Mytrah Energy Limited

Condensed Consolidated Interim Financial Statements

30 June 2014

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Mytrah Energy Limited

Interim results for the six months ended 30 June 2014

Financial Highlights for the period:

- Revenue of USD 29.4 million, an increase of 7.4% over the comparative period (1H 2013: USD 27.4 million).

- Earnings before interest, taxes, depreciation and amortisation ("EBITDA") for the period amounted to USD 28.0[1] million, an increase of 11.6% over the comparative period (1H 2013: USD 25.1[2] million).

- An EBITDA margin of approximately 95.2%[1] (1H 2013: 91.6%[2]).

- Profit before tax (PBT) of USD 5.9[1] million, an increase of 12.8% over the previous period (1H 2013: PBT of USD 5.2[1] million).

- Achieved 7.4% increase in revenue, 11.3% increase in EBITDA and 12.8% increase in PBT, excluding exceptional[1] items, despite depreciation in the average Indian Rupee/USD exchange rate by 10.4% from 54.9 to 60.6 from June 2013 to June 2014.

- Tax expense of USD 0.54 million (1H 2013: USD 0.79 million). The tax expense is primarily non-cash in nature and represents a net deferred tax liability on timing differences net of earlier year tax provision written back on completion of tax assessment.

- In Indian Rupee terms revenue increased by 18.6%, EBITDA by 23.3%, and PBT by 24.6%. This is in line with increase in weighted average operating capacity.

- Adequate liquidity position comprising of USD 16.5 million cash equivalents and liquid investments and undrawn loan facilities of USD 20 million to fund the current under construction pipeline.

- USD 24.6 million invested in new capacity additions.

Current Operational Highlights:

- 524.85 MW (including 8.35 MW capacity under stabilisation) of revenue generating wind assets and 23.25 MW under final stages of construction.

- Assets have performed well at the start of the 2014 wind season despite some press reports suggesting a late and weak monsoon due to an El Nino effect. Plant Load Factors ('PLFs') were slightly below average during May, but above average during June, July and August.

- Strong receivable position with no significant payment delays.

- Post period end, secured in principal approval of USD 142 million senior loans for projects under active development.

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[1]*Excluding one-off doubtful advances and LD claims write-off of USD 2.1 million (30 June 2013: USD nil) and non-cash cost relating to employee stock options of USD 0.51 million (30 June 2013: USD 0.58 million) (note 25).*

[2]*Adjusted for one-off costs of USD 0.63 million incurred during the previous year, relating to un-eliminated indirect tax cost on*

eliminated intra-group transactions.

Ravi Kailas, Chairman and CEO said:

"From a standing start three years ago, Mytrah has grown to be one of the largest wind independent power producers ("IPPs") in India. The first half has been a strong period of asset growth for the Company with operational capacity increased significantly to 497.35 MW at 30 June 2014 and additional capacity of 27.5 MW was added post interim period end. This takes our total operational portfolio over the landmark of 500 MW to a total capacity of 524.85 MW (including 8.35 MW capacity under stabilisation) and has been achieved within a span of less than three years of operations. This additional generating capacity represents a 70% increase since 30 June 2013, when the operating capacities stood at 309 MW. These assets have been installed with one of the lowest capital costs in the industry and have performed above our initial expectations.

"The beginning of the wind season this year started slowly with capacity factors in May being below average. However since then we have seen a pick up in the utilisation rates across the portfolio, particularly during July and August, and we at this point in time we expect this year's total PLF to be in line with our expectations. As we have mentioned previously, the benefits of a large and diversified portfolio are significant and provide very visible long-term revenue that is highly predictable on a year by year basis.

"The stabilised sites are performing well ahead of our initial expectations, in some cases exceeding P50 estimates, with machine and grid availability in excess of 97%. Mytrah's new assets at Burgula in Andhra Pradesh (37.4 MW), Savalsang 1 in Karnataka (87.55 MW) and Vagarai in Tamil Nadu (90 MW) are expected to be amongst the Group's strongest performing assets and are all performing well during and after their stabilisation periods.

"The interim figures reflect the slower start to the wind season this year but as we have seen an increase in the capacity factors since the period end, we would expect that the annual performance will be in line with our expectations.

"In an environment of ever increasing demand for power in India, the attraction of developing, owning and operating a diversified portfolio of wind assets puts Mytrah in a strong position for profitable and sustained growth. We believe that Mytrah's continued access to financing in India, from established relationships with major lenders in public and private sectors and our access to land facilities, enables us to take greater control over our roll-out schedule. Our diversified range of strong partnerships with domestic and overseas wind turbine manufacturers, our ability to build assets at a competitive cost whilst managing development risk, and the quality of our management and teams, will enable the Group to continue to grow rapidly and generate significant value for our shareholders."

For further information please visit www.mytrah.com or contact:

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Mytrah Energy Limited

Chairman and CEO's Statement:

I am pleased to announce Mytrah Energy Limited's ("MEL" or the "Company") interim results for the six months period ended 30 June 2014.

Operational and Development Review

Projects in operation:

Our operational portfolio comprises 524.85 MW (including 8.35 MW capacity under stabilisation) of installed capacity. Within the portfolio the stabilised sites are performing well ahead of our initial expectations, in some cases exceeding P50 estimates, with machine and grid availability in excess of 97%. The machine availability at Jamanwada, Gujarat and Kaladongar, Rajasthan sites has improved from 90% during last year to 97% for the current wind season. This productivity will add a further positive impact on the overall revenue and financial performance of the portfolio.

Projects in construction and development

Mytrah has added 238.2 MW of new capacity, across three sites, since 30 June 2013. Of this, 214.95 MW of assets are commissioned and started generating revenues. The remaining 23.25 MW assets are under final stages of construction and expected to be commissioned by the end of October 2014.

Burgula Wind Farm (37.4 MW) in Andhra Pradesh, Mytrah's first project under self-construction model, was commissioned during December 2013 and fully stabilised in March 2014. Burgula is the only project to be accorded evacuation on a 132 KV substation of AP Transco. During the interim period the assets have performed better than P75 estimates.

Savalsang 1 Wind Farm (100.3 MW) in Karnataka is Mytrah's second major wind project. As on date 87.55MW was commissioned with Gamesa 0.85 MW G-58 turbines. The balance capacity of 12.75MW is under advance stage of construction and is expected to be commissioned by the end of October 2014. We have demonstrated strong execution capability in self-development model by successfully building 62 KM of 33 KV OH transmission infrastructure facilities in Savalsang and laid 20,144 cubic meters of cement concrete for structural erection in Savalsang.

Vagarai Wind Farm (100.5 MW) is Mytrah's first project operating under the Group captive model and is selling power directly to captive customers in Tamilnadu via attractive power purchase agreements ("PPAs") in the range of 10 to 15 years. It uses the well-proven Vensys V87 1.5 MW gearless turbine made by ReGen, which should in an average year deliver a 28% capacity factor. As on date we have commissioned 90 MW and the remaining 10.5 MW is expected to be commissioned by end of September 2014.

Following the completion of these projects, Mytrah's total installed capacity will increase to 548.1 MW across ten projects in six states. From a standing start three years ago, Mytrah has grown to be one of the largest wind independent power producers ("IPPs") in India. These assets have been installed with one of the lowest capital costs in the industry and have performed above our initial expectations.

The decision to spread our portfolio across ten different sites averaging 50-75 MW rather than two or three larger projects means that we benefit from a substantial 'portfolio effect' across our asset base. As a result, any variation in wind patterns across India and our sites year to year is spread across the portfolio, giving increased visibility on our revenue streams. In addition, construction and operational risks for future development are significantly reduced as we have the ability to expand most of our existing sites, where infrastructure and grid connections are already in place. We have also built up significant actual operational wind data that allows for increased confidence in our forecasting.

With all this in place, I am pleased to announce further capacity of over 300 MW, out of which orders have been placed for 200 MW. The details of these projects are as follows:

Vajrakarur 2 Wind Farm (105 MW) in Andhra Pradesh is under active development and purchase orders are issued to Suzlon on a turnkey basis. The Group is in the advance stage of discussion with the lenders to tie up the project finance. The project is expected to be commissioned in about one year from the financial closure. The wind resource assessment has been conducted and the PLF at P50 level has been estimated at 29. 0%.

Viswa Wind Farm (50.4 MW) in Rajasthan is under active development. The evacuation approval along with necessary infrastructure is in place. The Group is in discussions with the lenders to finalise the terms of project finance. The project is expected to be commissioned in about one year from the financial closure. The wind resource assessment has been conducted and the PLF at P50 level has been estimated at 31.0%.

Viraj Wind Farm (50.4 MW) in Maharashtra is under active development. The project will be developed using S97 WTGs of Suzlon make with a capacity of 2.1MW. The wind resource assessment has been conducted and the PLF at P50 level has been estimated at 27.6%.

Anila Wind Farm (101.4 MW) in Telangana is under active development. Terms of turbine supply are currently under progress with the suppliers. Project expected to be commissioned in about one year from the financial closure.

Business Development

With a significant portion of the current portfolio having secured long term state PPAs, the Company is now working towards increasing the proportion of highly attractive open market contracts for new projects. We are working towards optimising revenue with a mix of open market tariffs and state PPAs, which should improve returns and improve diversification.

As at interim reporting date, we have a strong development pipeline of 3,100 MW across 6 states. We are the first to get land GO (Government Order) under new land policy in Andhra Pradesh. As always, we remain highly selective but expect to take forward only attractive opportunities. We own a significantly large fleet of around 150 wind masts and our wind development team is actively working on the upcoming projects having cleared the micrositing of 3,580 MW across 6 states.

Financial Results

The Group's revenue for the six months ended 30 June 2014 was USD 29.4 million (2013: USD 27.4 million) despite a fall in the average exchange rate between the Indian rupee and US dollar from 54.9 to 60.6 from June 2013 to June 2014. These revenues were generated from our portfolio of commissioned projects in the states of Gujarat, Rajasthan, Maharashtra, Tamilnadu, Karnataka and Andhra Pradesh.

I am pleased to report that the Group has recorded a gross profit of USD 24.6 million during the period (2013: USD 23.2 million) and an EBITDA of USD 28.0[1] million (2013: USD 25.1[2] million) representing an increase of USD 1.4 million and USD 2.9 million respectively.

At a consolidated level the Group recorded a net profit before tax of USD 5.9[1] million (2013: USD 5.2[1] million). The tax expense for the period ended 30 June 2014 was USD 0.54 million (30 June 2013: USD 0.79 million). The tax expense primarily represents the net deferred tax liability on timing differences accounted for during the period net of tax provision written back relating to earlier years based on completed tax assessment.

A significant advantage of the geographical spread of our assets across different states has resulted in efficient receivable management. As at 30 June 2014, the Group's receivables from sale of power and generation based incentive ("GBI") were USD 13.99 million representing an average 63 days receivable cycle on an annualised revenue receipt. Below is the aging summary of the Group's receivables.

Not due	0 – 60 days	61 -90 days	more than 90 days	**Total**
USD 5.93 million	USD 2.41 million	USD 2.44 million	USD 3.21 million	**USD 13.99 million**

It can be noted that USD 5.93 million (42%) is not due representing primarily current month revenues for a monthly billing cycle, 17.3% is under 60 days, 17.5% is under 90 days and the remaining 3.21 million (23%) under 365 days. Amounts due for more than 90 days primarily comprise of receivables of USD 3.04 million from IREDA which is paid on semi-annual basis. This performance by our Group is notable given the general perception of delays in this sector.

The cash generated by operations during the period was USD 12.6 million (2013: USD 7.7 million). As of 30 June 2014, the Group was in a strong liquidity position having (1) USD 16.5 million (31 December 2013: USD 32.6 million) in cash equivalents and liquid investments, and (2) USD 20.0 million in undrawn long-term loan facilities. The dollar strengthening had no cash and economic impact on the Company as all of its contracts are in Indian rupees.

Going concern

The Directors have considered the net current liabilities of USD 48.5 million of the Group at 30 June 2014, the Group's cash position and forecast cash flows for 18 months period from the date of these consolidated interim financial statements. The Directors also continue to monitor the cash flows from time to time including the short term and long term liquidity position. At the balance sheet date, the Company has unused long-term credit facilities to offset the short-term loans taken. The Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for a foreseeable future and thus adopt going concern basis of accounting in preparing these consolidated financial statements.

Mytrah Energy Limited

Summary

The first-half of 2014 has seen Mytrah consolidate its position as a leading IPP with operating capacity crossing the landmark 500MW. I believe that our continued development has the potential to transform the Group by generating significant shareholder value and enabling greater visibility of our asset roll-out plans during the next two years. Through our access to finance, the quality of our people and third party partnerships as well as our commitment to building high quality assets at a competitive cost, we will continue to be a utility scale IPP with a sustainable long-term development pipeline, and generate strong and predictable cash flows.

Ravi Kailas
Chairman and CEO

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[1] *Excluding one-off doubtful advances and LD claims write-off of USD 2.1 million (30 June 2013: USD nil) and non-cash cost relating to employee stock options of USD 0.51 million (30 June 2013: USD 0.58 million).*
[2] *Adjusted for one-off costs of USD 0.63 million incurred during the previous year, relating to un-eliminated indirect tax cost on eliminated intra-group transactions.*

Independent review report to Mytrah Energy Limited

We have been engaged by Mytrah Energy Limited ("the Company") to review the condensed consolidated set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement and related notes 1 to 27. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with our engagement letter dated 4 September 2014 and International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in Note 3, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of interim financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of interim financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making inquiries, primarily of persons responsible for 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 (UK and Ireland) 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 condensed set of interim financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

22 September 2014

KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man

Mytrah Energy Limited

Condensed consolidated income statement for the six months ended 30 June 2014

	Note	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Revenue	4	29,428,880	27,395,417
Cost of revenue	5	(4,866,468)	(4,222,690)
Gross profit		**24,562,412**	**23,172,727**
Other operating income		369,691	-
Administrative expenses	5	(4,979,326)	(3,460,093)
Operating profit		**19,952,777**	**19,712,634**
Finance income	6	589,249	209,522
Finance costs	7	(17,283,654)	(15,271,172)
Net finance cost		**(16,694,405)**	**(15,061,650)**
Profit before tax		**3,258,372**	**4,650,984**
Income tax expense	8	(544,705)	(790,667)
Profit for the period		**2,713,667**	**3,860,317**
Earnings per share	9		
Basic		0.0165	0.0236
Diluted		0.0165	0.0236

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Mytrah Energy Limited

Condensed consolidated statement of comprehensive income for the six months ended 30 June 2014

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Profit for the period	2,713,667	3,860,317
Other comprehensive income/(loss)		
a) Items that will never be reclassified to profit and loss		
Actuarial gain / (loss) on employee benefit obligations	3,100	(3,161)
b) Items that may be reclassified to profit and loss		
Exchange differences on translating foreign operations	3,726,814	(10,148,878)
Change in fair value of available for sale financial investments, net of tax	(58,914)	3,961
Other comprehensive income / (loss)	**3,671,000**	**(10,148,078)**
Total comprehensive income / (loss)	**6,384,667**	**(6,287,761)**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Mytrah Energy Limited

Condensed consolidated statement of financial position as at 30 June 2014

	Note	30 June 2014 USD	31 December 2013 USD
Assets			
Non-current assets			
Intangible assets	10	431,802	469,735
Property, plant and equipment	11	514,719,676	446,828,888
Other non-current assets	12	55,640,948	41,112,196
Deferred tax assets	13	-	348,063
Total non-current assets		**570,792,426**	**488,758,882**
Current assets			
Trade receivables		13,992,652	6,737,251
Other current assets	14	17,108,456	8,468,014
Current tax assets		1,794,703	1,534,405
Current investments		3,055,294	11,248,817
Cash and bank balances	15	13,507,364	21,382,346
Total current assets		**49,458,469**	**49,370,833**
Total assets		**620,250,895**	**538,129,715**
Liabilities			
Current liabilities			
Borrowings	16	52,983,933	36,722,085
Trade and other payables	17	43,656,822	52,356,846
Retirement benefit obligations		1,523	7,239
Current tax liabilities		1,315,259	1,412,290
Total current liabilities		**97,957,537**	**90,498,460**
Non-current liabilities			
Borrowings	16	363,075,749	306,130,741
Liability component of compulsorily convertible preference shares	18	9,190,969	9,215,456
Derivative financial instruments	16 & 18	3,280,893	2,978,580
Other payables		9,809,646	9,005,639
Deferred tax liability	13	332,366	-
Retirement benefit obligations		45,148	16,002
Total non-current liabilities		**385,734,771**	**327,346,418**
Total liabilities		**483,692,308**	**417,844,878**
Net assets		**136,558,587**	**120,284,837**
Equity			
Share capital	20	72,858,278	72,858,278
Capital contribution	21	16,721,643	7,357,620
Retained earnings		16,357,696	14,339,815
Other reserves		(24,911,653)	(29,666,048)
Equity attributable to owners of the Company		**81,025,964**	**64,889,665**
Non-controlling interest	18 & 22	55,532,623	55,395,172
Total equity		**136,558,587**	**120,284,837**

These financial statements were approved by the Board of Directors and authorised for use on 22 September 2014.
Signed on behalf of the Board of Directors by:

Ravi Shankar Kailas
Chairman and CEO

Russell Walls
Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Mytrah Energy Limited

Condensed consolidated statement of changes in equity for the six months ended 30 June 2014

	Share capital USD	Capital contribution USD	Foreign currency translation reserve USD	Equity-settled-employee-benefits reserve USD	Fair value reserve USD	Actuarial valuation reserve USD	Retained earnings USD	Capital redemption reserve USD	Non-controlling interests USD	Total USD
Balance as at 31 December 2012	**72,858,278**	**-**	**(18,822,270)**	**1,842,215**	**20,426**	**5,794**	**7,437,436**	**-**	**55,395,172**	**118,737,051**
Profit for the period	-	-	-	-	-	-	3,860,317	-	-	3,860,317
Other comprehensive loss for the period:										
Foreign currency translation adjustments	-	-	(10,148,878)	-	-	-	-	-	-	(10,148,878)
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	3,961	-	-	-	-	3,961
Equity settled share based payments	-	-	-	652,043	-	-	-	-	-	652,043
Actuary gains and losses on employee benefit obligation	-	-	-	-	-	(3,161)	3,161	-	-	-
Balance as at 30 June 2013	**72,858,278**	**-**	**(28,971,148)**	**2,494,258**	**24,387**	**2,633**	**11,300,914**	**-**	**55,395,172**	**113,104,494**
Balance as at 31 December 2013	**72,858,278**	**7,357,620**	**(32,842,460)**	**3,083,460**	**93,480**	**(528)**	**14,339,815**	**-**	**55,395,172**	**120,284,837**
Profit for the period	-	-	-	-	-	-	2,713,667	-	-	2,713,667
Other comprehensive profit for the period:										
Foreign currency translation adjustments	-	-	3,726,814	-	-	-	-	-	-	3,726,814
Contributions received during the period	-	9,364,023	-	-	-	-	-	-	-	9,364,023
Buy back of CCPS from non-controlling interest	-	-	-	-	-	-	(128,538)	-	(567,248)	(695,786)
Issue of shares to non-controlling interest	-	-	-	-	-	-	-		704,699	704,699
Creation of CRR on buy back	-	-	-	-	-		(567,248)	567,248	-	-
Actuarial loss on employee benefit obligations	-	-	-	-	-	3,100	-	-	-	3,100
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	(58,914)	-	-	-	-	(58,914)
Equity settled share based payments	-	-	-	516,147	-	-	-	-	-	516,147
Balance as at 30 June 2014	**72,858,278**	**16,721,643**	**(29,115,646)**	**3,599,607**	**34,566**	**2,572**	**16,357,696**	**567,248**	**55,532,623**	**136,558,587**

The accompanying notes form an integral part of these condensed consolidated interim financial statements

Mytrah Energy Limited

Condensed consolidated statement of cash flow for the six months ended 30 June 2014

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Cash flows from operating activities		
Profit for the period	2,713,667	3,860,317
Adjustments:		
Equity settled employee benefits	516,147	652,043
Depreciation and amortisation	4,819,443	4,493,045
Interest income	(391,903)	(135,141)
Finance costs	17,283,654	15,271,172
Gain on disposal of available for sale investments	(406,199)	(204,984)
Fair valuation of derivative financial instruments	208,853	130,603
Income tax expense	554,705	790,667
Operating cash flows before working capital changes	**25,298,367**	**24,857,722**
Movements in working capital:		
Increase in trade receivables and unbilled revenue	(14,191,423)	(13,763,193)
Decrease/(Increase) in other assets	397,615	(4,305,140)
Increase in trade and other payables	1,297,665	2,006,948
Cash generated from operations	**12,802,224**	**8,796,337**
Income tax paid	(209,336)	(1,120,413)
Net cash generated from operating activities (A)	**12,582,888**	**7,675,924**
Cash flows from investing activities		
Purchase of property, plant and equipment, net	(40,635,537)	(40,976,689)
Proceeds from sale / (investment in) mutual funds – net	8,789,530	(1,589,325)
Deposits placed with banks	4,299,790	4,465,819
Interest income received	266,329	86,625
Net cash used in investing activities (B)	**(27,279,888)**	**(38,013,570)**
Cash flows from financing activities		
Capital contributions from shareholders	9,364,023	-
Payment towards liability component of CCPS	(567,248)	-
Buy back of CCPS	(695,786)	-
Proceeds from issue of shares to non-controlling interest	704,699	-
Proceeds from borrowings	40,805,355	50,331,973
Repayment of borrowings	(13,275,233)	(3,199,107)
Interest paid	(25,708,466)	(17,503,247)
Net cash flows from finance activities (C)	**10,627,344**	**29,629,619**
Net decrease in cash and cash equivalents (A+B+C)	(4,059,656)	(708,027)
Cash and cash equivalents at beginning of the period	8,248,924	2,185,192
Effect of exchange rate fluctuations	131,233	(365,864)
Cash and cash equivalents at end of the period	**4,320,501**	**1,111,301**

1. General information

Mytrah Energy Limited ("MEL" or the "Company") is a non-cellular company, liability limited by shares, incorporated on 13 August 2010 under the Companies (Guernsey) Law, 2008 and is admitted to trading on AIM, a market operated by the London Stock Exchange plc. The address of the registered office is PO Box 156, Frances House, Sir William Place, St Peter Port, Guernsey, GY1 4EU. The Company has the following subsidiary undertakings, (together the "Group"), all of which are directly or indirectly held by the Company, for which condensed consolidated interim financial statements are being prepared, as set out below:

Subsidiary	Country of incorporation or residence	Date of Incorporation	Proportion of ownership interest (per cent.)	Proportion of voting power (per cent.)	Activity	Functional currency
Bindu Vayu (Mauritius) Limited ("BVML")	Mauritius	15 June 2010	100	100	Holding company	USD
Mytrah Energy (Singapore) Pte. Ltd	Singapore	16 August 2013	100	100	Investment company	USD
Cygnus Capital (Singapore) Pte. Ltd	Singapore	19 March 2014	100	100	Investment company	USD
Mytrah Energy Capital Pte. Ltd	Singapore	10 April 2014	100	100	Investment company	USD
Mytrah Energy (India) Limited ("MEIL")	India	12 November 2009	99.99	99.99	Operating company	INR
Bindu Vayu Urja Private Limited ("BVUPL")	India	5 January 2011	100	100	Operating company	INR
Mytrah Vayu (Pennar) Private Limited ("MVPPL")	India	21 December 2011	100	100	Operating company	INR
Mytrah Vayu (Krishna) Private Limited ("MVKPL")	India	18 June 2012	100	100	Operating company	INR
Mytrah Vayu (Manjira) Private Limited ("MVMPL")	India	18 June 2012	100	100	Operating company	INR
Mytrah Vayu Urja Private Limited ("MVUPL")	India	24 November 2011	100	100	Operating company	INR
Mytrah Vayu (Bhima) Private Limited ("MVBPL")	India	22 June 2012	100	100	Operating company	INR
Mytrah Vayu (Indravati) Private Limited ("MVIPL")	India	22 June 2012	100	100	Operating company	INR
Mytrah Vayu (Gujarat) Private Limited ("MVGPL")	India	24 December 2011	100	100	Operating company	INR
Mytrah Vayu (Godavari) Private Limited ("MVGoPL")	India	21 February 2014	100	100	Operating company	INR
Mytrah Engineering Private Limited ("MEPL")	India	30 March 2012	100	100	Operating company	INR
Mytrah Engineering & Infrastructure Private Limited ("MEIPL")	India	29 March 2012	100	100	Operating company	INR
Mytrah Power (India) Limited ("MPIL")	India	12 September 2013	100	100	Operating company	INR

The principal activity of the Group is to own and operate wind energy farms as a leading independent power producer ("IPP") and to engage in the sale of energy to the Indian market through the Company's subsidiaries.

These financial statements are presented in US dollars (USD).

2. Adoption of new and revised standards and interpretations

The Company has adopted the following new standards and amendments, including any consequential amendments to other standards with date of initial application of 1 January 2014:

Standard or interpretation		Effective for reporting periods starting on or after
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2014
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2014
IAS 28	IAS 28 Investments in Associates and Joint Ventures (as amended in 2011)	Annual periods beginning on or after 1 January 2014
IFRIC 21	Levies	Annual period beginning on or after 1 January 2014
IAS 32	Financial Instruments: Presentation- offsetting financials assets and financial liabilities (amendments to IAS 32)	Annual period beginning on or after 1 January 2014
IAS 36	Impairment of Assets (Amendments to IAS 36)	Annual period beginning on or after 1 January 2014

Based on the Company's current business model and accounting policies the adoption of these standards or interpretations did not have a material impact on the financial statements of the Group.

Standard issued but yet effective and early adopted by the company:

IFRS 9- Financial instruments
In July 2014, the IASB issued the final version of IFRS 9, "Financial instruments". With this issuance, IFRS 9 is complete in all respects. 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 Company is in the process of evaluating the impact of the new standard on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers.
In May 2014, the IASB issued IFRS 15, "Revenue from Contracts with Customers". The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue recognition standard is applicable for annual periods beginning on or after January 1, 2017. The Company is in the process of evaluating the impact of the new standard on its consolidated financial statements.

3 Significant accounting policies

Basis of preparation

The condensed consolidated interim financial statements of the Group have been presented for the six months ended 30 June 2014 in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS's") as adopted by the European Union. The condensed consolidated interim financial statements have been reviewed, not audited and were approved for issue by the Board on 22 September 2014. The financial information contained in this report does not constitute statutory accounts as defined by sections 243-245 of the Companies (Guernsey) Law 2008. A copy of the Group's audited statutory accounts for the year ended 31 December 2013 can be obtained from the Company's website or writing to the Company Secretary. The independent auditor's report on those accounts was unqualified and did not include a reference to any matters which the auditors drew attention by way of emphasis without qualifying the report and did not contain a statement under 263 (3) of the Companies (Guernsey) Law 2008. The condensed consolidated interim financial statements have been prepared on the basis of accounting policies set out in the annual report for the year ended 31 December 2013.

Refer note 2 for the new accounting standards/interpretations adopted with an initial application of 1 January 2014.

Going concern

The Directors have considered the financial position of the Group, its cash position and forecast cash flows for the 18 months period from the date of these condensed consolidated interim financial statements. The Directors have, at the time of approving the condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue its operational existence for a foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements. Further details are contained on page 7.

Exchange rates used for translation

The USD: INR exchange rates used to translate the INR financial information into the presentation currency of USD were as follows:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD	Year ended 31 December 2013 USD
Closing rate	59.9410	59.5970	61.7744
Average rate	60.6168	54.8992	58.4411

The GBP: USD exchange rates used to translate the GBP financial information into the presentation currency of USD were as follows:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD	Year ended 31 December 2013 USD
Closing rate	1.7028	1.5208	1.6488
Average rate	1.6687	1.5444	1.5630

Use of estimates and judgments

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the year ended 31 December 2013, with the exception of the new standards adopted as per note 2.

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2014 (continued)

3. Significant accounting policies (continued)

Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

4. Revenue

An analysis of the Group's revenue is as follows:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Sale of electricity	26,330,774	24,156,160
Generation based incentive	2,950,176	3,200,332
Sale of renewable energy certificates	147,930	38,925
Total revenue	**29,428,880**	**27,395,417**

Generation based incentive are recognised on fulfilment of eligibility criteria prescribed under Indian Renewable Energy Development Agency Limited ('IREDA') - Generation Based Incentives Scheme ("GBI").

5. Expenses by nature

Profit for the period has been arrived at after charging:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Amortisation of intangible assets (note 10)		
- included in administrative expenses	95,399	109,898
Depreciation of property, plant and equipment (note 11)		
- included in cost of revenue	4,581,980	4,222,690
- included in administrative expenses	142,064	160,457
Employee costs		
- included in administrative expenses[1]	1,172,801	1,424,718
Other administrative costs		
- included in cost of revenue	284,488	-
- included in administrative expenses[2]	3,569,062	1,765,020

6. Finance income

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
(Loss)/gain on derivative instruments within compulsory convertible debentures	(990)	204,557
Loss on derivative instruments within compulsory convertible preference shares	(207,863)	(335,160)
Interest income	391,903	135,141
Gain on disposal of available-for-sale investments	406,199	204,984
Total finance income	**589,249**	**209,522**

Includes non-cash ESOP cost of USD 0.56 million (30 June 2013: USD 0.65 million).

[2] *Includes advances written-off of USD 2.1 million (30 June 2013: nil)*

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2014 (continued)

7. Finance costs

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Interest on borrowings	(25,721,120)	(17,563,911)
Other borrowing costs	(1,118,522)	(1,663,102)
Total interest expense	**(26,839,642)**	**(19,227,013)**
Less: amount included in the cost of qualifying assets[1]	9,555,988	3,955,841
Total finance cost recognised in the income statement	**(17,283,654)**	**(15,271,172)**

[1]Amounts included in the cost of qualifying assets during the period arose on borrowings sanctioned for the purpose of financing construction of a qualifying asset and it represents the actual borrowing costs incurred on those borrowings, calculated using the effective interest rate method.

8. Income tax expense

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Current tax benefit / (expense)	138,665	(456,585)
Deferred tax expense (note 13)	(683,370)	(334,082)
Income tax expense	**(544,705)**	**(790,667)**

Income tax expense recognised for the period is reconciled to profit before tax per the income statement as follows:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Profit before tax	3,258,372	4,650,984
Enacted tax rates	33.99%	32.45%
Expected tax (expense)/benefit	(1,107,520)	(1,509,244)
Effect of:		
Permanent differences	562,815	718,577
MAT expense	(146,113)	(456,585)
MAT deferred tax credit	146,113	456,585
Taxation	**(544,705)**	**(790,667)**

The Company is exempt from Guernsey income tax under the Income Tax (Exempt bodies) (Guernsey) Ordinance, 1989 and is subject to an annual fee of USD 962. As such, the Company's tax liability is zero. However considering that the Company's operations are entirely based in India, the effective tax rate of the Group of 33.99% has been computed based on the current tax rates prevailing in India.

Indian companies are subject to corporate income tax or Minimum Alternate Tax ("MAT"). If MAT is greater than corporate income tax then MAT is levied. The Company has recognised MAT of USD 146,113 (30 June 2013: USD 456,585) as MAT is greater than corporate income tax for the current period.

9. Earnings per share

Basic earnings per share is calculated by dividing profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

During the current period, there were no potential dilutive instruments for the computation of diluted earnings per share.

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Basic and diluted		
Profit for the period	2,713,667	3,860,317
Weighted average number of ordinary shares outstanding during the period	163,636,000	163,636,000
Basic and diluted earnings per share	**0.0165**	**0.0236**

10. Intangible assets

Intangible assets comprise of application software and is amortised over four years.

	Six months ended 30 June 2014	Six months ended 30 June 2013
Cost:		
Opening balance	750,444	800,177
Additions during the period	44,174	43,582
Exchange differences	22,954	(65,896)
Closing balance	817,572	777,863
Amortisation:		
Opening balance	280,709	100,918
Charge for the period	95,399	109,898
Exchange differences	9,662	(16,973)
Closing balance	385,770	193,843
Carrying amount		
As at 30 June 2014 / 30 June 2013	**431,802**	**584,020**
As at 31 December 2013 / 31 December 2012	**469,735**	**699,259**

11. Property, plant and equipment

	Furniture and fittings USD	Office equipment USD	Land and buildings USD	Plant and Machinery USD	Computers USD	Vehicles USD	Leasehold improvements USD	Wind farm assets under course of construction USD	Total USD
Opening cost as at 1 January 2013	143,419	104,581	2,245,248	316,684,116	277,410	415,711	231,790	46,439,440	366,541,715
Additions	13,328	53,261	-	-	10,105	141,507	-	161,377,849	161,596,050
Returns / disposals	-	-	-	-	-	(50,860)	-	(23,468,830)	(23,519,690)
Transfer in / (out)	-	-	49,695	11,405,385	-	-	-	(11,455,080)	-
Exchange difference	(16,450)	(11,995)	(257,525)	(36,323,034)	(31,818)	(47,681)	(26,586)	(5,326,511)	(42,041,600)
Balance as at 31 December 2013	**140,297**	**145,847**	**2,037,418**	**291,766,467**	**255,697**	**458,677**	**205,204**	**167,566,868**	**462,576,475**
Accumulated depreciation as at 1 January 2013	28,664	24,764	38,985	8,057,427	73,912	98,070	45,365	-	8,367,187
Adjustment for disposals	-	-	-	-	-	(24,357)	-	-	(24,357)
Depreciation expense	27,202	34,792	30,896	8,549,496	65,973	107,719	33,016	-	8,849,094
Exchange difference	(4,754)	(4,847)	(6,139)	(1,392,514)	(12,037)	(17,060)	(6,986)	-	(1,444,337)
Balance as at 31 December 2013	**51,112**	**54,709**	**63,742**	**15,214,409**	**127,848**	**164,372**	**71,395**	**-**	**15,747,587**
Net book value as at 31 December 2013	**89,185**	**91,138**	**1,973,676**	**276,552,058**	**127,849**	**294,305**	**133,809**	**167,566,868**	**446,828,888**

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2014 (continued)

11. Property Plant and equipment (continued)

	Furniture and fittings USD	Office equipment USD	Land and buildings USD	Plant and Machinery USD	Computers USD	Vehicles USD	Leasehold improvements USD	Wind farm assets under course of construction USD	Total USD
Opening cost as at 1 January 2014	140,297	145,847	2,037,418	291,766,467	255,697	458,677	205,204	167,566,868	462,576,475
Additions	-	-	15,436	-	-	7,139	-	59,385,278	59,407,853
Transfer in / (out)	-	-	-	186,797,916	-	-	-	(186,797,916)	-
Deletions	-	-	-	(141,787)	-	(63,768)	-	-	(205,555)
Exchange difference	4,291	4,461	62,318	8,924,186	7,821	14,029	6,277	5,125,325	14,148,708
Balance as at 30 June 2014	**144,588**	**150,308**	**2,115,172**	**487,346,782**	**263,518**	**416,077**	**211,481**	**45,279,555**	**535,927,481**
Accumulated depreciation as at 1 January 2014	51,112	54,709	63,742	15,214,409	127,848	164,372	71,395	-	15,747,587
Depreciation for the period	15,748	14,608	14,771	4,860,931	29,665	45,671	12,575	-	4,993,969
Deletions	-	-	-	(48,466)	-	(30,973)	-	-	(79,439)
Exchange difference	1,741	1,838	2,116	527,880	4,245	5,542	2,326	-	545,688
Balance as at 30 June 2014	**68,601**	**71,155**	**80,629**	**20,554,754**	**161,758**	**184,612**	**86,296**	**-**	**21,207,805**
Net book value as at 30 June 2014	**75,987**	**79,153**	**2,034,543**	**466,792,028**	**101,760**	**231,465**	**125,185**	**45,279,555**	**514,719,676**

An amount of USD 9,555,988 (31 December 2013: USD 12,480,050) pertaining to interest on borrowings was capitalised as the funds were used for the construction of qualifying assets (refer note 7).

Returns amounting to USD Nil (31 December 2013: USD 23,468,830) represents wind farm assets under course of construction returned back to the supplier on account of cancellation of certain projects.

Depreciation amounting to USD 269,925 (31 December 2013: USD 500,174) has been capitalised as it relates to wind farm assets under course of construction.

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2014 (continued)

12. Other non-current assets

	As at 30 June 2014 USD	As at 31 December 2013 USD
Deposits	29,261,985	11,341,652
Capital advances	13,654,071	20,956,631
Prepayments	12,724,892	8,813,913
Total other non-current assets	**55,640,948**	**41,112,196**

Deposits mainly comprise of security deposits placed with related parties towards usage of land and power evacuation facilities.

Capital advances represent advance payments made to suppliers and related parties for the construction of wind farm assets, as part of long-term construction service contracts. (refer note: 24)

Prepayments primarily relate to amounts paid in advance towards land lease rentals and power evacuation facilities.

Land has been taken on lease basis from the suppliers of wind turbine generators for period ranging upto 20 years and is renewable provided the main lease is renewed by the government authority.

13. Deferred tax

The following are the major components of deferred tax liabilities and assets recognised by the Group and movements thereon during the current period.

	As at 31 December 2013 USD	Recognised in income statement USD	Foreign exchange USD	As at 30 June 2014 USD
Property, plant and equipment	(8,903,204)	(2,819,121)	(304,104)	(12,026,429)
Provisions for employee benefits	8,509	247	263	9,019
Share issue costs	241,401	58,424	8,042	307,867
MAT credit	1,181,572	146,113	37,788	1,365,473
Unrealised inter-group profits	1,871,806	23,905	57,522	1,953,233
Tax losses	5,947,979	1,907,062	203,430	8,058,471
Net deferred tax asset / (liability)	**348,063**	**(683,370)**	**2,941**	**(332,366)**

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	As at 30 June 2014 USD	As at 31 December 2013 USD
Deferred tax assets	11,694,063	9,251,267
Deferred tax liabilities	(12,026,429)	(8,903,204)
Deferred tax (liability)/asset, net	**(332,366)**	**348,063**

14. Other current assets

	As at 30 June 2014 USD	As at 31 December 2013 USD
Deposits	273,167	35,284
Accrued interest	393,314	258,419
Prepayments	623,562	261,888
Unbilled revenue	12,401,747	4,950,110
Other receivables	3,416,666	2,962,313
Total other current assets	**17,108,456**	**8,468,014**

Prepayments primarily relate to amounts paid in advance for lease rentals for land.

Unbilled revenue represents amounts receivable from the customer on the sale of electricity and the amount recoverable from the Indian Renewable Energy Development Authority ("IREDA") as generation based incentive but not billed for as at 30 June 2014.

Other receivables primarily comprises of advance given to vendors amounting to USD 1,950,961 (31 December 2013: USD 2,788,577).

15. Cash and bank balances

	As at 30 June 2014 USD	As at 31 December 2013 USD
Cash on hand	20	38
Bank balances	4,320,481	8,248,886
Cash and cash equivalents	**4,320,501**	**8,248,924**
Bank deposits	9,186,863	13,133,422
Total cash and bank balances	**13,507,364**	**21,382,346**

Bank deposits include margin money deposits of USD 9,186,863 (31 December 2013: 13,039,792) placed with banks as security margin against loans taken, letter of credits and bank guarantees issued by banks and financial institution.

16. Borrowings

	As at 30 June 2014 USD	As at 31 December 2013 USD
Borrowings at amortised cost		
Compulsorily convertible debentures liability (refer note (a) and (b))	42,490,634	40,981,284
Term loans from banks and financial institutions (refer note (c))	344,463,994	279,498,662
Working capital loans from banks (refer note (d))	29,105,054	22,372,880
Total borrowings	**416,059,682**	**342,852,826**

Amounts due for settlement within 12 months -USD 52,983,933 (31 December 2013: USD 36,722,085)
Amounts due for settlement after 12 months - USD 363,075,749 (31 December 2013: USD 306,130,741)

a) During the year ended 31 March 2012, the Company's subsidiary, Mytrah Energy (India) Limited ("MEIL" or subsidiary of the Company) issued 3,333,333 compulsory convertible debentures ("CCDs") at Rs. 300 (USD 5.71) each to PTC India Financial Services Limited ("PTC") including any of its affiliates (the "Investor") amounting to USD 18,285,211 under an agreement dated 4 August 2011 between the Group and PTC. The purpose of this was to fund the capital projects of the Group. The following are the significant terms in relation to the CCDs:

- The CCDs carry a fixed rate of interest payable quarterly in arrears on the principal amount of the CCDs outstanding.
- The CCDs, along with unpaid interest, if any, mandatorily convert into such number of equity shares of MEIL at the end of 49 months from the date of initial disbursement so as to provide the investor a stated rate of return.
- The CCDs will be secured by collateral support in the form of pledge of 49% shares of Bindu Vayu Urja Private Limited ("BVUPL", a subsidiary of MEIL) held by MEIL.

Further, MEIL entered into an option agreement with PTC on the same date whereby PTC can put the CCDs (the "put option") or alternatively, the Group can call the CCDs (the "call option") in exchange for cash providing PTC a stated rate of return. The call option can be exercised any time from the date of issue whereas the put option can be exercised over a period beginning from 41 months to 47 months from the date of issue of CCDs.

b) During the year ended 31 March 2011, MEIL has issued 5,000,000 compulsory convertible debentures ("CCDs") at Rs. 300 (~ USD 6) each to Infrastructure Development Finance Company ("IDFC") including any of its affiliates (the "Investor") under an agreement between the Group and IDFC. The purpose of this is to fund the capital projects of the Group. The following are the significant terms in relation to the CCDs:

- The CCDs carry a fixed rate of interest payable quarterly in arrears on the principal amount of the CCDs outstanding.
- The CCDs, along with unpaid interest, if any, mandatorily convert into such number of equity shares of MEIL at the end of 48 months from the date of issue so as to provide the investor a stated rate of return.
- The CCDs will be secured by collateral support in the form of pledge of Bindu Urja Capital Inc. (which Ravi Kailas controls) shareholding, certain non-disposal undertakings by the Company and an irrevocable and unconditional corporate guarantee by the Company to IDFC.

Further, the Company has entered into an option agreement with IDFC on the same date whereby IDFC can put the CCDs (the "put option") or alternatively, the Group can call the CCDs (the "call option") in exchange for cash providing IDFC a stated rate of return. The call option can be exercised any time after 18 months from the date of issue whereas the put option can be exercised over a period beginning from 36 months to 48 months from the date of issue of CCDs.

Consistent with IAS 32, Financial Instruments: Presentation and IAS 39 Financial Instruments: Measurement, on initial recognition, the issue proceeds have been segregated in the financial statements between the financial liability and the derivative portion. Accordingly, the options were subsequently measured at fair value through profit and loss, and the financial liability is subsequently measured at amortised cost. The period end balance of the options was USD (416,075) (31 December 2013: USD (404,698)) (see condensed consolidated statement of financial position) and the CCD financial liability was USD 42,490,634 (31 December 2013: USD 40,981,284).

16. Borrowings (continued)

c) The Group has drawn down the term loan facility with banks and financial institutions to finance the construction of wind farm assets. The carrying amount of the liability measured at amortised cost is USD 344,463,994 (31 December 2013: USD 279,498,662). The repayment terms of the term loans range from 12 to 14 years. In compliance with the terms of the loan agreement, the Group has created a charge on all project movable, immovable properties, cash flows, receivables and revenues in favor of banks and financial institutions. Mr. Ravi Kailas has provided unconditional and irrevocable guarantee to the extent of any shortfall in the revenue from the sale of Certified Emission Reductions ('CER') under the Clean Development Mechanism in any financial year @ Rs 0.30 per unit of electricity sold for the CERs generated from the respective projects and the said guarantee will be invoked only in case of a default by the Group in meeting its loan obligations.

   Further, the loan drawn down by MEIL is secured by way of first charge on the pledge of shares held by Bindu Vayu (Mauritius) Limited in the equity shares representing 51% of the total paid up equity share capital of the MEIL. The loan drawn down by BVUPL and MVPPL is secured by way of first charge on the pledge of shares held by the MEIL in the equity shares representing 51% of the total paid-up equity share capital of BVUPL and MVPPL. The loans drawn down by MVKPL and MVMPL is secured by way of first charge on the pledge of shares held by the MEIL in the equity shares representing 51% and 70% of the total paid-up equity share capital of MVKPL and MVMPL respectively. The loans drawn by MVMPL are also secured by CCPS held by MEIL in MVPPL.

d) The working capital facilities will be paid out from the unused facilities available related to the capital expenditure incurred by the Group. The working capital loan facilities are secured by way of first charge and hypothecation of entire immovable properties pertaining to the respective projects, both present and future, including movable plant and machinery, machinery spare, tools, accessories, entire project cash flows, receivables, book debts and revenues of the Group. The facilities are repayable on a yearly rollover basis and carries interest in the range of 11% and 12.5 % per annum.

17. Trade and other payables

	As at 30 June 2014 USD	As at 31 December 2013 USD
Current:		
Trade payables[1]	2,162,013	754,921
Other payables[2]	41,494,809	51,601,925
	43,656,822	**52,356,846**
Non-current		
Other payables[3]	9,809,646	9,005,639

[1]Trade creditors relate to amounts outstanding for trade purchases and ongoing costs.

[2]Other payables include payables for purchase of capital assets amounting to USD 38,015,631 (31 December 2013: USD 48,744,787) and accrued interest on borrowings amounting to USD 2,634,098 (31 December 2013: USD 2,143,437).

[3]An amount of USD 9,809,646 (31 December 2013:USD 9,005,639) classified as ‘other payables’ under ‘non-current liabilities’ represents amount payable for purchase of capital assets in five equal yearly instalments from the date of commissioning of projects in MVKPL.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The fair value of trade and other payables approximates their carrying amounts largely due to the short-term maturities of these instruments hence management consider that the carrying amount of trade and other payables to be approximately equal to their fair value.

18. Compulsory convertible preference shares ("CCPS")

During the year ended 31 March 2012, the Group issued 11,666,566 Series A CCPS at Rs. 300 (~USD 6) each to India Infrastructure Fund ("IIF") under an Investment Agreement dated 20 June 2011 between the Group, IIF and Mr Ravi Kailas. The following are the salient features of the CCPS:

- IIF is entitled to receive a preference dividend before any dividends are declared to the ordinary shareholders. These carry a step-up dividend which is cumulative.
- The CCPS convert into equity shares of MEIL at a fixed price of Rs. 300 (~USD 6) per share, for a fixed number of shares, at the end of six years if the call and put options are not exercised by either of the parties.
- As part of the investment agreement, IIF were issued with 100 ordinary shares in MEIL.

Further, the Company entered into an option agreement with IIF on the same date whereby the Company can call the CCPS (the "call option") or alternatively, IIF can put the CCPS (the "put option") in exchange for cash or a variable number of shares in the Company providing IIF a stated rate of return. The call option can be exercised at any time after four years three months and the put option can be exercised at any time after five years three months from the date of issue.

In accordance with IAS 32, Financial Instruments: Presentation and IAS 39 Financial Instruments: Measurement, upon initial recognition, the issue proceeds has been segregated in the financial statements as mentioned below:

The issue proceeds of USD 69,932,181 (net of issue costs of USD 1,891,056) were first attributed to the embedded derivatives with the fair value of the options amounting to USD 2,670,325. As the instrument entitles the holder to a fixed number of shares the remaining value of the proceeds are bifurcated such that there is a liability component and an equity component. The liability component, being USD 11,866,684 was estimated by discounting the mandatory preference share dividend of six year cash flows using an interest rate from an equivalent instrument without a conversion feature, with the residual value of USD 55,395,172 representing equity. The effective interest rate on the financial liability is 5.6%.

The options are subsequently measured at fair value through profit and loss, and the financial liability is subsequently measured at amortised cost. The period end balance of the options was USD 3,696,968 (31 December 2013: USD 3,383,278) (see condensed consolidated statement of financial position), the liability component of the preference shares was USD 9,190,969 (31 December 2013: USD 9,215,456) and the equity component of the CCPS was USD 54,827,924(31 December 2013: USD 55,395,172).

During the six months ended 30 June 2014, MEIL has bought back 116,670 number of CCPS from IIF at a premium of Rs. 300 (USD 9.72). On account of this buy- back of CCPS, in accordance with the principles enunciated in IAS 32, the Company has reduced face value of the CCPS bought back amounting to USD 567,248 from the 'non-controlling interest' and the premium, being the dividend payable over the term of the CCPS, amounting to USD 567,248 has been reduced from the liability component of CCPS. Further, in accordance with the requirements of the Indian "Companies Act, 1956", MEIL has created Capital Redemption Reserve amounting to USD 567,248 equivalent to the face value of the CCPS by appropriation from retained earnings.

19. Financial instruments – Fair values and risk management

IFRS 13 Fair Value Measurement requires entities to disclose measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in 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 asset or liability that is not based on observable market data (unobservable inputs).

Mytrah Energy Limited

Notes to the condensed consolidated interim financial statements for the six months ended 30 June 2014 (continued)

19. Financial instruments - Fair values and risk management (continued)

Financial instruments by category and fair value hierarchy:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

30 June 2014:

	Carrying amount					Fair value		
	Designated at fair value through profit or loss	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Current investments	-	-	3,055,294	-	3,055,294	3,055,294	-	-
	-	**-**	**3,055,294**	**-**	**3,055,294**	**3,055,294**	**-**	**-**
Financial assets not measured at fair value								
Trade receivables	-	13,992,652	-	-	13,992,652			
Other assets	-	42,330,213	-	-	42,330,213			
Cash and bank balances (note 15)	-	13,507,364	-	-	13,507,364			
	-	**69,830,229**	**-**	**-**	**69,830,229**			
Financial liabilities measured at fair value								
Derivative financial instruments (note 16 & 18)	-	-	-	3,280,893	3,280,893	-	3,280,893	-
	-	**-**	**-**	**3,280,893**	**3,280,893**	**-**	**3,280,893**	**-**
Financial liabilities not measured at fair value								
Liability component of compulsorily convertible preference shares (note 18)	-	-	-	9,190,969	9,190,969			
Borrowings (note 16)	-	-	-	416,059,682	416,059,682			
Trade and other payables (note 17)	-	-	-	53,466,468	53,466,468			
	-	**-**	**-**	**478,717,119**	**478,717,119**			

<u>Note:</u>

1. In this table, the Group has disclosed the fair value of each class of financial assets and liabilities in way that permits the information to be compared with the carrying amounts.
2. For all financial assets and financial liabilities not measured at fair value, the carrying value is a reasonable approximation of fair values.

19. Financial instruments - Fair values and risk management (continued)

Financial instruments by category and fair value hierarchy:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 December 2013:

	Carrying amount					Fair value		
	Designated at fair value through profit or loss	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value								
Current investments	-	-	11,248,817	-	11,248,817	11,248,817	-	-
	-	**-**	**11,248,817**	**-**	**11,248,817**	**11,248,817**	**-**	**-**
Financial assets not measured at fair value								
Trade receivables	-	6,737,251	-	-	6,737,251			
Other assets	-	16,585,465	-	-	16,585,465			
Cash and bank balances (note 15)	-	21,382,346	-	-	21,382,346			
	-	**44,705,062**	**-**	**-**	**44,705,062**			
Financial liabilities measured at fair value								
Derivative financial instruments (note 16 & 18)	-	-	-	2,978,580	2,978,580	-	2,978,580	-
	-	**-**	**-**	**2,978,580**	**2,978,580**	**-**	**2,978,580**	**-**
Financial liabilities not measured at fair value								
Liability component of compulsorily convertible preference shares (note 18)	-	-	-	9,215,456	9,215,456			
Borrowings (note 16)	-	-	-	342,852,826	342,852,826			
Trade and other payables (note 17)	-	-	-	61,362,485	61,362,485			
	-	**-**	**-**	**413,430,767**	**413,430,767**			

20. Share capital

	As at 30 June 2014 USD	As at 31 December 2013 USD
Issued and fully paid up share capital of the Company		
163,636,000 ordinary shares with no par value	**72,858,278**	**72,858,278**

After its incorporation on 13 August 2010 MEL acquired 119,999,999 shares in BVML, from its existing shareholders namely, Esrano Overseas Ltd, Bindu Urja Investments Inc. (formerly Mytrah Energy Investments Inc.), Bindu Urja Holding Inc. (formerly Mytrah Energy Holdings Inc.), Bindu Urja Capital Inc. (Mytrah Energy Capital Inc.), and Sila Energy Inc. In consideration of the said transfer the Company issued shares of the Company at no par value in its capital. Subsequently the Company issued a further 43,636,000 ordinary shares of no par value at the time of the admission of its ordinary shares to trading on AIM, a market operated by the London Stock Exchange plc.

The issued share capital refers to ordinary share capital, which carries voting rights with entitlement to an equal share in dividends authorised by the board and in the distribution of the surplus assets of the Company.

21. Capital contribution

	As at 30 June 2014 USD	As at 31 December 2013 USD
Opening balance	7,357,620	-
Capital contributions received during the period/year	9,364,023	7,357,620
Closing balance	**16,721,643**	**7,357,620**

During the previous year, the Company's subsidiary, MEIL entered into an investment agreement with related parties, Mytrah Wind Developers Private Limited ("MWDPL") and Bindu Urja Infrastructure Limited ('BUIL') to issue 40,000,000 Series B Cumulative Compulsorily Redeemable Preference Shares ("RPS") at Rs. 300 (~ USD 5.71) per share and carry a nominal dividend of 0.01% per annum. Pursuant to the agreement BUIL and MWDPL made long-term non-reciprocal capital contributions ("capital contributions") of USD 16,721,643 million as at 30 June 2014, which as per the terms of agreement are not available for distribution as dividend. Management has evaluated that these contributions are in substance in the nature of equity and accordingly classified the amounts received as "Capital Contributions".

22. Non-controlling interest

During the six months ended 30 June 2014, MVMPL has commissioned a captive power generating plant in Tamilnadu under Captive Group Project ("CGP") framework, where the electricity generated is consumed by a group of consumers. To qualify as a captive generating plant, an entity must meet the requirements set forth under the relevant regulations, which specify that a minimum 26% equity interest in the captive generating plant should be held by a Captive Consumers or group of Captive Consumers. Accordingly, MVMPL has entered into power purchase agreements (PPA) with Captive Consumers and issued 4,233,840 equity shares of Rs. 10 par value (USD 704,699). The shares issued to the captive consumers have been classified as non-controlling interest in these condensed consolidated interim financial statements.

23. Commitments

(a) Capital commitments

	As at 30 June 2014 USD	As at 31 December 2013 USD
Capital commitments	**270,205,001**	**301,731,841**

Capital commitment presented above is net of advances paid of USD 13,654,071 (31 December 2013: USD 20,956,631).

24. Related party transactions

A. Related party relationships:

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

The Directors of the Company who are also considered to be the key management personnel are:

1. Mr Ravi Kailas - Chairman and CEO
2. Mr Rohit Phansalkar - Non-Executive Director
3. Mr Russell Walls - Non-Executive Director

The entities where certain key management personnel have significant influence with which the Group had transactions during the period are:

1. Bindu Urja Infrastructure Limited
2. Mytrah Wind Developers Private Limited

B. Related party transactions:

The following are the related party transactions during the period:

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Advance to related parties towards development and construction of wind farm projects:		
Bindu Urja Infrastructure Limited	8,103,040	11,594,239
Mytrah Wind Developers Private Limited	-	4,277,818
Purchase towards development and construction of wind farm projects:		
Bindu Urja Infrastructure Limited	13,811,841	1,830,962
Mytrah Wind Developers Private Limited	-	-
Deposits placed towards usage of land and power evacuation facilities:		
Bindu Urja Infrastructure Limited	13,431,134	-
Mytrah Wind Developers Private Limited	4,736,143	-
Capital contributions received (note 21):		
Bindu Urja Infrastructure Limited	9,080,434	-
Mytrah Wind Developers Private Limited	283,589	-

C. Related party balances:

The following balances were outstanding at the end of the reporting period:

	As at 30 June 2014 USD	As at 31 December 2013 USD
Advance recoverable from related parties towards development and construction of wind farm projects:		
Bindu Urja Infrastructure Limited	-	5,082,232
Mytrah Wind Developers Private Limited	-	2,377,292
Payable towards development and construction of wind farm projects:		
Bindu Urja Infrastructure Limited	626,569	-
Mytrah Wind Developers Private Limited	-	-
Deposits placed towards usage of land and power evacuation facilities:		
Bindu Urja Infrastructure Limited	19,150,918	8,097,076
Mytrah Wind Developers Private Limited	7,164,334	2,428,190
Capital contributions (note 21):		
Bindu Urja Infrastructure Limited	12,136,909	3,056,475
Mytrah Wind Developers Private Limited	4,584,734	4,301,145

D. Remuneration of key management personnel:

The remuneration of Directors, who are the key management personnel of the Group, is set out below for each of the categories specified in IAS 24 *Related Party Disclosures*.

	Six months ended 30 June 2014 USD	Six months ended 30 June 2013 USD
Salaries and other benefits	450,549	440,154
Share-based payments (refer note 25)	516,147	587,243
Total remuneration	**966,696**	**1,027,397**
Salaries and fees outstanding as at 30 June 2014	**57,760**	**-**

25. Share-based payments

The Company has an equity-settled share option scheme for certain Directors of the Company and employees in the Group. All options have a vesting period of three years. Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry. Options lapse if the employee leaves the Company before the options vest.

As at 30 June 2014 the Company had 14,828,706 (30 June 2013: 15,002,199) options outstanding with a weighted average exercise price of GBP 1.14 (30 June 2013: GBP 1.13 and a weighted average remaining contractual life of 7 years. No options were granted during the six months ended 30 June 2014 (30 June 2013: Nil).

The fair value of options is measured using the Black-Scholes Merton valuation model and the difference between the grant price and the fair value of the options is amortised over the vesting period of the options. The Group recognised total expense of 516,147 (30 June 2013: USD 587,243) related to equity-settled share-based payment transactions in the current period.

26. Contingent liabilities

The Group is involved in appeals, claims, inspections and other matters that arise from time to time in the ordinary course of business. Following are the details of contingent liabilities not recognised in the financial statements, which the Group considers will not have any material impact on the financial statements.

	As at 30 June 2014 USD	As at 31 December USD
Indirect tax matters pending in appeal	1,685,744	1,165,939
Unexpired letters of credit	18,429,767	409,696
Claims against the company not acknowledged as debt	-	183,510
	20,115,511	**1,759,145**

27. Subsidiaries

A list of investments in subsidiaries is provided in note 1.