49,240,895**	**(22,854,301)**	**99,776,544**

(All amounts in US Dollars unless otherwise stated)

Predecessor:

	Tangible assets	Intangible assets	Others	Total
At 1 April 2014	**12,080,173**	**35,583,079**	**42,269**	**47,705,521**
Recognised in profit or loss	5,896,821	(612,605)	(62,820)	5,221,396
Acquisition through business combination (Refer note 28.2)	9,214,859	880,484	(10,746,632)	(651,289)
Exchange difference	(835,683)	(1,793,670)	618	(2,628,735)
At 31 December 2014	**26,356,170**	**34,057,288**	**(10,766,565)**	**49,646,893**
Acquisition through business combination (Refer note 28.1)	1,940,228	375,724	-	2,315,952
Recognised in profit or loss	7,950,661	(686,773)	(5,981,534)	1,282,354
Exchange difference	(1,293,791)	(1,416,255)	452,997	(2,257,049)
At 20 November 2015	**34,953,268**	**32,329,984**	**(16,295,102)**	**50,988,150**

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.

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 March 2016, 20 November 2015 and 31 December 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.

20. Revenue

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Sale of power	25,283,256	125,668,985	96,789,968
Sale of renewable energy certificates	773,449	814,371	263,153
Generation based incentive	1,134,796	4,302,580	3,153,812
	27,191,501	**130,785,936**	**100,206,933**

21. Retirement benefit obligations

Successor:

The Group has an obligation towards defined benefit plans towards gratuity and compensated absences of US$ 650,929 and US$ 426,510 respectively as of 31 March 2016.

The Group makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. 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$ 238,322 towards the gratuity plan for the year ending 31 March 2017.

Predecessor:

The Group has an obligation towards defined benefit plans towards gratuity and compensated absences of US$ 488,877 (31 December 2014: US$456,736) and US$ 306,122 (31 December 2014: US$355,400) respectively as of 20 November 2015.

The Group makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. 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.

(All amounts in US Dollars unless otherwise stated)

22. Employee benefit expense

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Salaries and wages	3,355,096	7,265,422	4,382,556
Employee welfare expenses	161,802	358,819	210,169
Retirement benefits—defined contribution plans	171,486	254,126	285,046
Retirement benefits—defined benefit plans			
-Gratuity (note 21)	259,525	30,495	138,483
-Compensated absences (note 21)	14,632	7,723	110,793
	3,962,541	**7,916,585**	**5,127,047**

23. Other operating expenses of successor include auditor's remuneration of US$ 137,500.

24. Finance income and costs

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Finance income			
Foreign exchange gain	-	17,077	3,927,263
Interest on bank deposits	577,837	1,517,735	1,578,532
Dividend from units of mutual funds	315	-	45,615
	578,152	**1,534,812**	**5,551,410**
Finance costs			
Interest on borrowings	31,317,957	57,351,736	44,455,945
Bank charges	300,223	71,232	68,083
	31,618,180	**57,422,968**	**44,524,028**

25. Exceptional items

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
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.

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 28.2).

(All amounts in US Dollars unless otherwise stated)

26. Income tax expense

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Current tax	11,915	6,913,202	2,756,858
Deferred tax (note 19)	1,196,564	1,282,354	5,221,396
	1,208,479	**8,195,556**	**7,978,254**

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 Group as follows:

	Successor	Predecessor	
	31 March 2016	20 November 2015	31 December 2014
Loss before income tax	(34,574,668)	11,546,204	27,841,348
Domestic tax rate for Greenko Energy Holdings	15%	15%	15%
Expected tax expense	(5,186,200)	1,731,931	4,176,202
Adjustment for tax differences in foreign jurisdictions	6,394,679	6,463,625	3,802,052
Tax charge	**1,208,479**	**8,195,556**	**7,978,254**

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 34.608% (20 November 2015: 32.45%, 31 December 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 ended 31 March 2016. 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 21.34% (20 November 2015: 20.01%, 31 December 2014: 20.01%).

27. Commitments and contingencies

The following commitments and contingencies have been acquired by successor as part of the business combination (Refer Note 6 for further details) for the period ended 31 March 2016 and commitments and contingencies of predecessor for the period ended 20 November 2015 and 31 December 2014.

a) Greenko Energies Private Limited ("GEPL") and Roshni Powertech Private Limited ("Roshni") 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. 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.

b) 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. The amount involved in these claims are US$1,057,665 (20 November 2015: US$422,132, 31December 2014: US$330,686).

c) In December 2010, Sai Spurthi Power Private Limited (SSPPL), received a letter from a bank informing SSPPL that three corporate guarantees aggregating to US$7,120,648 (20 November 2015: US$7,146,506, 31December 2014: 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$667,740 (20 November 2015: US$670,165, 31December 2014: 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$667,740 (20 November 2015: US$670,165; 31December 2014: 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.

(All amounts in US Dollars unless otherwise stated)

During 2012-13, SSPL received a communication from Indian Renewable Energy Development Agency ("IREDA") informing that SSPL had given a corporate guarantee of US$1,141,434 (20 November 2015: US$1,145,579, 31December 2014: US$1,195,505) for the credit facilities availed by Bhadragiri Power Private Limited, a company promoted and owned by erstwhile management of SSPPL. 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 liability, if any.

d) Greenko Budhil, one of the subsidiaries of Predecessor, had received demand notices aggregating to US$6,712,277 (20 November 2015: US$6,736,652, 31December 2014: 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, one of the subsidiaries of Predecessor, 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 liability, if any.

f) Him Kailash Hydro Power Private Limited (HKHPPL), one of the subsidiaries of Predecessor, had given a corporate guarantee in respect of a term loan of US$2,186,039 (20 November 2015: US$2,193,977, 31December 2014: 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 as at 31 March 2016 but not yet incurred aggregated to US$ 371,523,021 (20 November 2015: US$131,974,955: 31December 2014: US$136,766,141).

28. Business combinations

Predecessor:

28.1. The Group acquired the following Company to enhance the generating capacity of the Group from clean energy assets. Details of acquisition is set out below:

	Effective Date of acquisition	Percentage acquired
Swasti Power Private Limited (SPPL)	01 April 2015	100.00%

SPPL is engaged in operation of 22.5MW of hydel project in the state of Uttarakhand, India.

(All amounts in US Dollars unless otherwise stated)

Details of net assets acquired are as follows:

	SPPL
Purchase consideration:	
- Cash paid	13,413,018
- Amount payable	3,920,959
Total Purchase consideration	**17,333,977**
Fair value of net asset acquired	15,292,556
Goodwill	**2,041,421**

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

	SPPL
Property, plant and equipment	26,895,203
Working capital	36,904
Licence	1,809,846
Other non-current assets	13,372
Cash and cash equivalents	809,856
Trade and other payables	(73,155)
Deferred income tax liabilities	(2,315,952)
	27,176,074
Borrowings	(11,883,518)
Net assets	**15,292,556**
Purchase consideration settled in cash	13,413,018
Cash and cash equivalents	(809,856)
Cash outflow on acquisition	**12,603,162**

28.2. 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) (Greenko Budhil). The acquisition was made to enhance the generating capacity of the Group from clean energy assets. Greenko Budhil 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 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.

(All amounts in US Dollars unless otherwise stated)

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 31 December 2014.

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

29. Related-party transactions

Successor:

a) Cambourne Investment Pte Limited, an affiliate of Government of Singapore Investment Company ("GIC") is considered as the Holding Company of the Group. Further, Greenko Ventures Limited and GVL Management Services Limited, in which Anil Kumar Chalamalasetty and Mahesh Kolli (Non-Executive Directors) have a beneficial interest, holds 14.08% in the Company.

b) Anil Kumar Chalamalasetty and Mahesh Kolli have given personal guarantees in respect of certain loans availed by Indian subsidiaries of the Group.

30. Subsequent Events

Successor:

a) During June 2016, Abu Dhabi Investment Authority (ADIA) has invested an amount of US$ 150,000,000 through its affiliate in the successor.

b) During June 2016, Greenko Mauritius, a subsidiary of the successor has hedged US$ 525,000,000 Senior Notes from spot, with the optionality to extend the hedge to cover a roll-over of the Senior Notes after the No Call Period. The hedge will ensure the Group de-risks itself from foreign exchange fluctuations.

Subsequently, Greenko Dutch BV, a subsidiary of the successor has terminated the knock-out call options taken for US$ 275,000,000 of the aforesaid Senior Notes resulting in a gain of US$ 1,010,000 (Refer Note 6).