

Result of Operations- Restricted Group

Combined Financials for the Quarter and Period ended December 31st 2017

The financials of the Restricted Group comprising of seven special purpose vehicles have been combined for the purpose of reporting the interim financials for the quarter ended December 31st 2017. The financials have been compared with the corresponding period of FY'17.

Note: conversion rate is considered at 1 USD= 65 INR

Profit and Loss

The consolidated statement of profit and loss for the period ended 31st December'17 is as under:

USD Million

Particulars	Quarter ended			Period ended		
	31st Dec'16	31st Dec'17	% Growth	31st Dec'16	31st Dec'17	% Growth
Operating Revenue	12.9	14.7	14%	52.6	75.6	44%
Operating Other Income	0.6	2.9		1.6	7.7	
Total Income	13.5	17.6	31%	54.0	83.3	54%
Other Expenses	3.3	2.2	-32%	7.7	9.3	21%
EBITDA	10.2	15.4	51%	46.3	74.0	59%
Depreciation and amortisation expense	5.1	5.9	15%	13.2	17.6	33%
Finance cost	9.2	16.9	84%	24.5	50.4	106%
Profit/ (Loss) before Tax (PBT)	(4.1)	(7.4)	78%	8.6	6.0	-31%
Current tax	(1.8)	(0.0)		0.9	1.2	
Deferred tax	(5.7)	(0.8)		(4.6)	(3.9)	
Profit/ (Loss) after Tax (PAT)	3.4	(6.6)	-295%	12.3	8.7	-30%

Revenue

Total operating revenue for the combined Restricted Group increased by 44% during the period ended 31st Dec'17. The growth was primarily due to higher installed capacity with completion of the under-construction wind projects namely Ellutla 120 MW, Ron 40 MW and Jogihalli 12 MW. The growth in the quarter ended 31st Dec'17 was mainly from high sale of renewable energy certificates (REC). The increase in REC revenue was driven by high trade volumes in the REC market, due to demand from electricity distribution companies.

USD Million

Particulars	Quarter ended			Period ended		
	31st Dec'16	31st Dec'17	% Growth	31st Dec'16	31st Dec'17	% Growth
Sale of Power	12.3	12.9	5%	49.6	70.2	42%
Sale of Renewable Energy Certificates	0.2	1.2		0.4	1.5	
Generation Based Incentive	0.4	0.6	31%	2.6	3.9	53%
Total Operating Revenue	12.9	14.7	14%	52.6	75.6	44%
Installed Capacity at beginning of period (MW)	416	504	21%	332	499	50%
Installed Capacity at end (MW)	460	511	11%	460	511	11%
Generation in (Gwh)	142	154	8%	582	845	45%
Revenue from Wind Projects	7.7	9.9	29%	37.5	60.5	61%
Revenue from Solar Projects	5.2	4.8	-8%	15.1	15.2	0%

The Generation Based Incentive increased mainly due to increase in the capacity at Ellutla.

Operating Other Income

Operating other income increased by USD 6.1 Mn. during the period, primarily on account of interest income.

Other Expenses

Other expenses during the period ended Dec'17 were higher by USD 1.7 Mn. mainly on account of additional operational capacity, impacting operations and maintenance expenses and other overheads.

Depreciation and Amortisation

Depreciation and Amortisation increased by USD 4.4 Mn. during the period ended Dec'17 mainly due to additional operating capacity.

Finance Cost

Finance cost for the quarter increased by USD 7.7 Mn. whereas it was higher by USD 25.9 Mn. for the period ended Dec'17 mainly due to top up additional loan from masala bonds.

Income Tax Expenses

The credit in Income Tax expenses was lower by USD 0.9 Mn in the period ended Dec'17, however the credit was lower by USD 6.8 Mn. in quarter ending Dec'17. This is mainly due to changes in deferred tax provision under the new accounting standards, resulting in change in MAT credit carry forward tenure from 10 years to 15 years and the thin capitalization rules introduced in the Union Budget 2017-18.

Profit/ (Loss) for the year

Profit after tax for the period ending Dec'17 was lower by USD 3.6 Mn. mainly due to additional finance cost.

Cash Flows

The cash flows for the period ended 31st December'17 are:

USD Million

Particulars	Period ended		Variance
	31st Dec'16	31st Dec'17	
Net cash generated from / (used in) operating activities	26.8	62.6	(35.8)
Net cash generated from / (used in) investing activities	(120.3)	(132.5)	12.2
Net cash generated from / (used in) financing activities	79.7	(35.2)	114.9
Cash and cash equivalents at the beginning of the period	25.4	110.1	(84.8)
Cash and cash equivalents at the end of the period	11.6	5.1	6.6

The net cash outflow of USD 105.0 Mn. in the period ended 31st December'17 was mainly attributable to the following:

- *Net cash generated from operating activities – Rs. 62.6 Mn.* - Cash inflows on account of operating profit of USD 66.6 Mn. were partially offset by increase in working capital.
- *Net cash used in investing activities- Rs. (132.5) Mn.* - This mainly comprised of cash outflow from loans given to related parties of USD 85.1 Mn. (under the covenants relating to issue of Masala Bonds), investment of surplus funds in market deposits USD 43.8 Mn and capital expenditure.
- *Net cash generated from financing activities- Rs. (35.2) Mn.* was mainly due to outflow on interest payment on borrowings.