

Greenko Dutch B.V. (Restricted Group)
Issuer of US\$350 Million 4.875% Senior Notes due 2022
and US\$650 Million 5.25% Senior Notes due 2024

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B S R & Associates LLP

Chartered Accountants

Salarpuria Knowledge City
Orwell, 6th Floor, Unit-3
Sy. No. 83/1, Plot No. 2, Raidurg
Hyderabad-500081, India

Telephone : +91 40 7182 2000
Fax : +91 40 7182 2399

Independent Practitioner's Review Report

To the Board of Directors of Greenko Dutch B.V.

We have reviewed the accompanying interim condensed combined financial statements of Restricted Group (I) which consists of the Greenko Dutch B.V. ("the Company"), a wholly owned subsidiary of Greenko Energy Holdings ("the Parent") and certain entities under common control of the Parent, as listed in note 3 to the interim condensed combined financial statements (collectively known as "the Restricted Group (I)") which comprise the interim condensed combined statement of financial position as at 30 September 2017, and the interim condensed combined statement of profit or loss and other comprehensive income, interim condensed combined statement of changes in net parent investment and interim condensed combined statement of cash flow for the six months period then ended, and selected explanatory notes, as set out on pages 3 to 20

Management's responsibility for the interim condensed combined financial statements

Management is responsible for the preparation and presentation of this interim condensed combined financial statements in accordance with the basis of preparation set out in note 3. These interim combined condensed financial statements contain an aggregation of financial information relating to Restricted Group and have been prepared from the books and records maintained by Restricted Group entities. Management's responsibility includes determining the acceptability of the basis of preparation in the circumstances and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying interim condensed combined financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), "Engagements to Review Historical Financial Statements". ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed combined financial statements.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim condensed combined financial statements as at and for the six months period ended 30 September 2017, is not prepared, in all material respects, in accordance with the basis of preparation described in note 3.

Emphasis of Matter

We draw attention to Note 3 to the interim condensed combined financial statements, which describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's interim condensed combined financial statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have been achieved if it had operated as a separate group of entities during the periods presented, nor may they be indicative of the results of operations of the Restricted Group for any future period. The interim condensed combined financial statements were prepared solely to comply with financial reporting requirements under the indenture governing the Senior Notes as described in note 3 to the interim condensed combined financial statements. As a result, the interim condensed combined financial statements may not be suitable for another purpose.

for B S R & Associates LLP

Chartered Accountants

Firm Registration Number: 116231W/W-100024



Sriram Mahalingam

Partner

Membership number: 049642

Place: Hyderabad

Date: 27 December 2017

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Interim condensed combined statement of financial position

	30 September 2017 (Unaudited)	31 March 2017 (Audited)	30 September 2016 (Unaudited)
Assets			
Non-current assets			
Property, plant and equipment	1,250,021,841	1,279,891,794	713,927,315
Intangible assets and goodwill	204,787,965	208,146,518	171,297,843
Bank deposits	3,786,239	26,002,542	22,005,592
Other receivables	2,729,890	1,788,173	1,703,584
Other financial assets	101,698,547	-	3,845,657
	1,563,024,482	1,515,829,027	912,779,991
Current assets			
Inventories	3,102,311	2,945,053	3,232,298
Trade receivables	104,482,166	61,296,010	61,982,896
Other receivables	11,778,350	13,218,508	10,767,910
Receivables from Unrestricted group	12,181,106	-	-
Available-for-sale financial assets	986,320	987,960	-
Bank deposits	19,723,210	53,034,576	41,275,457
Current tax assets	1,770,298	1,678,528	1,131,510
Cash and cash equivalents	18,642,706	21,990,641	18,045,907
	172,666,467	155,151,276	136,435,978
Total assets	1,735,690,949	1,670,980,303	1,049,215,969
Equity and liabilities			
Equity			
Net parent investment	526,141,600	545,511,249	383,289,376
Non-controlling interests	1,935,320	1,588,222	1,595,666
Total equity	528,076,920	547,099,471	384,885,042
Liabilities			
Non-current liabilities			
Retirement benefit obligations	456,955	447,164	364,312
Borrowings	987,909,044	869,697,148	570,381,735
Deferred tax liabilities	81,742,438	77,387,747	55,612,626
Other financial liabilities	76,237,251	-	-
	1,146,345,688	947,532,059	626,358,673
Current liabilities			
Trade and other payables	36,191,502	41,562,153	24,408,772
Current tax liabilities	980,172	281,086	663,785
Borrowings	-	13,320,915	-
Other financial liabilities	24,096,667	-	-
Borrowings from unrestricted group	-	121,184,619	12,899,697
	61,268,341	176,348,773	37,972,254
Total liabilities	1,207,614,029	1,123,880,832	664,330,927
Total equity and liabilities	1,735,690,949	1,670,980,303	1,049,215,969

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Interim condensed combined statement of profit or loss and other comprehensive income

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	12 months ended 31 March 2017 (Audited)
Revenue	114,103,169	86,592,971	133,042,375
Other operating income	113,705	44,500	409,455
Power generation expenses	(7,818,861)	(6,469,043)	(12,990,429)
Employee benefits expense	(2,703,955)	(2,499,697)	(4,983,881)
Other operating expenses	(3,774,576)	(2,450,545)	(6,337,340)
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	99,919,482	75,218,186	109,140,180
Depreciation and amortization	(25,113,226)	(15,656,049)	(37,013,027)
Operating profit	74,806,256	59,562,137	72,127,153
Finance income	478,309	1,170,952	2,675,179
Finance costs	(36,589,192)	(25,515,259)	(64,203,901)
Loan restructuring costs	(17,676,527)	-	-
Profit before tax	21,018,846	35,217,830	10,598,431
Income tax expense	(6,574,524)	(4,580,291)	(734,889)
Profit for the period	14,444,322	30,637,539	9,863,542
Attributable to:			
Equity holders of the Restricted Group	14,097,222	30,081,990	9,315,437
Non-controlling interests	347,100	555,549	548,105
	14,444,322	30,637,539	9,863,542

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Interim condensed combined statement of profit or loss and other comprehensive income (continued)

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	12 months ended 31 March 2017 (Audited)
Profit for the period	14,444,322	30,637,539	9,863,542
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Available-for-sale financial assets	(3,401)	-	3,401
Exchange differences on translating foreign operations	(14,839,006)	(4,706,730)	24,392,947
Total other comprehensive income	(14,842,407)	(4,706,730)	24,396,348
Total comprehensive income	(398,085)	25,930,809	34,259,890
Total comprehensive income attributable to:			
Equity holders of the Restricted Group	(745,185)	25,375,260	33,711,785
Non-controlling interest	347,100	555,549	548,105
	(398,085)	25,930,809	34,259,890

The explanatory notes are an integral part of these Interim condensed combined financial statements

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Interim condensed combined statement of changes in net parent investment

	As at 30 September 2017 (Unaudited)	As at 31 March 2017 (Audited)	As at 30 September 2016 (Unaudited)
Opening	545,511,249	357,914,116	357,914,116
Profit for the period	14,097,222	9,315,437	30,081,990
Foreign currency translation adjustments	(14,839,006)	24,392,947	(4,706,730)
Other reserves*	-	153,888,749	-
Available-for-sale financial assets	(3,401)	-	-
Transactions with unrestricted entities (Refer Note 11)	(18,624,464)	-	-
Closing	526,141,600	545,511,249	383,289,376

*Other reserves for the year ended March 31, 2017 primarily represent invested equity of 14 entities added to the Restricted Group during the year. Refer note 3 for details.

The explanatory notes are an integral part of these Interim condensed combined financial statements

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Interim condensed combined statement of cash flow

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	12 months period ended 31 March 2017 (Audited)
A. Cash flows from operating activities			
Profit before income tax	21,018,846	35,217,830	10,598,431
<i>Adjustments for</i>			
Depreciation and amortization	25,113,226	15,656,049	37,013,027
Finance income	(478,309)	(1,170,952)	(2,675,179)
Finance costs	36,589,192	25,515,259	64,203,901
Loan restructuring costs	17,676,527	-	-
<i>Changes in working capital</i>			
Inventories	(183,468)	(383,547)	(17,518)
Trade and other receivables	(44,089,107)	(38,111,301)	(23,508,353)
Trade and other payables	(1,745,914)	474,254	(6,385,951)
<i>Cash generated from operations</i>	53,900,993	37,197,592	79,228,358
Taxes paid, net	(894,219)	(2,027,926)	(4,832,052)
Net cash from operating activities	53,006,774	35,169,666	74,396,306
B. Cash flows from investing activities			
Purchase of property, plant and equipment and capital expenditure	(3,319,886)	(224,665)	(134,097,867)
Bank deposits	55,372,280	(38,970,241)	(47,724,826)
Interest received	787,953	1,170,952	2,099,196
Net cash from/(used in) investing activities	52,840,347	(38,023,954)	(179,723,497)
C. Cash flows from financing activities			
Proceeds/(Repayment) from/to Unrestricted group (net)	(134,437,095)	84,639	105,118,301
Payment to Unrestricted Entities (refer note 11)	(18,624,464)	-	-
Proceeds from borrowings	987,115,076	-	49,124,671
Repayment of borrowings	(897,597,065)	(2,900,596)	(10,291,538)
Interest paid	(44,850,307)	(22,583,964)	(66,615,073)
Net cash used in financing activities	(108,393,855)	(25,399,921)	77,336,361
Net decrease in cash and cash equivalents	(2,546,734)	(28,254,209)	(27,990,830)
Cash and cash equivalents at the beginning of the period	21,990,641	46,530,039	46,530,039
Cash and cash equivalents at the time of acquisition {Refer Note 3}	-	-	3,297,722
Exchange gain/(loss) on cash and cash equivalents	(801,201)	(229,923)	153,710
Cash and cash equivalents at the end of the period	18,642,706	18,045,907	21,990,641

The explanatory notes are an integral part of these Interim condensed combined financial statements

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

1. General information

Greenko Dutch B.V. (“Greenko Dutch” or “the Company”) was incorporated on 19 June 2014 as a private company with limited liability and has its registered office at Hoofdweg, 52A, 3067GH, Rotterdam, Netherlands. Greenko Dutch is a wholly owned subsidiary of Greenko Mauritius. Greenko Dutch is duly registered as Foreign Portfolio Investor Entity with the Securities Exchange Board of India for investing in debt instruments in India.

Greenko Energy Holdings (“Greenko” or “the Parent”) together with its subsidiaries (“Greenko Group”) is in the business of owning and operating clean energy facilities in India. All the energy generated from these plants is sold to state utilities and other customers including captive consumers in India through power purchase agreements (“PPA”). The Greenko Group is also a part of the Clean Development Mechanism (“CDM”) process and Renewable Energy Certificates (“REC”).

2. Purpose of the Interim Condensed Combined Financial Statements

The Company has issued Senior Notes to institutional investors in the month of July 2017 and is listed on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Dutch B.V. has invested the issue proceeds, net of issue expenses in Non-Convertible Debentures (“NCDs”) of certain operating Indian subsidiaries of the Greenko Energy Holdings to replace their existing Rupee debt. These Indian subsidiaries in which Greenko Dutch has invested the issue proceeds are individually called as a ‘restricted entity’ and collectively as ‘the restricted entities’. These restricted entities are under common control of Greenko Energy Holdings and primarily comprise the hydro, wind and Solar portfolio. Further, Non-convertible debentures issued to Greenko Dutch by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Greenko Dutch and restricted entities (as listed in note 3.1) have been considered as a group for the purpose of financial reporting and is referred hereinafter as “Greenko Dutch B.V.” or “the Restricted Group”.

The interim condensed combined financial statements have been prepared for the purpose of complying with financial reporting requirements under the indenture governing the Senior Notes. The interim condensed combined financial statements presented herein reflect the Restricted Group’s results of operations, assets and liabilities and cash flows for the period presented.

The financial information for the period from 1 April 2017 to 30 September 2017 and 1 April 2016 to 30 September 2016 are unaudited and have been reviewed. The comparatives for the year ended and as at 31 March 2017 are audited and have been extracted from the audited combined financial statements for the year ended 31 March 2017.

The interim condensed combined financial statements are for the six months ended 30 September 2017 and are presented in US Dollars. The interim condensed combined financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting” on a commonly used carve-out principles to present fairly the combined financial position and performance of the Restricted Group. The basis of preparation and carve-out principles used in preparation of these combined financial statements are set out in Note 3 below. Additional financial information pertaining to financial position as at 30 September 2016 and profit or loss and other comprehensive income and cash flows for the year ended 31 March 2017 along with the explanatory notes for the respective periods have been provided in these financial statements pursuant to the requirements contemplated in the indenture.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

3. Basis of preparation of the interim condensed combined financial statements

The indenture governing the Senior Notes requires Greenko Dutch to prepare interim condensed combined financial statements of the Restricted Group entities and Greenko Dutch for the purpose of submission to the bond holders. These interim condensed combined financial statements as at and for the period ended 30 September 2017, have been prepared on a basis that combines statements of profit or loss and other comprehensive income, financial position and cash flows of the legal entities comprising the Restricted Group entities and Greenko Dutch.

The Restricted Group entities and Greenko Dutch are under the common control of Greenko Energy Holdings (“the parent”). The following are the Restricted Group entities forming part of the parent:

	30 September 2017	31 March 2017	30 September 2016
AMR Power Private Limited	100%	100%	100%
Greenko Anubhav Hydrel Power Private Limited	100%	100%	100%
Greenko Astha Projects (India) Private Limited	100%	100%	100%
Greenko AT Hydro Power Private Limited	100%	100%	100%
Greenko Cimaron Constructions Private Limited	100%	100%	100%
Fortune Five Hydrel Projects Private Limited	100%	100%	100%
Hemavathy Power & Light Private Limited	100%	100%	100%
Greenko Him Kailash Hydro Power Private Limited	100%	100%	100%
Jasper Energy Private Limited	100%	100%	100%
Greenko Budhil Hydro Power Private Limited	100%	100%	100%
Mangalore Energies Private Limited	99.13%	99.13%	99.13%
Matrix Power (Wind) Private Limited	74%	74%	74%
Greenko Sumez Hydro Energies Private Limited	100%	100%	100%
Ratnagiri Wind Power Projects Private Limited	100%	100%	100%
Greenko Rayala Wind Power Private Limited	100%	100%	100%
Rithwik Energy Generation Private Limited	100%	100%	100%
Sai Spurthi Power Private Limited	100%	100%	100%
Greenko Sri Sai Krishna Hydro Energies Private	100%	100%	100%
Greenko Tarela Power Private Limited	100%	100%	100%
Greenko Tejassarnika Hydro Energies Private	100%	100%	100%
Jed Solar Park Private Limited*	100%	100%	-
Poly Solar Park Private Limited*	100%	100%	-
RT Renewable Energy India Private Limited*	100%	100%	-
SEI Adhavan Power Private Limited*	100%	100%	-
SEI Aditi Power Private Limited*	100%	100%	-
SEI Adityashakti Private Limited*	100%	100%	-
SEI Bheem Private Limited*	100%	100%	-
SEI Diamond Private Limited*	100%	100%	-
SEI Kathiravan Power Private Limited*	100%	100%	-
SEI Phoebus Private Limited*	100%	100%	-
SEI Sriram Power Private Limited*	100%	100%	-
SEI Suryashakti Power Private Limited*	100%	100%	-
SEI Venus Private Limited*	100%	100%	-
Sunborne Energy Andhra Private Limited*	100%	100%	-

*Acquired by Greenko Group during the year ended 31 March 2017 from SunEdison group and added to Restricted Group.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

Management has prepared these interim condensed combined financial statements to depict the historical financial information of the Restricted Group. The inclusion of entities in the Restricted Group in these interim condensed combined financial statements is not an indication of exercise of control, as defined in IFRS 10 Consolidated Financial Statements, by Greenko Dutch over the Restricted Group entities.

The interim condensed combined financial statements are not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if it had operated as a separate stand-alone group of entities during the period presented nor of the Restricted Group's future performance. The interim condensed combined financial statements include the operations of entities in the Restricted Group, as if they had been managed together for the period presented.

The interim condensed combined financial statements have been prepared in accordance with International Accounting Standards Board ("IFRS") on a carve-out basis. As IFRS does not provide guidance for the preparation of combined financial statements, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the combined financial statements. The application of the specific carve-out conventions impacting the presentation of these financial statements, the areas involving a high degree of judgment or where estimates and assumptions are significant to the combined financial statements have been described in the audited combined financial statements for the year ended 31 March 2017 and has followed the same in preparation of these interim condensed combined financial statements.

Transactions that have taken place with the Unrestricted Group have been disclosed in accordance of IAS 24, Related Party Disclosures.

The interim condensed combined financial statements have been prepared on a going concern basis under the historical cost convention. All intercompany transactions and balances within the Restricted Group have been eliminated in full. Transactions between the Restricted Group and other entities of Greenko Group (hereinafter referred to as "the Unrestricted Group") that are eliminated in the interim condensed consolidated financial statements of Greenko have been reinstated in these interim condensed combined financial statements.

As these interim condensed combined financial statements have been prepared on a carve-out basis, it is not meaningful to show share capital or provide an analysis of reserves. Net parent investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of Restricted Group is held by the parent. Earnings Per Share have not been presented in these combined financial statements, as Greenko Dutch did not meet the applicability criteria as specified under IAS 33 – Earnings Per Share.

4. Significant accounting policies

The interim condensed combined financial statements have been prepared in accordance with the accounting policies adopted in the Restricted Group's last audited annual financial statements for the period ended 31 March 2017. The presentation of the interim condensed combined financial statements is consistent with the audited Combined Financial Statements.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

5. Use of estimates and judgements

The preparation of interim condensed combined financial statements in conformity with IFRS on a carve-out basis requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim condensed combined financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited combined financial statements as at and for the year ended March 31, 2017.

6. Recent accounting pronouncements

Standards issued but not yet effective and not early adopted by the Restricted Group

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 January 1, 2018, with early application permitted. Restricted Group believes that the new standard will impact the classification of group’s financial instruments and measurement of impairment of certain financial assets on account of “expected loss” model.

IFRS 15, Revenue from Contracts with Customers.

In May 2014, the IASB issued IFRS 15, “Revenue from Contracts with Customers”. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to 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 January 1, 2017. However, in April 2015, the IASB voted to defer the effective date of the new revenue recognition standard to January 1, 2018. Early application of the new standard is permitted.

The Restricted Group is currently in the process of evaluating the impact of this new accounting standard on its combined 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 January 1, 2019. Earlier adoption of IFRS 16 is permitted if IFRS 15, “Revenue from Contracts with Customers”, has also been applied.

The Restricted Group is currently in the process of evaluating the impact of this new accounting standard on its combined financial statements.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

IFRIC 22, Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB issued IFRIC Interpretation 22, “Foreign Currency Transactions and Advance Consideration,” which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

IFRIC Interpretation 22 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Restricted Group is currently in the process of evaluating the impact of this change in the accounting standard on its combined financial statements.

IFRIC 23, Uncertainty over Income Tax treatments

On June 7, 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 “Income taxes”, are applied where there is uncertainty over income tax treatments.

IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted. An entity can, on initial application, elect to apply this interpretation either:

- _ retrospectively applying IAS 8, if possible without the use of hindsight; or
- _ retrospectively, with the cumulative effect of initially applying the interpretation recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

The Restricted Group is in the process of evaluating the impact of IFRIC 23 on the combined financial statements and the period of adoption.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements**7. Intangible assets**

	Licences	Electricity PPAs	Goodwill	Total
Cost				
At 1 April 2016	36,664,577	3,964,951	133,274,606	173,904,134
Additions through acquisition (Refer note 3)	2,145,775	30,518,580	-	32,664,355
Exchange differences	902,769	947,742	3,062,603	4,913,114
At 31 March 2017	39,713,121	35,431,273	136,337,209	211,481,603
Exchange differences	(315,955)	(281,889)	(1,084,690)	(1,682,534)
At 30 September 2017	39,397,166	35,149,384	135,252,519	209,799,069
At 1 April 2016	36,664,577	3,964,951	133,274,606	173,904,134
Exchange differences	(181,508)	(19,628)	(659,775)	(860,911)
At 30 September 2016	36,483,069	3,945,323	132,614,831	173,043,223
Accumulated amortization				
At 1 April 2016	448,256	286,780	-	735,036
Charge for the period	1,273,471	1,234,094	-	2,507,565
Exchange differences	49,104	43,380	-	92,484
At 31 March 2017	1,770,831	1,564,254	-	3,335,085
Charge for the period	685,232	1,043,505	-	1,728,737
Exchange differences	(24,468)	(28,250)	-	(52,718)
At 30 September 2017	2,431,595	2,579,509	-	5,011,104
At 1 April 2016	448,256	286,780	-	735,036
Charge for the period	615,691	393,900	-	1,009,591
Exchange differences	459	294	-	753
At 30 September 2016	1,064,406	680,974	-	1,745,380
Net book value				
At 30 September 2017	36,965,571	32,569,875	135,252,519	204,787,965
At 31 March 2017	37,942,290	33,867,019	136,337,209	208,146,518
At 30 September 2016	35,418,663	3,264,349	132,614,831	171,297,843

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements**8. Property, plant and equipment**

	Land (including rights)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work- in-progress	Total
Cost							
At 1 April 2016	15,100,073	125,791,790	593,708,000	790,394	676,919	5,648,358	741,715,534
Additions through acquisition	8,533,974	3,188,916	169,521,492	222,838	109,101	85,319,555	266,895,876
Additions	17,211,999	22,317,537	324,775,146	-	-	99,700,165	464,004,847
Disposals/Capitalisation	-	(661,322)	(399,007)	-	(11,750)	(177,959,567)	(179,031,646)
Exchange differences	1,090,719	3,594,268	27,923,785	24,967	18,528	99,370	32,751,637
At 31 March 2017	41,936,765	154,231,189	1,115,529,416	1,038,199	792,798	12,807,881	1,326,336,248
Additions	20,119	150,884	2,900,224	330,872	15,762	-	3,417,861
Disposals/Capitalisation	-	-	-	-	-	(23,217)	(23,217)
Exchange differences	(333,951)	(1,229,338)	(8,919,010)	(13,271)	(6,546)	(101,548)	(10,603,664)
At 30 September 2017	41,622,933	153,152,735	1,109,510,630	1,355,800	802,014	12,683,116	1,319,127,228
At 1 April 2016	15,100,073	125,791,790	593,708,000	790,394	676,919	5,648,358	741,715,534
Additions	42,192	130,277	1,885	56,627	37,681	1,844,412	2,113,074
Adjustments	-	(881,255)	-	-	-	-	(881,255)
Exchange differences	(74,569)	(625,999)	(2,979,188)	(3,666)	(3,187)	(19,938)	(3,706,547)
At 30 September 2016	15,067,696	124,414,813	590,730,697	843,355	711,413	7,472,832	739,240,806
Accumulated depreciation							
At 1 April 2016	-	1,689,783	8,775,928	124,195	66,160	-	10,656,066
Charge for the period	-	3,987,991	30,201,045	197,693	118,733	-	34,505,462
Deletions	-	(3,121)	-	-	(1,904)	-	(5,025)
Exchange differences	-	159,844	1,113,982	8,969	5,156	-	1,287,951

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

	Land (including rights)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work- in-progress	Total
At 31 March 2017	-	5,834,497	40,090,955	330,857	188,145	-	46,444,454
Charge for the period	-	2,302,238	20,898,783	124,097	59,371	-	23,384,489
Exchange differences	-	(81,291)	(635,356)	(4,513)	(2,396)	-	(723,556)
At 30 September 2017	-	8,055,444	60,354,382	450,441	245,120	-	69,105,387
At 1 April 2016	-	1,689,783	8,775,928	124,195	66,160	-	10,656,066
Charge for the period	-	1,826,596	12,624,975	118,241	76,646	-	14,646,458
Exchange differences	-	(419)	11,480	(100)	6	-	10,967
At 30 September 2016	-	3,515,960	21,412,383	242,336	142,812	-	25,313,491
Net book value							
At 30 September 2017	41,622,933	145,097,291	1,049,156,248	905,359	556,894	12,683,116	1,250,021,841
At 31 March 2017	41,936,765	148,396,692	1,075,438,461	707,342	604,653	12,807,881	1,279,891,794
At 30 September 2016	15,067,696	120,898,853	569,318,314	601,019	568,601	7,472,832	713,927,315

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements**9. Financial assets and liabilities**

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

30 September 2017

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Bank deposits	3,786,239	-	-	3,786,239
Other receivables	2,729,890	-	-	2,729,890
Other financial assets	-	101,698,547	-	101,698,547
Current				
Available-for-sale financial assets	-	-	986,320	986,320
Bank deposits	19,723,210	-	-	19,723,210
Trade receivables	104,482,166	-	-	104,482,166
Other receivables	11,778,350	-	-	11,778,350
Receivables from unrestricted group	12,181,106	-	-	12,181,106
Cash and cash equivalents	18,642,706	-	-	18,642,706
Total	173,323,667	101,698,547	986,320	276,008,534

**Liabilities measured at
amortised cost**

Financial liabilities				
Non-current				
Borrowings				987,909,044
Other financial liabilities				76,237,251
Current				
Trade and other payables				36,191,502
Other financial liabilities				24,096,667
Total				1,124,434,464

31 March 2017

	Loans and receivables	Available- for-sale	Total
Financial assets			
Non-current			
Bank deposits	26,002,542	-	26,002,542
Other receivables	1,788,173	-	1,788,173
Current			
Available-for-sale financial assets	-	987,960	987,960
Bank deposits	53,034,576	-	53,034,576
Trade receivables	61,296,010	-	61,296,010
Other receivables	13,218,508	-	13,218,508
Cash and cash equivalents	21,990,641	-	21,990,641
Total	177,330,450	987,960	178,318,410

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

	Liabilities measured at amortised cost
Financial liabilities	
Non-current	
Borrowings	869,697,148
Current	
Borrowings	13,320,915
Trade and other payables	41,562,153
Borrowings from unrestricted group	121,184,619
Total	1,045,764,835

30 September 2016

	Loans and receivables	Financial assets at FVTPL	Total
Financial assets			
Non-current			
Bank deposits	22,005,592	-	22,005,592
Trade and other receivables	1,703,584	-	1,703,584
Other financial assets	-	3,845,657	3,845,657
Current			
Bank deposits	41,275,457	-	41,275,457
Trade other receivables	61,982,896	-	61,982,896
Other receivables	10,767,910	-	10,767,910
Cash and cash equivalents	18,045,907	-	18,045,907
Total	155,781,346	3,845,657	159,627,003

	Liabilities measured at amortised cost
Financial liabilities	
Non-current	
Borrowings	570,381,735
Current	
Trade and other payables	24,408,772
Borrowings from unrestricted group	12,899,697
Total	607,690,204

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

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 30 September 2017

30 September 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	986,320	-	-	986,320
Other financial assets	-	101,698,547	-	101,698,547

31 March 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	987,960	-	-	987,960

30 September 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Other financial assets	-	3,845,657	-	3,845,657

Measurement of fair value of financial instruments

The Restricted 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.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

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

Other financial assets: (Level 2)

The Company entered into forward exchange options to mitigate the foreign currency risks. The derivative asset associated with these option contracts are recognised at fair value at inception. Subsequent changes to the fair value of the financial asset from the date of inception till 30 September 2017, have been charged to statement of profit or loss.

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.

Other financial liabilities:

The Group entered into forward exchange options to mitigate the foreign currency risks. Option premium payable pertaining to these contracts are recognised at fair value at inception and subsequently measured at amortised cost using the effective interest rate method.

- 10.** In July 2017, Greenko Dutch B.V., raised funds to the tune of US\$350 million and US\$650 million by issuing 4.875% and 5.25% US\$ Senior Notes (the Senior Notes) respectively to institutional investors. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Dutch B.V. invested issue proceeds, net of issue expenses, to repay the existing 8% US\$ Senior notes outstanding along with the associated costs and contributed in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Dutch B.V. is duly registered as a 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 24 July 2022 and 24 July 2024 respectively. The Senior Notes are secured by corporate guarantee of the parent and pledge of shares of Greenko Dutch B.V. owned by Greenko Mauritius. Non-convertible debentures issued to Greenko Dutch B.V. by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.
- 11.** As at 31 March 2017, Greenko Rayala Wind Power Private Limited (“Greenko Rayala”) and SEI Adhavan Power Private Limited (“Adhavan”) forms part of restricted group as described in Note 2 and Note 3 of these financial statements. However, the shares of Adhavan were held by Unrestricted Group entities, Greenko Power Projects (Mauritius) Limited (“GPPML”) and Greenko Solar Energy Private Limited (“GSEPL”) which do not form part of the restricted group. During the period, the shares held by GPPML and GSEPL in Adhavan were acquired by Greenko Rayala on discharge of consideration amounting to USD 18,624,464 which is reflected as part of changes in net parent investment.

Greenko Dutch B.V. (Restricted Group)

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed combined financial statements

12. Segment reporting

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

The Restricted Group has majority of its assets located within India, and earn its revenues from customers located in India.

Revenues from four major customers relating to power generating activities for the six months ended 30 September 2017 represent US\$ 64,217,777 (31 March 2017: US\$73,635,291; 30 September 2016: US\$56,471,023) of the total revenue.

13. Related-party transactions

The Restricted Group is controlled by Greenko Mauritius, which is a subsidiary of Greenko Energy Holdings. The Restricted Group entities have certain transactions with Greenko Mauritius and its subsidiaries which are not covered under Restricted Group (Unrestricted Group entities).

Balance receivable/(payable) from/to the Unrestricted Group:

	30 September 2017	31 March 2017	30 September 2016
Balance payable	(18,516,934)	(159,421,653)	(29,910,167)
Balance receivable	30,698,040	38,237,034	17,010,470
Net Receivable /(Payable)	12,181,106	(121,184,619)	(12,899,697)

14. Subsequent events

There have been no significant events after the reporting date which requires disclosures or amendments to the interim condensed combined financial statements.



KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REVIEW REPORT ON INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Directors of Greenko Energy Holdings

We have reviewed the accompanying interim condensed consolidated financial statements of Greenko Energy Holdings, which comprise the interim condensed consolidated statement of financial position as at 30 September 2017, and the interim condensed consolidated statements of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the six months period from 1 April 2017 to 30 September 2017, and selected explanatory notes, as set out on pages 2 to 19. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at 30 September 2017 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

KPMG
Ebène, Mauritius

Date: 27 DEC 2017

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Interim Condensed Consolidated statement of financial position

	30 September 2017 (Unaudited)	31 March 2017 (Audited)	30 September 2016 (Unaudited)
Assets			
Non-current assets			
Property, plant and equipment	2,396,884,087	2,470,042,228	1,516,437,506
Intangible assets and goodwill	437,243,494	444,831,297	393,645,513
Equity-accounted investees	46,746,564	50,231,686	-
Bank deposits	14,934,536	52,771,551	28,331,359
Other financial assets	197,204,020	185,381,569	223,969,817
Other receivables	52,520,899	49,981,201	20,076,454
	3,145,533,600	3,253,239,532	2,182,460,649
Current assets			
Inventories	5,657,742	6,501,597	6,943,157
Trade receivables	179,029,486	103,186,030	118,815,060
Other receivables	226,355,970	48,624,225	32,260,752
Available-for-sale financial assets	1,094,238	1,993,880	897,838
Bank deposits	78,509,255	97,632,227	51,520,050
Current tax assets	4,610,496	3,870,506	2,291,326
Cash and cash equivalents	61,724,974	164,151,570	151,368,122
	556,982,161	425,960,035	364,096,305
Total assets	3,702,515,761	3,679,199,567	2,546,556,954
Equity and liabilities			
Equity			
Share capital	967,697,800	967,697,800	812,983,250
Currency translation surplus/(deficit)	26,099,062	48,042,120	(6,250,693)
Other reserves	(1,338,792)	(1,251,317)	-
Accumulated loss	(816,994)	(5,596,949)	(20,948,857)
Equity attributable to owners of the Company	991,641,076	1,008,891,654	785,783,700
Non-controlling interests	270,457	(1,097,092)	110,874
Total equity	991,911,533	1,007,794,562	785,894,574
Liabilities			
Non-current liabilities			
Retirement benefit obligations	1,694,686	1,914,946	1,040,931
Borrowings	2,122,874,090	2,005,297,158	1,315,058,139
Other financial liabilities	147,187,185	157,739,943	164,078,859
Deferred tax liabilities	133,537,373	126,086,210	102,913,216
Trade and other payables	26,705,048	22,166,076	16,476,890
	2,431,998,382	2,313,204,333	1,599,568,035
Current liabilities			
Trade and other payables	191,351,025	215,793,677	145,010,400
Other financial liabilities	49,580,620	36,934,000	-
Current tax liabilities	2,574,780	1,459,542	1,947,128
Borrowings	35,099,421	104,013,453	14,136,817
	278,605,846	358,200,672	161,094,345
Total liabilities	2,710,604,228	2,671,405,005	1,760,662,380
Total equity and liabilities	3,702,515,761	3,679,199,567	2,546,556,954

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Interim Condensed Consolidated statement of profit or loss and other comprehensive income

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	For the year ended 31 March 2017 (Audited)
Revenue	206,329,347	123,137,367	190,315,862
Other operating income	433,519	63,949	536,018
Cost of material and power generation expenses	(11,782,699)	(8,734,711)	(17,928,727)
Employee benefits expense	(6,502,557)	(5,349,357)	(11,004,991)
Other operating expenses	(8,058,423)	(5,374,880)	(17,941,675)
Excess of group's interest in the fair value of acquiree's assets and liabilities over cost	-	-	98,508,639
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	180,419,187	103,742,368	242,485,126
Depreciation and amortisation	(47,472,646)	(25,194,555)	(65,928,217)
Operating profit	132,946,541	78,547,813	176,556,909
Finance income	2,602,260	1,600,502	5,382,618
Finance costs	(96,488,183)	(52,088,324)	(142,493,515)
Loan restructuring costs	(17,676,527)	(7,751,190)	(7,751,190)
	21,384,091	20,308,801	31,694,822
Share of loss from equity-accounted investees	(3,485,122)	-	(2,215,167)
Profit before tax	17,898,969	20,308,801	29,479,655
Income tax expense	(11,806,048)	(6,156,487)	(1,167,385)
Profit for the period	6,092,921	14,152,314	28,312,270
Attributable to:			
Owners of the Company	4,675,149	14,487,490	29,839,398
Non – controlling interests	1,417,772	(335,176)	(1,527,128)
	6,092,921	14,152,314	28,312,270

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

**Interim Condensed Consolidated statement of profit or loss and other comprehensive income
(continued)**

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	For the year ended 31 March 2017 (Audited)
Profit for the period	6,092,921	14,152,314	28,312,270
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Unrealised gains/ (losses) on available-for- sale financial assets	(87,475)	-	95,716
Exchange differences on translating foreign operations	(21,943,058)	(3,015,131)	51,277,682
Total other comprehensive income	(22,030,533)	(3,015,131)	51,373,398
Total comprehensive income	(15,937,612)	11,137,183	79,685,668
Total comprehensive income attributable to:			
Owners of the Company	(17,355,384)	11,472,359	81,212,796
Non-controlling interests	1,417,772	(335,176)	(1,527,128)
	(15,937,612)	11,137,183	79,685,668

The explanatory notes are an integral part of these Interim Condensed Consolidated financial statements.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Interim Condensed Consolidated statement of changes in equity

	Ordinary shares	Currency translation deficit	Other reserves	Accumulated loss	Total attributable to owners of Parent	Non- controlling interests	Total equity
At 1 April 2016	665,397,586	(3,235,562)	-	(35,436,347)	626,725,677	407,215	627,132,892
Issue of Ordinary Shares	302,300,214	-	-	-	302,300,214	-	302,300,214
Acquisition of non-controlling interests	-	-	(1,347,033)	-	(1,347,033)	(16,090)	(1,363,123)
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	-	38,911	38,911
	302,300,214	-	(1,347,033)	-	300,953,181	22,821	300,976,002
Profit for the year	-	-	-	29,839,398	29,839,398	(1,527,128)	28,312,270
Unrealised gains on available-for-sale financial assets	-	-	95,716	-	95,716	-	95,716
Exchange differences on translating foreign operations	-	51,277,682	-	-	51,277,682	-	51,277,682
Total comprehensive income	-	51,277,682	95,716	29,839,398	81,212,796	(1,527,128)	79,685,668
At 31 March 2017	967,697,800	48,042,120	(1,251,317)	(5,596,949)	1,008,891,654	(1,097,092)	1,007,794,562
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	-	54,583	54,583
Share of retained earnings attributed to non-controlling interests in subsidiaries	-	-	-	104,806	104,806	(104,806)	-
	-	-	-	104,806	104,806	(50,223)	54,583
Profit for the period	-	-	-	4,675,149	4,675,149	1,417,772	6,092,921
Unrealised gains/ (loss) on available-for-sale financial assets	-	-	(87,475)	-	(87,475)	-	(87,475)
Exchange differences on translating foreign operations	-	(21,943,058)	-	-	(21,943,058)	-	(21,943,058)
Total comprehensive income	-	(21,943,058)	(87,475)	4,675,149	(17,355,384)	1,417,772	(15,937,612)
At 30 September 2017	967,697,800	26,099,062	(1,338,792)	(816,994)	991,641,076	270,457	991,911,533

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Interim Condensed Consolidated statement of changes in equity (continued)

	Ordinary shares	Currency translation deficit	Accumulated loss	Total attributable to owners of Parent	Non- controlling interests	Total equity
At 1 April 2016	665,397,586	(3,235,562)	(35,436,347)	626,725,677	407,215	627,132,892
Issue of Ordinary Shares	147,585,664	-	-	147,585,664	-	147,585,664
Issue of shares to non-controlling interests in subsidiaries	-	-	-	-	38,835	38,835
	147,585,664	-	-	147,585,664	38,835	147,624,499
Profit for the period	-	-	14,487,490	14,487,490	(335,176)	14,152,314
Exchange differences on translating foreign operations	-	(3,015,131)	-	(3,015,131)	-	(3,015,131)
Total comprehensive income	-	(3,015,131)	14,487,490	11,472,359	(335,176)	11,137,183
At 30 September 2016	812,983,250	(6,250,693)	(20,948,857)	785,783,700	110,874	785,894,574

The explanatory notes are an integral part of these Interim Condensed Consolidated financial statements.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Interim Condensed Consolidated statement of cash flow

	Six months ended 30 September 2017 (Unaudited)	Six months ended 30 September 2016 (Unaudited)	For the year ended 31 March 2017 (Audited)
A. Cash flows from operating activities			
Profit before tax	17,898,969	20,308,801	29,479,655
<i>Adjustments for</i>			
Depreciation and amortization	47,472,646	25,194,555	65,928,217
Finance income	(2,602,260)	(1,600,502)	(5,382,618)
Finance costs	96,488,183	52,088,324	142,493,515
Loan restructuring costs	17,676,527	7,751,190	7,751,190
Share of loss from equity-accounted investees	3,485,122	-	2,215,167
Excess of Group's interest in the fair value of acquiree's assets and liabilities over cost	-	-	(98,508,639)
<i>Changes in working capital</i>			
Inventories	804,312	(757,577)	(141,461)
Trade and other receivables	(81,144,701)	(68,730,061)	(24,103,629)
Trade and other payables	21,847,517	(37,958,044)	(91,770,230)
<i>Cash generated from/ (used) in operations</i>	121,926,315	(3,703,314)	27,961,167
Taxes paid	(1,482,713)	(2,218,770)	(8,606,513)
Net cash from/ (used) in operating activities	120,443,602	(5,922,084)	19,354,654
B. Cash flows from investing activities			
Purchase of property, plant and equipment and capital expenditure	(55,736,802)	(102,326,660)	(464,497,227)
Acquisition of business, net of cash and cash equivalents acquired	-	-	(51,276,687)
Proceeds from sale of Investment in mutual funds	824,498	-	-
Investment in Equity-accounted investees	-	-	(52,238,812)
Consideration paid for acquisitions made by subsidiaries	(442,311)	-	(260,401)
Advance for purchase of equity	(1,848,687)	(15,366,767)	(45,078,147)
Advances from/(to) Equity-accounted investees, net	(150,623,535)	-	11,215,321
Bank deposits	56,320,594	(43,105,842)	(103,384,433)
Interest received	3,554,268	2,076,523	4,870,936
Net cash used in investing activities	(147,951,975)	(158,722,746)	(700,649,450)
C. Cash flows from financing activities			
Proceeds from issue of shares (Net of expenses)	-	147,585,664	302,300,214
Proceeds from non-controlling interests	54,583	38,835	38,911
Proceeds from borrowings (Net of expenses)	1,060,371,495	530,867,904	1,085,333,737
Repayment of borrowings	(1,000,785,707)	(360,565,207)	(428,595,770)
Proceeds from Capital subsidy	483,147	-	-
Finance costs paid	(134,479,882)	(73,934,241)	(184,945,792)
Net cash from/(used in) financing activities	(74,356,364)	243,992,955	774,131,300
Net increase/(decrease) in cash and cash equivalents	(101,864,737)	79,348,125	92,836,504
Cash and cash equivalents at the beginning of the period	164,151,570	71,754,254	71,754,254
Exchange losses on cash and cash equivalents	(561,859)	265,743	(439,188)
Cash and cash equivalents at the end of the period	61,724,974	151,368,122	164,151,570

The explanatory notes are an integral part of these Interim Condensed Consolidated financial statements.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

1. General information

Greenko Energy Holdings (“the Company” or “Parent”) is a company domiciled in Mauritius and registered as a company limited by shares under company number C130988 pursuant to the provisions of the Mauritius 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.

The Company together with 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”).

The Company together with its subsidiaries hereafter referred to as “The Group” in respective periods.

2. Basis of preparation

The interim condensed consolidated financial statements (“the interim condensed consolidated financial statements”) are for the six months ended 30 September 2017 and are presented in US Dollars. The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) “Interim Financial Reporting” and do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2017. Additional financial information pertaining to financial position as at 30 September 2016 and profit or loss and other comprehensive income and cash flows for the year ended 31 March 2017 along with the explanatory notes for the respective periods have been provided in this financial statements pursuant to the requirements contemplated in the indenture.

The interim condensed consolidated financial statements have been prepared for the purpose of complying with financial reporting requirements under the indenture governing the Senior Notes issued by Greenko Dutch B.V. and Greenko Investment Company, wholly owned subsidiaries. Greenko Energy Holdings is Parent Guarantor for Senior Notes issued by these entities. The financial information for the period from 1 April 2017 to 30 September 2017 and 1 April 2016 to 30 September 2016 are unaudited and have been reviewed. The comparatives for the year ended and as at 31 March 2017 are audited and have been extracted from the audited consolidated financial statements for the year ended 31 March 2017.

3. Significant accounting policies

The interim condensed consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Group’s last audited annual financial statements for the period ended 31 March 2017. The presentation of the Interim condensed consolidated financial Statements is consistent with the audited Annual Financial Statements.

4. Use of estimates and judgements

The preparation of interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial statements the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended March 31, 2017.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

5. Recent accounting pronouncements

Standards issued but not yet effective and not early adopted by the Group

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 January 1, 2018, with early application permitted. The new Standard will impact the classification and measurement of the Group’s financial instruments and measurement of impairment of certain financial assets on account of “expected loss” model.

IFRS 15, Revenue from Contracts with Customers.

In May 2014, the IASB issued IFRS 15, “Revenue from Contracts with Customers”. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to 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 January 1, 2017. However, in April 2015, the IASB voted to defer the effective date of the new revenue recognition standard to January 1, 2018. Early application of the new standard is permitted.

The Group is currently in the process of evaluating the impact of this new accounting 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 January 1, 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.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

In December 2016, the IASB issued IFRIC Interpretation 22, “Foreign Currency Transactions and Advance Consideration,” which addresses the exchange rate to use in transactions that involve advance consideration paid or received in a foreign currency.

IFRIC Interpretation 22 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Group is currently in the process of evaluating the impact of this change in the accounting standard on its consolidated financial statements.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

IFRIC 23, Uncertainty over Income Tax treatments

On June 7, 2017, the IFRS Interpretations Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 “Income taxes”, are applied where there is uncertainty over income tax treatments.

IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the applicable tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under applicable tax law. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The interpretation is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted. An entity can, on initial application, elect to apply this interpretation either:

- _ retrospectively applying IAS 8, if possible without the use of hindsight; or
- _ retrospectively, with the cumulative effect of initially applying the interpretation recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

The Group is in the process of evaluating the impact of IFRIC 23 on the consolidated financial statements and the period of adoption.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

6. Intangible assets and Goodwill

	Electricity			Total
	Licences	PPAs	Goodwill	
Cost				
At 1 April 2016	129,796,735	21,165,808	249,712,009	400,674,552
Acquisition through business combination (Refer Note 11)	3,607,834	31,280,311	3,802,731	38,690,876
Additions	4,000,000	-	-	4,000,000
Exchange differences	3,083,951	1,364,391	5,845,032	10,293,374
At 31 March 2017	140,488,520	53,810,510	259,359,772	453,658,802
Exchange differences	(1,085,894)	(428,113)	(2,063,449)	(3,577,456)
At 30 September 2017	139,402,626	53,382,397	257,296,323	450,081,346
At 1 April 2016	129,796,735	21,165,808	249,712,009	400,674,552
Exchange differences	(642,558)	(104,782)	(1,236,198)	(1,983,538)
At 30 September 2016	129,154,177	21,061,026	248,475,811	398,691,014
Accumulated amortisation				
At 1 April 2016	638,854	1,393,177	-	2,032,031
Charge for the period	1,885,612	4,664,218	-	6,549,830
Exchange differences	72,120	173,524	-	245,644
At 31 March 2017	2,596,586	6,230,919	-	8,827,505
Charge for the period	1,306,695	2,836,641	-	4,143,336
Exchange differences	(40,451)	(92,538)	-	(132,989)
At 30 September 2017	3,862,830	8,975,022	-	12,837,852
At 1 April 2016	638,854	1,393,177	-	2,032,031
Charge for the period	907,709	2,102,724	-	3,010,433
Exchange differences	786	2,251	-	3,037
At 30 September 2016	1,547,349	3,498,152	-	5,045,501
Net book value				
At 30 September 2017	135,539,796	44,407,375	257,296,323	437,243,494
At 31 March 2017	137,891,934	47,579,591	259,359,772	444,831,297
At 30 September 2016	127,606,828	17,562,874	248,475,811	393,645,513

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

7. Property, plant and equipment

	Land (including rights)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in- progress	Total
Cost							
At 1 April 2016	23,905,372	139,736,066	923,959,160	2,293,133	1,008,866	353,792,965	1,444,695,562
Acquisition through business combination (Refer Note 11)	17,476,562	36,675,935	333,416,105	48,722	287	100,734,404	488,352,015
Additions	20,174,951	135,752,956	659,627,023	2,726,694	1,971,748	511,645,329	1,331,898,701
Disposals/capitalisation	-	(661,322)	(490,460)	-	(11,750)	(780,571,871)	(781,735,403)
Exchange differences	1,655,964	8,365,799	50,588,865	137,327	83,044	2,494,229	63,325,228
At 31 March 2017	63,212,849	319,869,434	1,967,100,693	5,205,876	3,052,195	188,095,056	2,546,536,103
Additions	106,182	121,420	20,870,666	1,299,562	521,171	(34,486,383)	(11,567,382)
Exchange differences	(504,525)	(2,546,701)	(15,932,406)	(61,102)	(32,177)	(181,968)	(19,258,879)
At 30 September 2017	62,814,506	317,444,153	1,972,038,953	6,444,336	3,541,189	153,426,705	2,515,709,842
At 1 April 2016	23,905,372	139,736,066	923,959,160	2,293,133	1,008,866	353,792,965	1,444,695,562
Additions	797,905	159,554	56,510	381,161	108,069	105,328,128	106,831,327
Adjustments	-	(881,255)	-	-	-	-	(881,255)
Exchange differences	(114,872)	(694,902)	(4,688,451)	(9,695)	(4,524)	8,398,412	2,885,968
At 30 September 2016	24,588,405	138,319,463	919,327,219	2,664,599	1,112,411	467,519,505	1,553,531,602
Accumulated depreciation							
At 1 April 2016	-	1,500,056	13,108,458	184,765	93,883	-	14,887,162
Charge for the period	-	6,642,577	52,075,589	430,375	229,846	-	59,378,387
Disposals	-	-	(3,121)	-	(1,905)	-	(5,026)
Exchange differences	-	232,370	1,974,154	17,625	9,203	-	2,233,352
At 31 March 2017	-	8,375,003	67,155,080	632,765	331,027	-	76,493,875
Charge for the period	-	4,785,930	37,810,071	485,957	247,352	-	43,329,310
Exchange differences	-	(139,123)	(839,532)	(12,395)	(6,380)	-	(997,430)
At 30 September 2017	-	13,021,810	104,125,619	1,106,327	571,999	-	118,825,755

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

	Land (including rights)	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Capital work-in- progress	Total
At 1 April 2016	-	1,500,056	13,108,458	184,765	93,883	-	14,887,162
Charge for the period	-	2,088,537	19,685,010	274,411	136,164	-	22,184,122
Exchange differences	-	1,660	20,746	279	127	-	22,812
At 30 September 2016	-	3,590,253	32,814,214	459,455	230,174	-	37,094,096
Net book values							
At 30 September 2017	62,814,506	304,422,343	1,867,913,334	5,338,009	2,969,190	153,426,705	2,396,884,087
At 31 March 2017	63,212,849	311,494,431	1,899,945,613	4,573,111	2,721,168	188,095,056	2,470,042,228
At 30 September 2016	24,588,405	134,729,210	886,513,005	2,205,144	882,237	467,519,505	1,516,437,506

Greenko Energy Holdings*(All amounts in US Dollars unless otherwise stated)***Notes to the interim condensed consolidated financial statements****8. Financial assets and liabilities**

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

30 September 2017

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Bank deposits	14,934,536	-	-	14,934,536
Other receivables	52,520,899	-	-	52,520,899
Other financial assets	-	197,204,020	-	197,204,020
Current				
Available-for-sale financial assets	-	-	1,094,238	1,094,238
Bank deposits	78,509,255	-	-	78,509,255
Trade receivables	179,029,486	-	-	179,029,486
Other receivables	226,355,970	-	-	226,355,970
Cash and cash equivalents	61,724,974	-	-	61,724,974
Total	613,075,120	197,204,020	1,094,238	811,373,378

	Liabilities measured at amortised cost	
Financial liabilities		
Non-current		
Borrowings		2,122,874,090
Trade and other payables		26,705,048
Other financial liabilities		147,187,185
Current		
Borrowings		35,099,421
Trade and other payables		191,351,025
Other financial liabilities		49,580,620
Total		2,572,797,839

31 March 2017

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Bank deposits	52,771,551	-	-	52,771,551
Other receivables	49,981,201	-	-	49,981,201
Other financial assets	-	185,381,569	-	185,381,569
Current				
Available-for-sale financial assets	-	-	1,993,880	1,993,880
Bank deposits	97,632,227	-	-	97,632,227
Trade receivables	103,186,030	-	-	103,186,030
Other receivables	48,624,225	-	-	48,624,225
Cash and cash equivalents	164,151,570	-	-	164,151,570
Total	516,346,804	185,381,569	1,993,880	703,722,253

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

	Liabilities measured at amortised cost
Financial liabilities	
Non-current	
Borrowings	2,005,297,158
Trade and other payables	22,166,076
Other financial liabilities	157,739,943
Current	
Borrowings	104,013,453
Trade and other payables	215,793,677
Other financial liabilities	36,934,000
Total	2,541,944,307

30 September 2016

	Loans and receivables	Financial assets at FVTPL	Available- for-sale	Total
Financial assets				
Non-current				
Bank deposits	28,331,359	-	-	28,331,359
Trade and other receivables	20,076,454	-	-	20,076,454
Other financial assets	-	223,969,817	-	223,969,817
Current				
Available-for-sale financial assets	-	-	897,838	897,838
Bank deposits	51,520,050	-	-	51,520,050
Trade receivables	118,815,060	-	-	118,815,060
Other receivables	32,260,752	-	-	32,260,752
Cash and cash equivalents	151,368,122	-	-	151,368,122
Total	402,371,797	223,969,817	897,838	627,239,452

	Liabilities measured at amortised cost
Financial liabilities	
Non-current	
Borrowings	1,315,058,139
Trade and other payables	16,476,890
Other financial liabilities	164,078,859
Current	
Borrowings	14,136,817
Trade and other payables	145,010,400
Total	1,654,761,105

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

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 30 September 2017

30 September 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	1,094,238	-	-	1,094,238
Other financial assets	-	197,204,020	-	197,204,020

31 March 2017

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	1,993,880	-	-	1,993,880
Other financial assets	-	185,381,569	-	185,381,569

30 September 2016

	Level 1	Level 2	Level 3	Total
Financial assets				
Available- for- sale financial asset	897,838	-	-	897,838
Other financial assets	-	223,969,817	-	223,969,817

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 financial assets (Level 2)

The Group entered into forward exchange options and forward contracts to mitigate the foreign currency risks. The derivative asset associated with these option contracts are recognised at fair value at inception. Subsequent changes to the fair value of the financial asset from the date of inception till 30 September 2017, have been charged to statement of profit or loss.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

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.

Other financial liabilities:

The Group entered into forward exchange options and forward contracts to mitigate the foreign currency risks. Option premium payable pertaining to these contracts are recognised at fair value at inception and subsequently measured at amortised cost using the effective interest rate method.

9. Commitments

Capital expenditure contracted for at 30 September 2017 but not yet incurred aggregated to US\$ 34,992,911 (31 March 2017: US\$ 157,256,580, 30 September 2016: US \$ 377,164,287).

10. In July 2017, Greenko Dutch B.V., raised funds to the tune of US\$350 million and US\$650 million by issuing 4.875% and 5.25% US\$ Senior Notes (the Senior Notes) respectively from institutional investors. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Dutch B.V. invested issue proceeds, net of issue expenses, to repay the existing 8% US\$ Senior notes outstanding along with the associated costs and contributed in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Dutch B.V. is duly registered as a 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 24 July 2022 and 24 July 2024 respectively. The Senior Notes are secured by corporate guarantee of the parent and pledge of shares of Greenko Dutch B.V. owned by Greenko Mauritius. Non-convertible debentures issued to Greenko Dutch B.V. by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.

11. Business combinations

- a) During September 2016, the Company through its wholly owned subsidiaries Greenko Power Projects (Mauritius) Limited (“GPPM”) and Greenko Solar Energy Private Limited (“GSEPL”) entered into a definitive agreement with Sun Edison Group to acquire the equity shares and cumulative convertible debentures of certain target Indian subsidiaries of Sun Edison Group.

The transaction primarily involved acquisition of select portfolio of Solar and Wind power projects in India. The select portfolio consists of operational, near completion and under development projects situated in Andhra Pradesh, Telangana, Karnataka, Tamilnadu, New Delhi and Madhya Pradesh. The acquisition was completed on 27 October 2016. However, the valuation of the acquired assets and liabilities had been carried out on 01 October 2016 considering that the effect of transactions from 01 October 2016 to 27 October 2016 are not material to the consolidated financial statements.

Excess of group’s interest in the fair value of acquiree’s assets and liabilities over cost is due to Seller’s compulsion to exit within the defined timeline from their Indian business and through bidding process, the company could get fairly decent bargain purchase.

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

Details of net assets acquired are as follows:

	<u>Amount (US\$)</u>
Purchase consideration:	
- Cash paid	46,838,810
- Amount payable	9,642,135
Total Purchase consideration	56,480,945
Fair value of net assets acquired	154,989,584

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

Property, plant and equipment	470,903,851
Net working capital	(518,319)
Investment in Mutual Funds	900,090
Long term loans and advances	61,063,376
Short term borrowings	(17,379,058)
Intangible assets	33,426,086
Bank deposits	5,938,028
Cash and cash equivalents	3,678,249
Creditors for capital goods	(109,735,571)
Deferred tax liability	(25,559,443)
Long term borrowings	(267,727,705)
Net assets	154,989,584
Purchase consideration settled in cash	46,838,810
Cash and cash equivalents	(3,678,249)
Cash outflow on acquisition	43,160,561

- b) During the year ended March 31 2017, the Group acquired 100% of the securities of Gangadhari Hydro Power Private Limited ("Gangadhari"). The acquisition was made to enhance the generating capacity of the Group from clean energy assets. Gangadhari has an operating hydro power plant with installed capacity of 16MW in the state of Himachal Pradesh in north India. The effective date of acquisition is 01 October 2016. Details of acquisition are set out below:

	<u>Amount (US\$)</u>
Purchase consideration:	
- Cash paid	8,770,897
- Amount payable	78,548
Total Purchase consideration	8,849,445
Fair value of net assets acquired	5,046,714

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

	<u>Amount (US\$)</u>
Property, plant and equipment	17,448,164
Net Working Capital	(1,429,735)
Intangible assets	1,462,059
Cash and cash equivalents	654,771
Deferred tax liability	(1,688,905)
Long term borrowings	(11,399,640)
Net assets	5,046,714
Purchase consideration settled in cash	8,770,897
Cash and cash equivalents	(654,771)
Cash outflow on acquisition	8,116,126

Greenko Energy Holdings

(All amounts in US Dollars unless otherwise stated)

Notes to the interim condensed consolidated financial statements

12. Related-party transactions

- a) Set out below are the details of the Group's significant equity-accounted investee of reporting periods.

SI No		% of equity holding
1.	Aarish Solar Power Private Limited	49%
2.	Aashman Energy Private Limited	49%
3.	Divyesh Power Private Limited	49%
4.	Elena Renewable Energy Private Limited	49%
5.	Pratyash Renewable Private Limited	49%
6.	SEI Baskara Power Private Limited	49%
7.	SEI Enerstar Renewable Energy Private Limited	49%
8.	SEI Mihir Energy Private Limited	49%
9.	Shreyas Renewable Energy Private Limited	49%
10.	Zuvan Energy Private Limited	49%

In addition to the above material associates, the Group also has 15 associates based in India.

b) Equity-accounted investees

	30 September 2017	31 March 2017	30 September 2016
Amount payable	40,997,803	41,323,318	-
Amount receivable	175,881,431	27,756,954	-
Deferred gain*	552,157	5,630,214	-

* represents the net impact of transactions which took place with equity-accounted investees during the period.

13. Equity-accounted investees

The Group also has interests in a number of individually immaterial associates. The Group owns 26% to 49% of the voting rights and accordingly the Group determined that it has significant influence.

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates:

	30 September 2017	31 March 2017	30 September 2016
Carrying amount of interests in associates	50,231,686	52,446,853	-
Share of:			
Loss from continuing operations	(3,485,122)	(2,215,167)	-
Other comprehensive income	-	-	-
	46,746,564	50,231,686	-

14. Subsequent events

There have been no significant events after the reporting date which requires disclosures or amendments to the interim condensed consolidated financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, the Interim Condensed Consolidated Financial Statements and the related notes thereto of Greenko Energy Holdings ("Parent Guarantor") and the Interim Condensed Combined Financial Statements and the related notes thereto of Greenko Dutch B.V. ("Restricted Group") and Greenko Investment Company ("Restricted Group II").

Overview

We are one of the leading independent owners and operators of clean energy projects in India.

As of 30 September 2017, our portfolio of assets consists of (i) 59 operational projects with a combined installed capacity of 1,936.5 MW, comprising 21 operational hydropower projects with a total installed capacity of 379.8 MW, 16 operational wind energy projects with a total installed capacity of 1,074.5 MW, 15 operational solar energy projects with a total installed capacity of 403.9 MW and seven operational thermal projects (which include biomass and gas) with a total installed capacity of 78.3 MW, (ii) five projects under construction with a total licensed capacity of 187.6 MW, comprising three hydropower projects with a total licensed capacity of 57.6 MW and three wind energy projects with a total licensed capacity of 130.0 MW, and (iii) 13 projects under active development with a total licensed capacity of 699.2 MW, comprising eight hydropower projects with a total licensed capacity of 484.0 MW and five wind energy projects with a total licensed capacity of 215.2 MW.

As of 30 September 2017, the Restricted Group accounted for 55.5% of the total installed capacity of our operational projects, consisting of 17 operational hydro power projects with a total installed capacity of 235.3 MW (61.9% of the total installed capacity of our operational hydro power projects) and 7 operational wind energy projects with a total installed capacity of 440.0 MW (40.9% of the total installed capacity of our operational wind energy projects) and 13 operational solar energy projects with a total installed capacity of 399.4 MW (98.9% of total installed capacity of our operational solar energy projects).

As of 30 September 2017, the Restricted Group II accounted for 25.9% of the total installed capacity of our operational projects, consisting of 3 operational hydro power project with a total installed capacity of 128.5 MW (33.8% of the total installed capacity of our operational hydro power projects) and 6 operational wind energy projects with a total installed capacity of 374.0 MW (34.8% of the total installed capacity of our operational wind energy projects).

Factors Affecting our Results of Operations

Impact of Weather and Seasonality

Weather conditions can have a significant effect on our power generating activities. The profitability of a wind energy project is directly correlated with wind conditions at the project site. Variations in wind conditions occur as a result of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long term, as a result of more general changes in climate. In particular, wind conditions are generally tied to the monsoon season in India and are impacted by the strength of each particular monsoon season. The monsoon season in India runs from June to September and we generate approximately 60.0% of our annual production during this period. The wind performance of wind energy projects in different areas of India are correlated to a certain extent, as at times weather patterns across the whole of India are likely to have an influence on wind patterns and, consequently, on revenues generated by wind energy projects across the whole of India.

Hydroelectric power generation is dependent on the amount of rainfall, snow melt and glacier melt in the regions in which our hydropower projects are located, which vary considerably from quarter to quarter and from year to year. Our hydropower projects in the Himachal Pradesh, Uttarakhand, Sikkim and Arunachal Pradesh northern clusters are dependent on rainfall, snow melt and glacier melt. Our hydropower projects in the Karnataka southern cluster are situated on rivers that are primarily monsoon-dependent and are expected to run at full capacity during

the four-month wet season, which is usually from June to September, and generate negligible amounts of power during the remaining period of the year. Any reduction in seasonal rainfall, snow melt or glacier melt or change from the expected timing could cause our hydropower projects to run at a reduced capacity and therefore produce less electricity, impacting our profitability. Conversely, if hydrological conditions are such that too much rainfall occurs at any one time, water may flow too quickly and at volumes in excess of a particular hydropower project's designated flood levels, which may result in shutdowns. Where rainfall levels are in the normal range in terms of overall quantum for the year but a substantial portion is concentrated for a shorter period of time, our hydropower projects will generate less power in the course of the year and consequently, this will impact the revenues derived from our hydropower projects. The performance of each of our projects is measured by its average plant load factor ("PLF"), which is the project's actual generation output as a percentage of its installed capacity over a period of time.

Unlike the resources for our wind energy projects and hydropower projects which are concentrated in specific regions and sensitive to the monsoon season, solar power generation is viable across India throughout most of the year as India ranks among the highest irradiation receiving countries in the world.

We are also subject to the effects of the weather on demand for electricity in India and consequently, our results of operations are affected by variations in general weather conditions. Generally demand for electricity peaks in winter and summer. Typically, when winters are warmer than expected and summers are cooler than expected, demand for energy is lower than forecasted. Significant variations from normal weather where our projects are located could have a material impact on our results of operations to the extent we are not protected from exposures to variation in demand through long-term contracts.

Significant Recent Growth

We have significantly expanded our installed base of operational projects. In recent years, we have made a number of acquisitions, including the SunEdison Acquisition, to increase the total generating capacity of our projects, with a focus on acquiring operational and advanced construction projects near our existing and upcoming project clusters. We have also developed and are continuing to develop a number of projects. The following table sets forth the capacity of our operational projects as of September 30, 2017 and September 30, 2016:

	<u>As of September 31, 2017</u> <u>Capacity (MW)</u>	<u>As of September 31, 2016</u> <u>Capacity (MW)</u>
Operational projects	1,936.5	1,002.5

As our business has grown, we have increased our expenditures on general and administrative functions necessary to support this growth and support our operations. As part of our efforts to reduce risks in our business, although we currently outsource the operations and maintenance of our turbines to suppliers, we are also building in-house skills concurrently to oversee and back-up the operations and maintenance of our turbines, a model which is different from that generally adopted by our competitors.

A key driver of our results of operations is our ability to bring new projects into commercial operation successfully. As of 30 September 2017, we have 59 operational projects with a combined installed capacity of 1,936.5 MW and our under-construction projects include interests in three hydropower projects and three wind energy projects having a combined licensed capacity of 187.6 MW. We expect these projects to become operational over the next 48 months. Our under-active development projects include interests in 8 hydropower projects and 5 wind energy projects having a combined licensed capacity of 699.2 MW. Our near-term operating results will, in part, depend upon our ability to transition these projects into commercial operations in accordance with our existing construction budgets and schedules.

Operation of Our Projects

Our results of operations are materially influenced by the degree to which we operate our projects in order to achieve maximum generation volumes. We intend to achieve growth by improving the availability and capacity of our projects while minimizing planned and unplanned project downtime. The number and length of planned outages, undertaken in order to perform necessary inspections and testing to comply with industry regulations and to permit us to carry out any maintenance activities, can impact operating results. When possible, we seek to

schedule the timing of planned outages to coincide with periods of relatively low demand for power at the relevant project. Likewise, unplanned outages can negatively affect our operating results, even if such outages are covered by insurance.

In addition, when we purchase turbines, our contracts with suppliers typically include comprehensive O&M service for a period of five to seven years (with free service, in some cases, for the first two years), a warranty in respect of the turbines for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 97% during the wind season which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss subject to a cap.

Power Purchase Agreements

One of the key factors which affects our results of operations is our ability to enter into long-term PPAs for our generated power, thereby enhancing the security and long-term visibility of our revenues and limiting the impact of market price variability on our revenues. Almost all of our generated power is sold under PPAs to state utilities, industrial and commercial consumers and captive consumers. While these PPAs reduce exposure to volatility in the market price for power, the predictability of our operating results and cash flows vary by project based on the negotiated terms of these agreements, in particular the tariffs.

Our PPAs are generally structured in three ways:

- *Feed-in Tariffs.* PPAs with preferential feed-in tariffs (“FITs”) (including PPAs for solar projects obtained through competitive bidding) having a term of between 10 to 25 years which provide greater downside protection since the tariffs are generally fixed for the duration of the PPA. PPAs based on FITs generally do not escalate for inflation.
- *Third party direct sales.* Open access tariffs or group captive consumer or third party direct sales linked to commercial tariffs which provide potential for upside based on increases in tariffs charged by state utilities to their industrial and commercial consumers in future years. Such PPAs are generally entered into on a long-term basis, providing clear visibility of revenues for the relevant project with potential growth in revenues from better payment terms.
- *APPC tariffs.* PPAs with tariffs based on average power purchase cost of electricity (“APPC”) plus RECs which offer greater upside revenue potential depending on the annual escalation in APPC tariffs and the market price of the RECs that may be sold. As the term of such PPAs is generally short, this PPA model allows us the flexibility to move to the merchant tariff model at an appropriate time with direct customers or group captive consumers, enhancing the revenue realization of the relevant projects.

Our diversified mix of revenue streams balances certainty in revenue and upside potential to underpin a certain level of revenue growth. Our existing revenue model offers strong earnings visibility as a majority of our PPAs are based on FITs, with further upside from direct third party sales through our PPAs with commercial off-takers linked to commercial tariff escalations and inflation as well as future merchant sales.

Capital Expenditure Costs

Demand for qualified labor and components in our industry have increased over the last few years. This has led to increases in the costs of construction and maintenance of power generation projects. Capital expenditures are necessary to construct, maintain and/or improve the operating conditions of our projects and meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and availability of contractors that can perform the necessary work to construct, maintain and/or improve our projects, as well as changes in laws, rules and regulations which could require us to make capital improvements to our projects.

Exchange Rate Fluctuations

The Consolidated Financial Statements and the Restricted Group Combined Financial Statements are presented

in U.S. dollar. However, the functional currency of our operating subsidiaries in India is Indian rupees and they generate revenues and incur borrowings in Indian rupees. In addition, as the equity or debt raised outside India from holding companies is always in foreign currency, presentation of currency translation issues in the profit and loss account of the Parent Guarantor and the Restricted Group arise which results in distorted figures of profits or losses depending upon cross-currency issues of the British pound, the euro, the U.S. dollar and the Indian rupee. Accordingly, the results of operations of the Parent Guarantor and the Restricted Group will be impacted by the strength of the U.S. dollar as measured against the Indian rupee due to translational effects. To the extent that the Indian rupee strengthens or weakens against the U.S. dollar, the Parent Guarantor's consolidated and the Restricted Group's combined, results of operations presented in U.S. dollar will improve or decline, respectively. In addition, we have made borrowings denominated in U.S. dollars in respect of which we are exposed to foreign currency exchange risk. The results of operations of the Parent Guarantor and the Restricted Group may be affected if there is significant fluctuation among those currencies.

Government Policies and Initiatives

We depend in part on government policies and initiatives that support clean energy and enhance the economic feasibility of developing clean energy projects. For several years, India has adopted policies and subsidies actively supporting clean energy. Although we do not directly receive government subsidies, preferential tariffs for clean energy have been established in many states, ranging from approximately Rs.2.50/kWh to Rs.7.01/kWh. In addition, the Generation Based Incentive (“GBI”) scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs.10 million per MW, was reinstated in April 2013 for new wind energy projects completed between 1 April, 2013 to 31 March 2017, benefits all wind capacity commissioned. In addition solar energy, the tariff is generally determined through a competitive bidding process.

These regulatory initiatives have contributed to demand for clean energy generally and therefore for power generated by our clean energy projects. Regulation also contributes to the revenue received for the power our projects generate. The support for clean energy has been strong in recent years, and the Indian Government has periodically reaffirmed its desire to sustain and strengthen that support with a target to achieve 100 GW and 60 GW in commissioned solar and wind projects respectively by 2022. Additional regulatory requirements could contribute to increase in demand for clean energy and/or to increase in power prices. For example, the aim of the Indian Government is for 17.0% of India's energy requirements to be derived from renewable energy sources by 2019 and the Renewable Purchase Obligation (“RPO”) is one of the regulatory measures implemented to ensure the achievement of this goal. To this end, distribution companies of a state, open access consumers and captive consumers are obligated to purchase a certain percentage of their power from renewable sources under the RPO rules.

A failure to continue, extend or renew the several regulatory incentives and programs currently in place in India could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Financing Requirements

Energy project development and construction are capital intensive. We incur costs and expenses for the purchase of turbines, the purchase of land, feasibility studies and construction and other development costs. As a result, our ability to access financing is crucial to our growth strategy. While we expect to fund the construction and development of our projects with a combination of cash flows from operations, debt financing and equity financing, our ability to arrange for such financing remains subject to factors affecting the macro-economic environment.

Principal Statement of profit or loss and other comprehensive Income Items

The following is a brief description of the principal line items that are included in the statement of profit or loss and other comprehensive income in the Consolidated Financial Statements.

Revenue

Our revenue consists of the sale of power, the sale of REC certificates, GBI and interest received for delayed payments, if any.

Sale of power

Revenue from the sale of power is dependent on the amount of power generated by our projects and is recognized 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 PPA, feed-in tariff policy or market rates as applicable less the wheeling and banking charges applicable, if any. Claims for delayed payment charges and other claims, if any, are recognized as per the terms of PPAs only when there is no uncertainty associated with the collectability of such claims.

Sale of renewable energy certificates

RECs are a type of environmental commodity intended to provide an economic incentive for electricity generation from renewable energy sources and represent the attributes of electricity generated from renewable energy sources such as hydro, wind and solar. These attributes are unbundled from the physical electricity and the two products, first being the attributes embodied in the certificates and the commodity, and second being electricity, may be sold or traded separately. Revenue from sale of RECs is recognized after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognized energy exchanges in India.

Generation Based Incentive

The GBI scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs. 10 million per MW, was reinstated in April 2013 for new wind energy projects and benefits all the wind capacity commissioned since that date to 31 March 2017. Revenue from GBI is recognized based on the number of units exported or if the eligibility criteria is met in accordance with the guidelines issued by the Indian Renewable Energy Development Agency Limited for GBI scheme.

Other Operating Income

Other operating income refers to income from activities other than normal business operations, and includes profit or loss on sale and disposal of assets or subsidiaries, exchange difference in foreign currency-denominated current accounts.

Cost of Material and Power Generation Expenses

Cost of material and power generation expenses generally include the cost of fuel expenses for our thermal assets, the consumption of stores and spares, operation and maintenance expenses, insurance costs, plant-related direct expenses and free power charge.

Employee Benefits Expense

Employee benefits expense comprises salaries and wages payable, employee welfare expenses, contributions towards defined contribution plans and a group gratuity plan with Life Insurance Corporation of India and compensation for employee absences.

Other Operating Expenses

Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationery, rates and taxes.

Excess of Our Interest in the Fair Value of Acquiree's Assets and Liabilities over Cost

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

Depreciation and Amortization

Depreciation and impairment in value of tangible assets

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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to us and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to statement of 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:

<u>Asset Category</u>	<u>Useful Life</u>
Buildings.....	30-35 years
Plant and machinery	20-36 years
Furniture, fixtures and equipment	5-10 years
Vehicles.....	10 years

Amortization and impairment in value of intangible assets

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 amortized 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:

<u>Asset Category</u>	<u>Useful Life</u>
Licenses.....	14-40 years
PPAs.....	5-25 years

Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortization and are tested annually for impairment or when there is an indication of impairment. 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 recognized 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.

Finance Income

Finance income comprises of foreign exchange gain on financing activities, interest on bank deposits and dividend from units of mutual funds.

Finance Costs

Finance costs comprises interest on borrowings and bank charges. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

Loan Restructuring Costs

Loan restructuring costs represents the cost of prepayment and unamortized transaction costs on existing rupee and US dollar loans of certain of our subsidiaries.

Income Tax Expense

Income tax expense represents the provision of income tax for our subsidiaries in India towards current and deferred taxes. Our Indian subsidiaries which are engaged in power generation currently benefit from a tax holiday from the standard Indian corporate tax. However, these subsidiaries are still liable to pay minimum alternate tax which is calculated on the book profits of the relevant subsidiary.

Share of Loss from Equity-Accounted Investees

Share of loss from equity-accounted investees represents our share of loss attributable to the entities for which we hold a minority interest. Such entities include the entities we had acquired as part of SunEdison Acquisition.

Results of Operations — Greenko Energy Holdings Interim Condensed Consolidated Financial Statements

Six months ended September 30, 2017 Compared to six months ended September 30, 2016

Revenue

Our revenue was increased by 67.6% to US\$206.3 million in 6 months ended 30 September 2017 from US\$123.1 million in the 6 Months ended September 2016.

The tables below set forth the breakdown of our revenue for the indicated periods by type and asset class.

	6 Months ended 30 September 2017	6 Months ended 30 September 2016
	(US\$ in millions)	(US\$ in millions)
Revenue	206.3	123.1
Installed capacity at beginning of period (MW)	1,936.5	838.1
Installed capacity at end of period (MW)	1,936.5	1,002.5
Generation (GWh)	3,043.8	1,901.5
	6 Months ended 30 September 2017	6 Months ended 30 September 2016
	(US\$ in millions)	(US\$ in millions)
Revenues from wind energy projects	129.1	86.4
Revenues from hydropower projects	46.0	33.1
Revenues from solar projects	27.1	-
Revenues from thermal projects	4.1	3.6
Total	206.3	123.1

Revenue for the wind power projects in the 6 months ended September 30, 2017 was increased by 49.5% to US\$129.1 million compared to US\$86.4 million in the 6 months ended September 30, 2016. Revenue for the hydro power projects increased by 38.9% to US\$46.0 million compared to US\$33.1 million in the previous year of the same period. Revenue for the solar projects amounts to US\$27.1 million compared to Nil in the previous year of the same period. Revenue for the thermal power projects in the 6 months ended September 30, 2017 was increased by 12.9% to US\$4.1 million compared to US\$3.6 million in the previous year of the same period. Generation was increased by 60.1% to 3,043.8 GWh in the 6 Months ended 30 September 2017 from 1,901.5 GWh in the 6 Months ended September 2016. The increase was primarily due to increased operating capacity.

Our wind power projects delivered an average PLF of 33.6% in the 6 Months ended 30 September 2017, 38.2% in the 6 Months ended 30 September 2016. The decrease in PLF is mainly on account of lower wind availability in 2017 compared to wind availability in 2016.

Our hydropower projects delivered an average PLF of 61.0% in the 6 Months ended 30 September 2017, 56.0% in the 6 Months ended 30 September 2016.

Our solar projects delivered an average PLF of 16.0% in the 6 Months ended 30 September 2017. Solar power projects of 403.9 MW have been acquired during the period from September 2016 to September 2017.

Cost of material and power generation expenses

Cost of material and power generation expenses was US\$11.8 million during 6 Months ended September 2017, US\$8.7 million in the 6 Months ended September 2016. Cost of material and power generation expenses was 5.7% of revenue in September 2017, 7.1% of revenue in the 6 Months ended September 2016. For the period ended September 2017 increase in power generation expenses was primarily due to increase in operating capacity.

Employee benefits expense

Employee benefits expense was US\$6.5 million during 6 Months ended September 2017 compared to US\$5.3 million during the 6 Months ended September 2016. The largest component of employee benefits expense was salaries and wages, which have generally increased period on period as a result of the increase in employee headcount in line with the growth of our business.

Other operating expenses

Other operating expenses was US\$8.1 million during the 6 Months ended September 2017 compared to US\$5.4 million during the 6 Months ended September 2016. Increase in other operating expenses were primarily due to increase in operating capacity. Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationery, rates and taxes.

Depreciation and amortization

Depreciation and amortization was US\$47.5 million during the 6 Months ended September 2017, US\$25.2 million in the 6 Months ended September 2016, primarily due to an increase in plant, property and equipment as a result of our increased operating capacity and our increased ongoing construction activity and implementation of new projects.

Finance income

Finance income was US\$2.6 million during the 6 Months ended September 2017, US\$1.6 million during the 6 Months ended September 2016. Finance income in each of these periods was primarily due to interest on bank deposits.

Finance costs

Finance costs was US\$96.5 million during the 6 Months ended September 2017, US\$52.1 million during the 6 Months ended September 2016, which was primarily attributable to interest on our borrowings which increased to US\$2,158.0 million as of September 30, 2017, from US\$1,392.2 million as of September 30, 2016 and increased operating capacity.

Loan restructuring costs

We recognized loan restructuring costs of US\$17.7 million during the 6 Months ended September 2017 representing the cost of prepayment and unamortized transaction costs attributable to the refinancing of existing 8% Senior notes issued by Greenko Dutch B.V. and rupee loans of new Restricted Group entities compared to cost of repayment and unamortised borrowing transaction costs attributable to the refinancing of rupee loans of Restricted Group II entities amounts to US\$7.8 million in the 6 Months ended September 2016.

Share of loss from equity-accounted investees

We recognized share of loss from equity-accounted investees of US\$3.5 million during the 6 Months ended September 2017 attributable to certain of the entities we acquired as part of SunEdison Acquisition during the year ended 31 March 2017.

Profit/(loss) before tax

Profit before income tax was US\$17.9 million during the 6 Months ended September 2017 compared to profit before tax of US\$20.3 million during the 6 Months ended September 2016.

Income tax expense

Income tax expense was US\$11.8 million during the 6 Months ended September 2017, US\$6.2 million during the 6 Months ended September 2016.

Our subsidiaries in India which are engaged in power generation benefited from a tax holiday from the standard Indian corporate tax during the 6 Months ended September 2017, the 6 Months ended September 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 subsidiaries are still liable to pay minimum alternate tax which is calculated on the book profits of the relevant subsidiary, the rate of which was 20.39%.

Profit/(loss) for the period

As a result of the above discussed, we had a profit of US\$6.1 million during the 6 Months ended September 2017 compared to a profit of US\$14.2 million during the 6 Months ended September 2016.

Liquidity and Capital Resources

Overview

As of September 30, 2017, our consolidated bank deposits were US\$93.4 million and our cash and cash equivalents were US\$61.7 million.

Our principal financing requirements are primarily for:

- construction and development of new projects;
- maintenance and operation of projects;
- funding our working capital needs;
- potential investments in new acquisitions; and
- general corporate purposes.

We fund our operations and capital requirements primarily through cash flows from operations and borrowings under credit facilities from banks and other financial institutions as well as equity raising at the Parent Guarantor. We believe that our credit facilities, together with cash generated from our operations, cash from investment by our shareholders will be sufficient to finance our working capital needs for the next 12 months. We expect that cash flow from operations and our credit facilities will continue to be our principal sources of cash in the medium term. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to us.

We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the progress of our various under-construction and under-active development projects, acquisition opportunities and market conditions.

Cash Flows

Our summarized statement of consolidated cash flows is set forth below:

	6 Months ended 30 September 2017	6 Months ended 30 September 2016
	(US\$ in millions)	(US\$ in millions)
Consolidated Cash Flow Statement		
Net cash from/ (used) in operating activities	120.4	(5.9)
Net cash used in investing activities	(148.0)	(158.7)
Net cash (used) in/ from financing activities	(74.4)	244.0
Cash and cash equivalents at the beginning of the period	164.2	71.8
Cash and cash equivalents at the end of the period	61.7	151.4

Net cash used in operating activities

During the 6 Months ended September 2017 net cash from operating activities of US\$120.4 million was primarily attributable to (i) profit before tax of US\$17.9 million, (ii) US\$81.1 million increase in trade and other receivables and (iii) US\$21.8 million increase in trade and other payables, offset in part by adjustment of US\$47.4 million for depreciation and amortization, US\$96.5 million for finance costs and US\$17.7 million for loan restructuring costs.

During the 6 Months ended September 2016, net cash used in operating activities of US\$5.9 million was primarily attributable to (i) loss before tax of US\$20.3 million, (ii) a US\$68.7 million increase in trade and other receivables and (iii) a US\$38.0 million decrease in trade and other payables, offset in part by adjustments of US\$25.2 million for depreciation and amortization and US\$59.8 million for finance costs.

Net cash used in investing activities

In the 6 Months ended September 2017, our net cash used in investing activities of US\$148.0 million primarily consist of (i) US\$55.7 million in purchase of property, plant and equipment and capital expenditure primarily relating to our projects under construction or development, (ii) US\$150.6 million advances to equity-accounted investees and (iii) US\$1.8 million in relation to the advance for purchase of equity offset in part by (i) US\$56.3 million in the maturity of investment in bank deposits and (ii) interest received of US\$3.6 million.

In the 6 Months ended September 2016, our net cash used in investing activities of US\$158.7 million primarily consisted of (i) US\$102.3 million in purchase of property, plant and equipment and capital expenditure primarily relating to our projects under construction or development, (ii) US\$43.1 million in the investment in bank deposits and (iii) US\$15.4 million in relation to the advance for purchase of equity.

Net cash from financing activities

In the 6 Months ended September 2017, our net cash used in financing activities of US\$74.4 million was primarily attributable to US\$1,060.4 million of proceeds from borrowings, offset in part by US\$1,000.8 million in repayment of borrowings and US\$134.5 million in interest paid.

In the 6 Months ended September 2016, our net cash from financing activities of US\$244.0 million was primarily attributable to US\$147.6 million of proceeds from the issue of shares to our shareholders and US\$530.9 million of proceeds from borrowings, offset in part by US\$360.6 million in repayment of borrowings and US\$73.9 million in interest paid.

Results of Operations — Greenko Dutch B.V. Interim Condensed Combined Financial Statements

6 Months Ended September 30, 2017 Compared to 6 Months Ended September 30, 2016

As of 30 September 2017, the Restricted Group accounted for 55.5% of the total installed capacity of our operational projects, consisting of 17 operational hydro power projects with a total installed capacity of 235.3 MW (61.9% of the total installed capacity of our operational hydro power projects) and 7 operational wind energy projects with a total installed capacity of 440.0 MW (40.9% of the total installed capacity of our operational wind energy projects) and 13 operational solar energy projects with a total installed capacity of 399.4 MW (98.9% of total installed capacity of our operational solar energy projects).

Solar and wind power projects of 447.4 MW have been acquired during the period from September 2016 to September 2017.

Revenue

Revenue for the Restricted Group increased by 31.8% to US\$114.1 million in the 6 months ended September 30, 2017 from US\$86.6 million in the 6 months ended September 30, 2016.

	6 Months ended September 30, 2017	6 Months ended September 30, 2016
	(US\$ in Millions)	
Revenue	114.1	86.6
Installed capacity at beginning of year (MW)	1,074.7	627
Installed capacity at end of period(MW)	1,074.7	627
Generation in (Gwh)	1,606.1	1,292.6
	6 Months ended September 30, 2017	6 Months ended September 30, 2016
	(US\$ in Millions)	
Revenues from wind energy projects	58.6	57.1
Revenues from hydro power projects	28.9	29.5
Revenues from solar energy projects	26.6	-

Revenue for the wind power projects of Restricted Group increased by 2.5% to US\$58.6 million compared to US\$ 57.1 million in the previous year of the same period. Revenue for the hydro power projects of Restricted Group in the 6 months ended September 30, 2017 was decreased by 2.0% to US\$28.9 million compared to US\$29.5 million in the 6 months ended September 30, 2016. Revenue for the solar power projects of Restricted Group increased to US\$26.6 million compared to US\$ Nil in the previous year of the same period. Generation in the Restricted Group increased to 1,606.1 GWh in the 6 months ended September 30, 2017 compared to 1,292.6 GWh in the 6 months ended September 30, 2016.

Power generation expenses

Power generation expenses for the Restricted Group in the 6 months ended September 30, 2017 was US\$7.8 million compared to US\$6.5 million in the 6 months ended September 30, 2016. Power generation expenses in the 6 months ended September 30, 2017 was 6.9% of revenue compared to 7.5% of revenue in the 6 months ended September 30, 2016. The increase was primarily due to increased operating capacity.

Employee benefits expense

Employee benefits expense for the Restricted Group in the 6 months ended September 30, 2017 was US\$2.7 million compared to US\$2.5 million in the 6 months ended September 30, 2016. The largest component of employee benefits expense was salaries and wages, which have generally increased period on period on account of increments.

Other operating expense

Other operating expenses for the Restricted Group in the 6 months ended September 30, 2017 was US\$3.8 million compared to US\$2.5 million in the 6 months ended September 30, 2016. The increase was primarily due to increased operating capacity. Other operating expenses include office administration, office rent, travelling expenses, professional charges, communication, internet, stationary, rates and taxes.

Depreciation and amortization

Depreciation and amortization for the Restricted Group in the 6 months ended September 30, 2017 was US\$25.1 million compared to US\$15.7 million in the 6 months ended September 30, 2016, the increase was primarily due to increased operating capacity.

Finance income

Finance income for the Restricted Group in the 6 months ended September 30, 2017 was US\$0.5 million compared to US\$1.2 million in the 6 months ended September 30, 2016, primarily due to decrease in interest on bank deposits.

Finance costs

Finance costs for the Restricted Group in the 6 months ended September 30, 2017 was US\$36.6 million compared to US\$25.5 million in the 6 months ended September 30, 2016, which was primarily attributable to interest on our borrowings which increased to US\$987.9 million as of September 30, 2017, from US\$570.4 million as of September 30, 2016 and increased operating capacity.

Loan restructuring costs

We recognized loan restructuring costs of US\$17.7 million during the 6 Months ended September 2017 representing the cost of prepayment and unamortized transaction costs attributable to the refinancing of existing 8% Senior notes issued by Greenko Dutch B.V. and rupee loans of new Restricted Group entities.

Profit/(Loss) before income tax

Profit before income tax for the Restricted Group for the 6 months ended September 30, 2017 was US\$21.0 million compared to profit of US\$35.2 million for the 6 months ended September 30, 2016.

Income tax expense

Income tax expense for the Restricted Group in the 6 months ended September 30, 2017 was US\$6.6 million compared to US\$4.6 million in the 6 months ended September 30, 2016.

Profit/(loss) for the period

As a result of the foregoing, the Restricted Group's profit for the 6 months ended September 30, 2017 was US\$14.4 million compared to profit of US\$30.6 million for the 6 months ended September 30, 2016.

Liquidity and Capital Resources

Overview

As of September 30, 2017, the Restricted Group's bank deposits were US\$23.5 million and our cash and cash equivalents were US\$18.6 million. The Restricted Group's principal financing requirements are primarily for:

- maintenance and operation of projects;
- funding working capital needs; and
- general corporate purposes.

We fund the Restricted Group's operations and capital requirements primarily through cash flows from operations.

We believe that the cash generated from the Restricted Group's operations will be sufficient to finance its working capital needs for the next 12 months. We expect that these sources will continue to be the Restricted Group's principal sources of cash in the medium term. However, there can be no assurance that additional financing will be available, or if available, that it will be available on terms acceptable to the Restricted Group.

Cash Flows

Our summarized statement of the Restricted Group's cash flows is set forth below:

	6 Months ended September 30, 2017	6 Months ended September 30, 2016
	(US\$ in Millions)	
Net cash generated from/(used in) operating activities	53.0	35.2
Net cash from/ (used in) investing activities	52.8	(38.0)
Net cash used in financing activities	(108.4)	(25.4)
Cash and cash equivalents at the beginning of the period	22.0	46.5
Cash and cash equivalents at the end of the period	18.6	18.0

Net cash flow from operating activities

In the 6 months ended September 30, 2017, the Restricted Group's net cash from operating activities of US\$53.0 million was primarily attributable to adjustments of US\$44.1 million increase in trade and other receivables, US\$25.1 million for depreciation and amortization, US\$36.6 million for finance costs and US\$17.7 million for loan restructuring costs.

In the 6 months ended September 30, 2016, the Restricted Group's net cash from operating activities of US\$35.2 million was primarily attributable to adjustments of US\$38.1 million increase in trade and other receivables, US\$15.7 million for depreciation and amortization and US\$25.5 million for finance costs.

Net cash used in investing activities

In the 6 months ended September 30, 2017, the Restricted Group's net cash from investing activities of US\$55.4 million primarily maturity of investment in bank deposits, which was partially offset by US\$3.3 million in purchase of property, plant and equipment and capital expenditure.

In the 6 months ended September 30, 2016, the Restricted Group's net cash used in investing activities of US\$38.0 million primarily investment in bank deposits.

Net cash from financing activities

In the 6 months ended September 30, 2017, the Restricted Group's net cash used in financing activities of US\$108.4 million was primarily attributable to (i) interest payment of US\$44.5 million (ii) US\$134.4 million in repayment of borrowings to unrestricted subsidiaries (iii) US\$18.6 million towards payment to unrestricted entities and (iii) US\$897.6 million in repayment of borrowings, the same was partially offset by US\$987.1 million of proceeds from borrowings.

In the 6 months ended September 30, 2016, the Restricted Group's net cash used in financing activities of US\$25.4 million was primarily attributable to (i) interest payment of US\$22.6 million and (ii) US\$2.9 million in repayment of borrowings.