Result of Operations- Restricted Group

Combined Financials for the Quarter ended September 30th 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 September 30th 2017. The financials have been compared with the corresponding quarter 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 30th September'17 is as under:

USD Million

Particulars	Quarter ended		
	30th Sept '16	30th Sept'17	% Growth
Operating Revenue	21.8	32.2	48%
Operating Other Income	0.5	2.6	
Total Income	**22.3**	**34.9**	**57%**
Other Expenses	2.4	3.6	49%
EBITDA	**19.8**	**31.2**	**58%**
Depreciation and amortisation expense	4.3	6.0	39%
Finance cost	8.1	17.1	112%
PBT	**7.4**	**8.1**	**10%**
Current tax	2.0	0.3	
Deferred tax	0.6	(2.3)	
PAT	**4.8**	**10.2**	**114%**

Revenue

Total operating revenue for the combined Restricted Group increased by 48% to USD 32.2 Mn. in the quarter ended September 30, 2017 from USD 21.7 Mn. in the quarter ended September 30, 2016. The growth was primarily due to increase in the installed capacity with completion of the under- construction wind projects namely Ellutla 120 MW, Ron 40 MW and Jogihalli 12 MW.

USD Million

Particulars	Quarter ended		
	30th Sept '16	30th Sept'17	% Growth
Sale of Power	20.4	30.2	48%
Sale of Renewable Energy Certificates	0.1	0.2	47%
Generation Based Incentive	1.2	1.8	47%
Total Operating Revenue	**21.7**	**32.2**	**48%**
Installed Capacity at beginning of period (MW)	332	504	52%
Installed Capacity at end of period (MW)	416	504	21%
Generation in (Gwh)	245	374	53%
Revenue from Wind Projects	17.3	27.5	59%
Revenue from Solar Projects	4.4	4.7	6%

The Generation Based Incentive increased by 47% mainly due to increase in the capacity at Ellutla.

Other Operating Income

Other operating income increased by USD 2.1 Mn. primarily on account of interest income on surplus funds.

Other Expenses

Other expenses increased by mainly on account of additional operational capacity during the quarter ended September'17 (as against quarter ended September'16) impacting operations and maintenance expenses and other overheads.

Depreciation and Amortisation

Depreciation and Amortisation increased by USD 1.7 Mn. mainly due to additional operating capacity in quarter ended September'17.

Finance Cost

Finance cost for the quarter ending September'17 increased by USD 9.1 Mn. mainly due to top up additional loan from masala bonds. However, the increase in finance cost was partly offset by increase in interest income on surplus funds (depicted in other income).

Income Tax Expenses

The Income Tax expenses were a credit of USD (2.1) Mn. in quarter ending September'17, as against expenses of USD 2.7 Mn. in the quarter ending September'16. 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.

Profit/ (Loss) for the year

Profit after tax for the quarter ending September '17 was higher at USD 10.2 Mn. as against USD 4.8 Mn. for the quarter ending September'16.

Cash Flows

The cash flows for the period ended 30th September'17 are:

USD Million

Particulars	Period ended		
	30th Sept '16	30th Sept'17	Variance
Net cash generated from / (used in) operating activities	14.1	34.0	(19.9)
Net cash generated from / (used in) investing activities	(90.6)	(94.9)	4.3
Net cash generated from / (used in) financing activities	65.4	(34.8)	100.2
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	14.3	14.5	(0.2)

The net cash outflow of USD 95.6 Mn. in the period ended 30th September'17 was mainly attributable to the following:

- *Net cash generated from operating activities – Rs. 34.0 Mn.* - Cash inflows on account of operating profit of USD 53.9 Mn. were partially offset by increase in working capital (mainly due to increase in trade receivables).

- *Net cash used in investing activities- Rs. (94.9) Mn.* - This mainly comprised of cash outflow from loans given to related parties of USD 84.4 Mn. (under the covenants relating to issue of Masala Bonds), capital expenditure of USD 6.0 Mn and investment of surplus funds in market deposits.

- *Net cash generated from financing activities- Rs. (34.8) Mn.* was mainly due to outflow on interest payment on borrowings.