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OPG Power Ventures plc
01 December 2020

1 December 2020

OPG Power Ventures plc
("OPG", the "Group" or the "Company")

Unaudited results for the six months ended 30 September 2020

OPG (AIM: OPG), the developer and operator of power generation plants in India, announces its unaudited results for the six months ended 30 September 2020 ("H1 FY21").

Highlights

- Profit before tax from continuing operations increased by 32.0 per cent to £12.8m (H1 FY20: £9.7m)
- Operating profit includes income of £9.6m with respect to historical contractual claims
- Diluted EPS increased by 48.2 per cent to 2.92p (H1 FY20: 1.97p)
- In June 2020, approx. £21.1 million (Rs.2 billion) were raised through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%; the NCD's proceeds were used to prepay the FY21 and FY22 (i.e. up to March 2022) principal term loans obligations
- £8.2m term loan principal repayment (excluding repayment of term loan from NCDs) in H1 FY21, representing 2.04 pence per share accretion in value to shareholders' equity
- Net debt, including NCDs, reduced by 44.6 per cent to £34.9m (£63.0m at 30 September 2019, £53.4m at 31 March 2020)
- H1 FY21 total generation of 0.8 billion units (H1 FY20: 1.4 billion units)
- Average tariff in H1 FY21 was Rs5.60 (H1 FY20: Rs5.66), tariff reduction is primarily due to covid-19 discount extended to the captive consumers

Summary financial information (including historic financial data)

£ million	**HY 30 Sep 20**	**HY 30 Sep 19**	**FY 31 Mar 20**
Revenue	36.1	78.4	154.0
Adjusted EBITDA*	19.4	18.0	31.2
Profit Before Tax	12.8	9.7	14.5
Profit After Tax	11.8	8.2	8.0
Diluted Earnings Per Share ("EPS") (pence)	2.92	1.97	2.09

* Adjusted EBITDA is calculated as Operating profit before depreciation, amortisation and share based payments and includes income with respect to previously contracted claims of £9.6m

Arvind Gupta, Chairman, commented: "I am proud to say that OPG is coming out from the COVID-19 pandemic as a stronger and more resilient Company. OPG delivered very strong cash generation during the reporting period, and OPG has continued deleveraging as part of its ongoing strategy. COVID-19 and the lockdown had a severe impact on overall industrial activities in India. However, the power demand has gradually increased during the first half of FY21 with OPG remaining profitable, cash generative and has met all its debt obligations."

Presentation

There will be a virtual presentation on the Investor Meet Company platform for investors and analysts at **11 am** on **Tuesday, 8 December 2020**. Those wishing to attend should register for the presentation at: https://www.investormeetcompany.com/opg-power-ventures-plc/register-investor

For further information, please visit www.opgpower.com or contact:

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Chairman's Statement

Introduction

In 2018, the Board took the decision to focus on our profitable, long-life assets in Chennai, and given the high cost of borrowing in India, to prioritise maintaining its track record of timely debt repayments in order to strengthen the balance sheet and to grow shareholders' equity value. This strategy, we believe, will deliver value to shareholders with free cash flows providing significant returns to our shareholders and opportunities to grow the business further.

The increase in equity value, since the adoption of this strategy is:

	FY18 - FY20	**H1 FY20***
Term loan principal repayments (£ million*)	60.9	8.2
Addition to shareholders value as a result of term loan principal repayments per share (pence)	15.6	2.0

* Based upon INR/GBP closing exchange rate at 30 September 2020 of £1=94.74

Events of H1 FY20 have been dominated by the global impact of Covid-19 while the Board remains convinced that our strategy of maintaining operational excellence and paying down borrowings has helped the Company to mitigate the impact of the pandemic while providing a sound platform for the long term benefit of all our stakeholders.

Operations Summary

Chennai - Total generation maintained at 0.83 billion kWh and PLF of 46%

	HY 30 Sep 2020	**HY 30 Sep 2019**	**FY 31 Mar 2020**
Generation (million kWh)			
414 MW Plant generation	**635**	**1,296**	**2,468**
Additional "deemed" offtake at Chennai	196	144	247
Total Generation (MUe)[1]	831	1,440	2,716
Reported Average PLF (%)	46%	79%	75%

Average Tariff Realised (Rs)	5.60	5.66	5.67

Note: [1] MU / Mue - millions units or kWh of equivalent power

Focus on Maximising Asset Performance and Deleveraging

Total Generation at the Chennai plant, including deemed generation, in H1 FY21 was 0.83 billion units, 42 per cent less than in H1 FY20. This decrease in generation was due to the reduction in demand caused by the disruption in economic activities resulting from the nationwide government imposed lockdown to contain Covid-19. Average tariffs realised in H1 FY21 were Rs 5.60 per kWh (H1 FY20: Rs5.66; FY20: Rs5.67 per kWh). Average tariffs in October 2020 were Rs5.56 per kWh.

Raw material costs have also been impacted by Covid-19 such that the average landed cost of coal fell to £42.1 (Rs 3,984) per tonne in H1 FY21, (£47.9 or Rs 4,305 per tonne in FY20).

The Company recognised income of £9.6m (Rs.0.9 billion) with respect to historical contractual claims which were accumulated over several periods. The payments were collected from the customers subsequent to 30 September 2020.

Despite the challenges of the period as mentioned above, the Company has continued to pay down the debt and repaid £8.2m term loan from internal accruals and £21.2m term loan from placing the Non-convertible Debentures ("NCDs"), during first half of FY21. As at 30 September 2020 net debt was £34.9m (30 September 2019: £63.0m; 31 March 2020: £53.4m) while total borrowings were £44.3 million, comprised of £21.1 million of NCDs and £21.8 million of existing term loans, with scheduled repayments spread from June 2022 to June 2024, and working capital loans of £1.4 million. The remainder of the Chennai plant term loans are scheduled to be fully repaid by Unit II Q3 2023, Unit III in Q4 2023 and Unit IV in Q2 2024.

62 MW Karnataka Solar projects

Our Karnataka solar projects are situated north of Bengaluru. All plants are operational and have met all critical operating metrics. Currently the projects are receiving a tariff of Rs 4.36 per kWh. We expect the Capacity Utilisation Factor to be 19-20 per cent during FY21. As previously announced, the Board has decided to focus on the core thermal power plants business in Chennai and the Karnataka solar projects remain in a disposal process.

The Indian Economy and Power Sector

As a consequence of COVID-19 the IMF's World Economic Update in October 2020 estimated that the Indian annual GDP growth rate would contract by 10.3 per cent in FY20 with growth returning to 8.8 per cent in FY21.

The Reserve Bank of India, the country's central bank and banking regulator, has taken several steps to mitigate the negative impact of the lockdown on the economy through various monetary policy measures: including reduction in repo and reverse repo rates, moratorium on loan repayments, 90 days freeze on non-performing assets declaration, helping MSMEs with stimulus packages and credit lines for incentivising industries. These measures coupled with the easing of lockdown restrictions in a phased manner is helping economic activity to resume.

During the initial lockdown the total Indian power consumption reduced by approximately 25 per cent primarily due to a decrease in industrial demand for electricity. As the restrictions were eased, power consumption has gradually increased, during September 2020 power consumption started to grow and increased by 4.6 per cent more than the corresponding month last year and in October 2020 country wide consumption grew by 13.4 per cent.

Indian power consumption per capita was only 1,208 kWh in FY 2020. It is expected that this will catch up with developed economies with similar social and economic conditions over time.

India has moved up 14 positions to rank 63 globally, its highest ever, in the World Bank's annual Ease of Doing Business table in the latest World Bank, Doing Business 2020 Report. The resultant impact is expected to be increased economic activity and industrialisation, contributing to increasing power demand.

Outlook

We expect that the Company's FY21 generation and average realised tariff will reduce in comparison with FY20. However, the Company anticipates to benefit from projected lower coal prices. Despite the impact of COVID-19, OPG remained a profitable and cash generative company and was able to repay its debt in advance of the committed repayment schedule.

Collection of £9.6 million of previously contracted claims subsequent to 30 September 2020 further strengthened the Group's financial position and liquidity.

We believe that the medium-term and long-term fundamentals remain unchanged and post-COVID-19 recovery the Company expects to prosper as management seeks to deliver its long term, profitable and sustainable business model.

Consolidated statement of financial position

As at 30 Sep 2020

(All amount in £, unless otherwise stated)

	Notes	As at 30 Sep 2020	As at 30 Sep 2019	As at 31 Mar 2020
Assets				
Non-current assets				
Intangible assets	13	5,716	17,201	9,045
Property, plant and equipment	14	186,412,926	210,117,169	192,469,395
Other long-term assets		405,534	550,333	509628
Restricted cash		26,567	12,776	26,645
		186,850,743	**210,697,479**	**193,014,713**
Current assets				
Inventories		7,866,415	5,843,949	11,480,099
Trade and other receivables	15	24,238,726	30,520,861	26,901,986
Other short-term assets		6,837,783	5,271,823	6,316,735
Current tax assets (net)		1,292,128	1,572,570	1,330,684
Restricted cash		4,859,556	26,895,190	7,497,967
Cash and cash equivalents	16	9,374,849	7,710,151	3,438,830
Assets held for sale	7(a), 7(b)	14,720,769	51,990,582	46,356,680
		69,190,226	**129,805,126**	**103,322,981**
Total assets		**256,040,969**	**340,502,605**	**296,337,694**
Equity and liabilities				
Equity				
Share capital		58,909	57,024	58,909
Share premium		131,451,482	129,125,915	131,451,482
Other components of equity		(3,746,172)	9,562,012	(1,322,987)
Retained earnings		39,587,495	29,566,684	27,818,474
Equity attributable to owners of the Company		**167,351,714**	**168,311,635**	**158,005,878**

Non-controlling interests		881,530	1,485,916	497,955
Total equity		**168,233,244**	**169,797,551**	**158,503,833**
Liabilities				
Non-current liabilities				
Borrowings	18	21,740,994	43,988,413	33,081,456
Non-Convertible Debentures	18	21,110,407	-	-
Trade and other payables		176,936	156,052	169,373
Provision for pledged deposits		-	13,192,917	-
Deferred tax liabilities (net)	12	7,485,509	4,529,358	5,723,791
		50,513,846	**61,866,740**	**38,974,620**
Current liabilities				
Borrowings	18	1,430,290	26,754,827	23,746,229
Trade and other payables		35,358,949	46,210,661	41,663,989
Other liabilities		504,640	41,861	582,240
Liabilities classified as held for sale	7(b)	-	35,830,965	32,866,783
		37,293,879	**108,838,314**	**98,859,241**
Total liabilities		**87,807,725**	**170,705,054**	**137,833,861**
Total equity and liabilities		**256,040,969**	**340,502,605**	**296,337,694**

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

The financial statements were authorised for issue by the board of directors on 30 November 2020 and were signed on its behalf by Arvind Gupta, Chairman and Dmitri Tsvetkov, Chief Financial Officer

Consolidated statement of comprehensive income
For the six months period ended 30 September 2020

(All amount in £, unless otherwise stated)

	Notes	**Six months period ended 30 Sep 2020**	**Six months period ended 30 Sep 2019**	**Year ended 31 March 2020**
Revenue		36,089,887	78,417,196	154,040,283
Cost of revenue		(22,134,375)	(47,594,626)	(90,060,252)
Gross profit		**13,955,512**	**30,822,570**	**63,980,031**
Other income	9	10,134,265	539,467	668,037
Distribution cost		(2,947,582)	(4,900,291)	(9,209,987)
General and administrative expenses		(2,000,180)	(3,634,170)	(8,061,622)
Expected credit loss on trade receivables		-	(5,213,365)	(17,046,480)
Depreciation and amortisation		(2,983,195)	(3,212,367)	(6,293,034)
Operating profit		**16,158,820**	**14,401,844**	**24,036,945**
Finance costs	10	(3,681,194)	(5,587,338)	(11,495,136)
Finance income	11	284,328	851,944	1,962,692
Profit before tax		**12,761,954**	**9,666,450**	**14,504,501**
Tax expense	12	(1,865,120)	(2,273,982)	(4,321,124)
Profit for the period / year from continued operations		**10,896,834**	**7,392,468**	**10,183,377**
Gain / (Loss) from discontinued operations, including Non-Controlling Interest	7(a)(b)	881,687	854,333	(2,146,275)

Profit for the period / year	**11,778,521**	**8,246,801**	**8,037,102**
Profit for the period / year attributable to:			
Owners of the Company	11,769,020	7,650,262	8,229,504
Non - controlling interests	9,501	596,538	(192,402)
	11,778,521	**8,246,801**	**8,037,102**
Earnings per share from continued operations			
Basic earnings per share (in pence)	2.72	1.90	2.60
Diluted earnings per share (in pence)	2.70	1.90	2.59
Earnings / (Loss) per share from discontinued operations			
Basic earnings / (Loss) per share (in pence)	0.27	0.07	(0.50)
Diluted earnings / (Loss) per share (in pence)	0.27	0.07	(0.50)
Earnings per share			
-Basic (in pence)	2.94	1.97	2.11
-Diluted (in pence)	2.92	1.97	2.09
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(2,746,435)	6,714,854	(4,560,097)
Items that will be not reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, relating to non-controlling interests	(2,644)	6,619	(192,401)
Total other comprehensive income / (loss)	**(2,749,079)**	**6,721,473**	**(4,752,498)**
Total comprehensive income	**9,029,442**	**14,968,273**	**3,284,604**
Total comprehensive income / (loss) attributable to:			

Owners of the Company	9,022,585	14,365,116	3,669,407
Non-controlling interest	6,857	603,157	(384,803)
	9,029,442	**14,968,273**	**3,284,604**

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

Consolidated statement of changes in equity For the six months period ended 30 Sep 2020
(All amount in £, unless otherwise stated)

	Issued capital (No. of shares)	Ordinary shares	Share premium	Other reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interests	Total equity
At 1 April 2019	**387,910,200**	**57,024**	**129,125,915**	**6,650,305**	**(4,249,018)**	**21,916,422**	**153,500,648**	**882,759**	**154,383,407**
Employee Share based payment LTIP (Note 17)	**-**	-	-	835,822	-	-	835,822	-	835,822
Dividends	**12,823,311**	1,885	2,325,567	-	-	(2,327,452)	-	-	-
Transaction with owners	**12,823,311**	**1,885**	**2,325,567**	**835,822**	**-**	**(2,327,452)**	**835,822**	**-**	**835,822**
Profit for the year	-	-	-	-	-	8,229,504	8,229,504	(192,402)	8,037,101
Other comprehensive income	-	-	-	-	(4,560,096)	-	(4,560,096)	(192,402)	(4,752,497)
Total comprehensive income	**-**	**-**	**-**	**-**	**(4,560,096)**	**8,229,504**	**3,669,408**	**(384,804)**	**3,284,604**
At 31 March 2020	**400,733,511**	**58,909.**	**131,451,482**	**7,486,127**	**(8,809,114)**	**27,818,474**	**158,005,878**	**497,955**	**158,503,833**
At 1 April 2020	**400,733,511**	**58,909**	**131,451,482**	**7,486,127**	**(8,809,114)**	**27,818,474**	**158,005,878**	**497,955**	**158,503,833**
Employee Share based payment	-	-	-	267,624	-	-	267,624	-	267,624

LTIP (Note 17)									
Transaction with owners	**-**	**-**	**-**	**267,624**	**-**	**-**	**267,624**	**-**	**267,624**
Profit for the period	-	-	-	-	-	11,769,021	11,769,021	9,501	11,778,521
Impact of Solar companies Deconsolidation (Note 7(b))	-	-	-	-	55,626	-	55,626	376,718	432,344
Other comprehensive income	-	-	-	-	(2,746,434)	-	(2,746,434)	(2,644)	(2,749,078)
Total comprehensive income	**-**	**-**	**-**	**-**	**(2,690,809)**	**11,769,021**	**9,078,212**	**383,575**	**9,461,787**
At 31 September 2020	**400,733,511**	**58,909**	**131,451,482**	**7,753,751**	**(11,499,922)**	**39,587,495**	**167,351,714**	**881,530**	**168,233,244**

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

Consolidated statement of cash flows
For the six months period ended 30 September 2020

(All amount in £, unless otherwise stated)

	Notes	Six months period ended 30 Sep 2020	Six months period ended 30 Sep 2019	Year ended 31 March 2019
Cash flows from operating activities				
Profit before income tax including discontinued operations		**13,643,638**	**10,520,783**	**11,365,000**
Adjustments for:				
(Gain) / Loss from discontinued operations, net	7	(881,687)	(854,333)	3,139,501
Unrealised foreign exchange loss		231,416	832,929	1,568,333
Financial costs		3,449,773	5,587,338	9,926,804
Financial Income		(284,328)	(841,312)	(1,962,692)
Share based compensation costs		267,623	417,911	835,822
Depreciation and amortisation		2,983,195	3,212,367	6,293,034

Expected credit loss on trade receivables	-	5,213,365	17,046,480
Changes in working capital			
Trade and other receivables	2,190,563	15,433,831	4,406,823
Inventories	3,414,812	1,598,836	(4,699,650)
Other assets	1,750,744	1,929,393	3,121,895
Trade and other payables	(6,025,769)	(16,383,490)	(19,421,286)
Other liabilities	(62,560)	(319,257)	(217,194)
Cash generated from continuing operations	**20,677,420**	**26,348,361**	**31,402,869**
Taxes paid	(730,037)	(333,382)	(767,865)
Cash provided by operating activities of continuing operations	19,947,383	26,014,979	30,635,004
Cash provided by (used for) operating activities of discontinued operations	-	1,175,440	(2,062,318)
Net cash provided by operating activities	**19,947,383**	**27,190,419**	**28,572,687**
Cash flows from investing activities			
Purchase of property, plant and equipment (including capital advances)	(320,380)	51,644	(573,668)
Interest received	284,329	841,312	1,962,692
Movement in restricted cash	2,508,449	(2,264,585)	2,240,335
Sale/(purchase) of investments	(754,439)	(673,944)	(725,418)
Cash from / (used in) investing activities of continuing operations	1,717,959	(2,045,573)	2,903,941
Cash from investing activities of discontinued operations	-	-	426,425
Net cash from / (used in) investing activities	**1,717,959**	**(2,045,573)**	**3,330,366**
Cash flows from financing activities			
Proceeds from borrowings (net of costs)	21,133,852	(3,355,303)	-
Repayment of borrowings	(33,339,333)	(9,638,628)	(21,620,516)
Finance costs paid	(3,449,773)	(5,587,338)	(9,927,750)
Cash used in financing activities of continuing	(15,655,254)	(18,581,269)	(31,548,266)

operations			
Cash from / (used in) financing activities of discontinued operations	-	(1,502,163)	689,255
Net cash used in financing activities	**(15,655,254)**	**(20,083,432)**	**(30,859,011)**
Net Increase / (decrease) in cash and cash equivalents from continuing operations	6,010,088	5,388,137	(96,387)
Net Increase / (decrease) in cash and cash equivalents from discontinued operations	-	(326,723)	(946,638)
Net increase in cash and cash equivalents	**6,010,088**	**5,061,414**	**1,044,042**
Cash and cash equivalents at the beginning of the year	3,438,830	2,118,960	2,118,960
Cash and cash equivalents - solar business	-	361,747	24,545
Exchange differences on cash and cash equivalents	(74,069)	212,718	19,330
Cash and cash equivalents of the discontinued operations	-	(44,687)	231,953
Cash and cash equivalents at the end of the period/year	**9,374,849**	**7,710,151**	**3,438,830**

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

Notes to the consolidated financial statements
(All amounts are in £, unless otherwise stated)

1. Nature of Operations

OPG Power Ventures Plc ('the Company' or 'OPGPV'), and its subsidiaries (collectively referred to as 'the Group') are primarily engaged in the development, owning, operation and maintenance of private sector power projects in India. The electricity generated from the Group's plants is sold principally to public sector undertakings and heavy industrial companies in India or in the short term market. The business objective of the group is to focus on the power generation business within India and thereby provide reliable, cost effective power to the industrial consumers and other users under the 'open access' provisions mandated by the Government of India.

2. Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations as adopted by the European Union (EU) and the provisions of the Isle of Man, Companies Act 2006 applicable to companies reporting under IFRS.

3. General information

OPG Power Ventures Plc, a limited liability corporation, is the Group's ultimate parent Company and is incorporated and domiciled in the Isle of Man. The address of the Company's registered Office, which is also the principal place of business, is 55 Athol street, Douglas, Isle of Man IM1 1LA. The Company's equity shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The Consolidated Financial statements for the period ended 30 September 2020 were approved and authorised for issue by the Board of Directors on 30 November 2020.

4. Recent accounting pronouncements

a) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these financial statements, no new standards, and no amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group.

b) Changes in accounting Standards

The below mentioned amendments to accounting standards have become applicable for annual periods beginning on or after 1 January 2020:

i. Amendments to IAS 1 and IAS 8, "Definition of Material," published in October 2018 have become applicable prospectively for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 3, "Definition of a business," published in October 2018. for acquisitions that occur on or after first annual reporting period beginning on or after 1 January 2020 have become applicable for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 9, IAS 39 and IFRS 7, "Interest rate benchmark reform," published in September 2019 have become applicable prospectively for annual periods beginning on or after 1 January 2020.

These amendments have no material impact on the consolidated financial statements of Group.

5. Summary of significant accounting policies

a) Basis of preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss and financial assets measured at FVPL.

The consolidated financial statements are presented in accordance with IAS 1 Presentation of Financial Statements and have been presented in Great Britain Pounds ('£'), the functional and presentation currency of the Company.

Effective from FY21, the results of operations of Solar subsidiaries Aavanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Aavanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited are not consolidated in Group's consolidated financial statements due to loss of control. The investments continue to be shown as Assets held for sale as the process of sale could not be implemented during FY20 due to pandemic Covid-19 and expectation of comparatively better valuation for sale. However, the management expects the interest in these solar companies to be sold within the next 12 months and continues to locate a buyer.

Going concern

As at 30 September 2020 the Group had £ 9.4m in cash and cash equivalents and net current assets of £ 31.9m. The directors and management have prepared a cash flow forecast to December 2021, 12 months from the date this report has been approved.

The Group experiences sensitivity in its cash flow forecasts due to the exposure to potential increase in USD denominated coal prices and a decrease in the value of the Indian Rupee. The Directors and management are confident that the Group will be trading in line with its forecast and that any exposure to a fluctuation in coal prices or the exchange rate INR/USD has been taken into consideration and therefore prepared the financial statements on a going concern basis.

COVID-19 virus, a global pandemic has affected the world economy leading to significant decline and volatility in financial markets and decline in economic activities. The Group has considered the possible effects that may result from the pandemic on the carrying amounts of receivables and other financial assets and carried out a Reverse Stress Test (RST). In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used for business projections and based on current estimates expects the carrying amount of these assets will be recovered and no material impact on the financial results inter-alia including the carrying value of various current and non-current assets are expected to arise for the six months period ended 30 September 2020. The Group will continue to closely monitor any variation due to the changes in situation and these changes will be taken into consideration, if necessary, as and when they crystalise. However, electricity being an essential commodity the impact on industry has been comparatively lower. The operating assets of the Group primarily are located in India. The Government of India with Reserve Bank of India (RBI) have announced various regulatory measures to help the industry. Subsequent to year end, RBI announced various regulatory measures (RBI COVID-19 Regulatory package which, inter alia, provides for rescheduling of payments towards Term Loans and Working Capital facilities for principal and interest) to mitigate the burden of debt servicing brought by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The Group has opted for such measures for deferment of payment of principal and interest on term loans and also interest on working capital loans. Please refer to events after year end detailed below that have substantially eased the cash flow burden on account of the Group having repaid the principal term loan obligation for FY 21 and FY 22 and major recoveries of overdues towards power supply from our principle customer TANGEDCO. Based on the RST analysis, we can conclude that the Group is in strong position to go through the current situation caused by Covid-19 pandemic and going concern is not an issue.

The Group raised approximately GBP 21.1 million (Rs.2 billion) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. NCD's proceeds was used to repay the FY21 and FY22 (i.e. to March 2022) principal term loans obligations. This will substantially release the cash flow burden for the next two financial years on account of loan repayment obligations.

During the current period the Group collected all overdue amount of receivables from its principal customer.

Subsequent to 30 September 2020, the Group has collected contractual claims payments from its customers under the power purchase agreements amounting to £9.6 million (Rs.0.9 billion). These contractual claims were accumulated over several periods and were recognised as Other income in these financial statements.

These three developments strengthened the Group's financial position at this time of economic slowdown.

b) Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of the operation of the Company and all of its subsidiaries as of 30 September 2020. All subsidiaries have a reporting date of 31 March.

A subsidiary is defined as an entity controlled by the Company. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are fully consolidated from the date of acquisition, being the date on which effective control is acquired by the Group, and continue to be consolidated until the date that such control ceases.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interest represents the portion of profit or loss and net assets that is not held by the Group and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Acquisitions of additional stake or dilution of stake from/ to non-controlling interests/ other venturer in the Group where there is no loss of control are accounted for as an equity transaction, whereby, the difference between the consideration paid to or received from and the book value of the share of the net assets is recognised in 'Other reserve' within the statement of changes in equity.

c) Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

d) List of subsidiaries, joint ventures, and associates

Details of the Group's subsidiaries and joint ventures, which are consolidated into the Group's consolidated financial statements, are as follows:

		% Voting Right		% Economic interest	
(i) Subsidiaries	**Country of incorporation**	**September 2020**	**March 2020**	**September 2020**	**March 2020**
Caromia Holdings limited ('CHL')	Cyprus	100.00	100.00	100.00	100.00
Gita Power and Infrastructure Private Limited, ('GPIPL')	India	100.00	100.00	100.00	100.00
OPG Power Generation Private Limited ('OPGPG')	India	73.16	73.49	99.91	99.91
Samriddhi Solar Power LLP(*)	India	73.16	73.49	99.91	99.90
Samriddhi Surya Vidyut Private Limited	India	73.16	73.49	99.91	99.90
OPG Surya Vidyut LLP (*)	India	73.16	73.49	99.91	99.90
Powergen Resources Pte Ltd	Singapore	98.66	98.67	100.00	100.00
Aavanti Solar Energy Private Limited(**)	India	31.00	31.00	31.00	31.00
Mayfair Renewable Energy Private Limited(**)	India	31.00	31.00	31.00	31.00
Aavanti Renewable Energy Private Limited(**)	India	31.00	31.00	31.00	31.00
Brics Renewable Energy Private Limited(**)	India	31.00	31.00	31.00	31.00

(*) Converted into LLP.

(**) Effective from FY21, the results of operations of Solar subsidiaries Aavanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Aavanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited are not consolidated in Group's consolidated financial statements due to loss of control over these entities.

ii) Financial assets measured at FVPL (Assets Held for sale)- Joint ventures (Note 7(a))

		% Voting Right		% Economic interest	
Joint ventures	**Country of incorporation**	**September 2020**	**March 2020**	**September 2020**	**March 2020**
Padma Shipping Limited ("PSL")	Hong Kong	50	50	50	50

e) Foreign currency translation

The functional currency of the Company is the Great Britain Pound Sterling (£). The Cyprus entity is an extension of the parent and pass through investment entity. Accordingly, the functional currency of the subsidiary in Cyprus is the Great Britain Pound Sterling. The functional currency of the Company's subsidiaries operating in India, determined based on evaluation of the individual and collective economic factors is Indian Rupees ('₹' or 'INR'). The presentation currency of the Group is the Great Britain Pound (£) as submitted to the AIM counter of the London Stock Exchange where the shares of the Company are listed.

At the reporting date the assets and liabilities of the Group are translated into the presentation currency at the rate of exchange prevailing at the reporting date and the income and expense for each statement of profit or loss are translated at the average exchange rate (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the date of the transactions). Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity.

Transactions in foreign currencies are translated at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of financial position date are translated into functional currency at the foreign exchange rate ruling at that date. Aggregate gains and losses resulting from foreign currencies are included in finance income or costs within the profit or loss.

INR exchange rates used to translate the INR financial information into the presentation currency of Great Britain Pound (£) are the closing rate as at 30 September 2020: 94.74 (2020:93.07; 2019: 86.41) and the average rate for the period ended 30 September 2020: 94.63 (2020:89.97; 2019: 87.97).

f) Revenue recognition

In accordance with IFRS 15 - Revenue from contracts with customers, the group recognises revenue to the extent that it reflects the expected consideration for goods or services provided to the customer under contract, over the performance obligations they are being provided. For each separable performance obligation identified, the Group determines whether it is satisfied at a "point in time" or "over time" based upon an evaluation of the receipt and consumption of benefits, control of assets and enforceable payment rights associated with that obligation. If the criteria required for "over time" recognition are not met, the performance obligation is deemed to be satisfied at a "point in time". Revenue principally arises as a result of the Group's activities in electricity generation and distribution. Supply of power and billing satisfies performance obligations. The supply of power is invoiced in arrears on a monthly basis and generally the payment terms within the Group are 30 days.

Sale of electricity

Revenue from the sale of electricity is recognised on the basis of biling cycle under the contractual arrangement with the customers and reflects the value of units of power supplied and the applicable customer tariff after deductions or discounts. Revenue is earned at a point in time of joint meter reading by both buyer and seller for each billing month.

Interest and dividend
Revenue from interest is recognised as interest accrued (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

g) Operating expenses
Operating expenses are recognised in the statement of profit or loss upon utilisation of the service or as incurred.

h) Taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, taxation authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and the intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

i) Financial assets
IFRS 9 Financial Instruments contains regulations on measurement categories for financial assets and financial liabilities. It also contains regulations on impairments, which are based on expected losses.

Financial assets are classified as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit and loss (FVPL) based on the business model and the characteristics of the cash flows. If a financial asset is held for the purpose of collecting contractual cash flows and the cash flows of the financial asset represent exclusively interest and principal payments, then the financial asset is measured at amortized cost. A financial asset is measured at fair value through other comprehensive income (FVOCI) if it is used both to collect contractual cash flows and for sales purposes and the cash flows of the financial asset consist exclusively of interest and principal payments. Unrealized gains and losses from financial assets measured at fair value through other comprehensive income (FVOCI), net of related deferred taxes, are reported as a component of equity (other comprehensive income) until realized. Realized gains and losses are determined by analysing each transaction individually. Debt instruments that do not exclusively serve to collect contractual cash flows or to both generate contractual cash flows and sales revenue, or whose cash flows do not exclusively consist of interest and principal payments are measured at fair value through profit and loss (FVPL). For equity instruments that are not held for trading purposes the group has uniformly exercised the option of recognizing changes in fair value through profit or loss (FVPL). Refer to note 30 "Summary of financial assets and liabilities by category and their fair values".

Impairments of financial assets are both recognized for losses already incurred and for expected future credit defaults. The amount of the impairment loss calculated in the determination of expected credit losses is recognized on the income statement. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

j) Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

k) Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices at the close of business on the Statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

l) Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment in value. Historical cost includes expenditure that is directly attributable to property plant & equipment such as employee cost, borrowing costs for long-term construction projects etc, if recognition criteria are met. Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in the profit or loss as incurred.

Land is not depreciated. Depreciation on all other assets is computed on straight-line basis over the useful life of the asset based on management's estimate as follows:

Nature of asset	Useful life (years)
Buildings	40
Power stations	40
Other plant and equipment	3-10
Vehicles	5-11

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation of the assets are reviewed at each financial year end, and adjusted prospectively if appropriate.

m) Intangible assets

Acquired software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets, including software are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life of software is estimated as 4 years.

n) Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

• Leases of low value assets; and

• Leases with a duration of 12 months or less.

IFRS 16 was adopted effective from 1 April 2019 without restatement of comparative figures.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:

• amounts expected to be payable under any residual value guarantee;

• the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option; and

• any penalties payable for terminating the lease, if the term of the lease has been estimated in the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

• lease payments made at or before commencement of the lease;

• initial direct costs incurred; and

• the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in profit or loss.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Interest income earned on the temporary investment of specific borrowing pending its expenditure on qualifying assets is deducted from the costs of these assets.

Gains and losses on extinguishment of liability, including those arising from substantial modification from terms of loans are not treated as borrowing costs and are charged to profit or loss.

All other borrowing costs including transaction costs are recognized in the statement of profit or loss in the period in which they are incurred, the amount being determined using the effective interest rate method.

p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

q) Non-current assets held for sale and discontinued operations

Non-current assets and any corresponding liabilities held for sale and any directly attributable liabilities are recognized separately from other assets and liabilities in the balance sheet in the line items "Assets held for sale" and "Liabilities associated with assets held for sale" if they can be disposed of in their current condition and if there is sufficient probability of their disposal actually taking place. Discontinued operations are components of an entity that are either held for sale or have already been sold and can be clearly distinguished from other corporate operations, both operationally and for financial reporting purposes. Additionally, the component classified as a discontinued operation must represent a major business line or a specific geographic business segment of the Group. Non-current assets that are held for sale either individually or collectively as part of a disposal group, or that belong to a discontinued operation, are no longer depreciated. They are instead accounted for at the lower of the carrying amount and the fair value less any remaining costs to sell. If this value is less than the carrying amount, an impairment loss is recognized. The income and losses resulting from the measurement of components held for sale as well as the gains and losses arising from the disposal of discontinued operations, are reported separately on the face of the income statement under income/loss from discontinued operations, net, as is the income from the ordinary operating activities of these divisions. Prior-year income statement figures are adjusted accordingly. However, there is no reclassification of prior-year balance sheet line items attributable to discontinued operations.

r) Cash and cash equivalents

Cash and cash equivalents in the Statement of financial position includes cash in hand and at bank and short-term deposits with original maturity period of 3 months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash in hand and at bank and short-term deposits. Restricted cash represents deposits which are subject to a fixed charge and held as security for specific borrowings and are not included in cash and cash equivalents.

s) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted based on weighted average price. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

t) Earnings per share

The earnings considered in ascertaining the Group's earnings per share (EPS) comprise the net profit for the year attributable to ordinary equity holders of the parent. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earnings per share the net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

u) Other provisions and contingent liabilities

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognised on the acquisition date when there is a present obligation that arises from past events and the fair value can be measured reliably, even if the outflow of economic resources is not probable. They are subsequently measured at the higher amount of a comparable provision as described above and the amount recognised on the acquisition date, less any amortisation.

v) Share based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to 'Other Reserves'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

w) Employee benefits

Gratuity
In accordance with applicable Indian laws, the Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liabilities with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each Statement of financial position date using the projected unit credit method.

The Group recognises the net obligation of a defined benefit plan in its statement of financial position as an asset or liability, respectively in accordance with IAS 19, Employee benefits. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit or loss in the statement of comprehensive income in the period in which they arise.

x) Business combinations
Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established using pooling of interest method. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity. Any excess consideration paid is directly recognised in equity.

y) Segment reporting
The Group is primarily involved in business of power generation. Considering the nature of Group's business, as well as based on reviews by the chief operating decision maker to make decisions about resource allocation and performance measurement, there are only two reportable segments in accordance with the requirements of IFRS 8 being Thermal and Solar.

6. Significant accounting judgements, estimates and assumptions
The preparation of financial statements in conformity with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities

and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Group in the consolidated financial statements are as set out above. The application of a number of these policies requires the Group to use a variety of estimation techniques and apply judgment to best reflect the substance of underlying transactions.

The Group has determined that a number of its accounting policies can be considered significant, in terms of the management judgment that has been required to determine the various assumptions underpinning their application in the consolidated financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgments, estimates and assumptions made by the management and will seldom equal the estimated results.

a) Judgements
The following are significant management judgments in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Assessing control of subsidiaries, associates, joint ventures
Effective from FY21, the results of operations of Aavanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Aavanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited are not consolidated in Group's consolidated financial statements due to loss of control. The investments continue to be shown as Assets held for sale as the process of sale could not be implemented during FY20 due to pandemic Covid-19 and expectation of comparatively better valuation for sale. However, the management expects the interest in these solar companies to be sold within the next 12 months and continues to locate a buyer.

Non-current assets held for sale and discontinued operations
The Group exercises judgement in whether assets are held for sale. After evaluation of all options, the Company decided that the most efficient way to maximise shareholders' value from solar operations is to dispose of the solar companies and it initiated the process of disposition of the solar companies. Under IFRS 5, such a transaction meets the 'Asset held for sale' when the transaction is considered sufficiently probable and other relevant criteria are met. Management consider that all the conditions under IFRS 5 for classification of the solar business as held for sale have been met as at 30 September 2020 and expects the interest in the solar companies to be sold within the next 12 months.

The investment in the joint venture Padma Shipping Limited and associated advance has been presented as asset held for sale following the process of sale of the second vessel as mentioned in note 7(a).

Recoverability of deferred tax assets
The recognition of deferred tax assets requires assessment of future taxable profit (see note 5(h)).

b) Estimates and uncertainties
The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of financial position date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Estimation of fair value of financial assets and financial liabilities: While preparing the financial statements the Group makes estimates and assumptions that affect the reported amount of financial assets and financial liabilities.

Trade receivables
The Group ascertains the expected credit losses (ECL) for all receivables and adequate impairment provision are made. At the end of each reporting period a review of the allowance for impairment of trade receivables is performed. Trade receivables do not contain a significant financing element, and

therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised on initial recognition. A provision matrix is utilised to estimate the lifetime expected credit losses based on the age, status and risk of each class of receivable, which is periodically updated to include changes to both forward-looking and historical inputs.

Assets held for sale - Financial assets measured at FVPL
Valuation of Investment in joint venture Padma Shipping is based on estimates and subject to uncertainties (Note 7(a)).

Financial assets measured at FVPL
Management applies valuation techniques to determine the fair value of financial assets measured at FVPL where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the asset. Where such data is not observable, management uses its best estimate. Estimated fair values of the asset may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Other financial liabilities
Borrowings held by the Group are measured at amortised cost (see note 5(j)).

ii) Impairment tests: In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate for discounting them. Estimation uncertainty relates to assumptions about future operating results including fuel prices, foreign currency exchange rates etc. and the determination of a suitable discount rate;

iii) Useful life of depreciable assets: Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

7. Non-current assets held for sale and discontinued operation
Non-current assets held for sale and discontinued operations consists of:

Particulars		**Assets Held for Sale**			**Liabilities classified as held for sale**			**Gain / (Loss) from discontinued operations**		
		30-Sep-20	***30-Sep-19***	***31-Mar-20***	***30-Sep-20***	**30-Sep-19**	**31-Mar-20**	**Six months Period ended 30-Sep-2020**	**Six months Period ended 30-Sep-2019**	**Year ended 31-Mar-2020**
i	Joint venture Note 7(a)	-	918,432	-	-	-	-	-	-	(918,432)
ii	Solar companies Note 7(b)	14,720,769	51,072,150	46,356,680	-	35,830,965	32,866,783	881,687	854,333	(293,942)
ii	Impairment of pledged deposits	-	-	-	-	-	-	-	-	(933,901)
	Totall	**14,720,769**	**51,990,582**	**46,356,680**	**-**	**35,830,965**	**32,866,783**	**881,687**	**854,333**	**(2,146,275)**

a) Investment in joint venture Padma Shipping Limited - classified as held for sale
In 2014 the Company entered into a Joint Venture agreement with Noble Chartering Ltd ("Noble"), to secure competitive long term rates for international freight for its imported coal requirements. Under

the Arrangement, the company and Noble agreed to jointly purchase and operate two 64,000 MT cargo vessels through a Joint venture company Padma Shipping Ltd, Hong Kong ('Padma').

OPG has invested approximately £3,484,178 in equity and £1,727,418 to date as advance and accordingly the joint venture has been reported using equity method as per the requirements of IFRS 11. The Group has upto FY20 already made impairment provision of entire investment of £5,211,596 (£ 918,432 in FY20 and £4,293,164 in earlier years) in joint venture on account of the impending dissolution of the JV.

b) Assets held for sale and discontinued operations of solar subsidiaries

During FY19, the results of the operations of solar companies Aavanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Aavanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited were classified as Assets held for sale. After evaluation of all the options, the Company decided that the most efficient way to maximise shareholders' value from the solar operations is to dispose of the solar companies and the process of disposition of the solar companies was initiated.

Effective from FY21, the results of operations of Solar companies Aavanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Aavanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited are not consolidated in Group's consolidated financial statements due to loss of control. The investments continue to be shown as Assets held for sale as the process of sale could not be implemented during FY20 due to pandemic Covid-19 and expectation of comparatively better valuation for sale. However, the management expects the interest in these solar companies to be sold within the next 12 months and continues to locate a buyer.

Non-current Assets held-for-sale and discontinued operations

(i) Assets of disposal group classified as held-for-sale

	As at 30 September 2020	**As at 30 September 2019**	**As at 31 March 2020**
Property, plant and equipment	-	48,721,535	42,098,498
Trade and other receivables	-	699,565	3,489,633
Other short-term assets	-	363,362	256,209
Restricted cash	-	1,237,125	487,795
Cash and cash equivalents	-	50,563	24,545
Investment in solar companies classified as held for sale	11,384,672	-	-
Loans and advances to solar companies classified as held for sale	3,336,097	-	-
Total	**14,720,769**	**51,072,150**	**46,356,680**

(ii) Liabilities of disposal group classified as held-for-sale

	As at 30 September 2020	**As at 30 September 2019**	**As at 31 March 2020**
Non Current liabilities			
Borrowings	-	18,832,782	28,262,288
Trade and other payables	-	9,745,988	-
Deferred tax liability	-	1,767,680	1,014,031
Current liabilities	-		
Trade and other payables	-	1,351,255	901,474
Other liabilities	-	4,133,261	2,688,990
	-		

Total	-	**35,830,965**	**38,866,783**

(iii) Analysis of the results of discontinued operations is as follows:

	Period ended Sep 20	Period ended Sep 19	Year ended Mar 20
Revenue	-	2,490,019	5,884,401
Operating profit before impairments	-	2,334,873	2,160,974
Finance income	-	-	92,096
Finance cost	-	(1,468,304)	(3,540,239)
Current Tax	-	(12,236)	-
Deferred tax	-	-	993,226
Profit on deconsolidation of solar[1]	881,687	-	-
Profit / (Loss) from solar companies discontinued operations	**881,687**	**854,333**	**(293,942)**
[1] Profit on deconsolidation of solar companies			
FV of equity retained	2,472	-	-
Investment in Debentures retained	11,346,903	-	-
Loans and advance retained	3,454,553	-	-
Total on the date of loss of control (A)	**14,803,928**	**-**	**-**
Total assets	46,356,680	-	-
Total liabilities	32,866,783	-	-
Net Assets at date of loss of control (B)	**13,489,897**	**-**	**-**
Translation Reserve	55,626	-	-
Non-controlling Interest	376,718	-	-
Non-controlling interest on date of loss of control(C)	**432,344**	**-**	**-**
Net Gain on deconsolidation (A-B-C)	**881,687**	**-**	**-**

8. Segment reporting

The Group has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8 - Operating segments. Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors being the chief operating decision maker evaluate the Group's performance and allocates resources based on an analysis of various performance indicators at operating segment level. Accordingly, there are two operating segments, thermal power and solar power following the reclassification of the interest in the solar companies as subsidiaries as detailed in note 7(b). The solar power business was classified as held for sale subsequently. There are no geographical segments as all revenues arise from India. All the non-current assets are located in India.

Revenue on account of sale of power to one customer exceeding 10% of total sales revenue amounts to £8,208,405 (2019: £24,117,088).

Segmental information disclosure

	Continuing operations			**Discontinued operations**		
		Thermal			**Solar**	
Segment Revenue	**Sep-20**	Sep-19	**FY2020**	**Sep-20[1]**	Sep-19	**FY2020**
Sales	36,089,887	78,417,196	154,040,283	-	2,490,019	5,884,401
Total	**36,089,887**	**78,417,196**	**154,040,283**	**-**	**2,490,019**	**5,884,401**
Depreciation, impairment	(2,983,195)	(3,212,367)	(6,293,034)	-	-	(3,516,527)
Profit from operation	16,158,820	14,401,844	24,036,945	-	2,334,873	2,160,974
Finance Income	284,328	851,944	1,962,692	-	-	92,096
Finance Cost	(3,681,194)	(5,587,338)	(11,495,136)	-	(1,468,304)	(3,540,239)
Tax expenses	(1,865,120)	(2,273,982)	(4,321,124)	-	(12,236)	993,226

Profit / (loss) for the period/year	**10,896,834**	**7,392,468**	**10,183,377**		**854,333**	**(293,942)**

[1]Solar operations have been deconsolidated effective FY21.

Assets	241,320,200	288,512,023	249,981,014	14,720,769	51,072,149	46,356,680
Liabilities	87,807,725	134,874,089	104,967,078	-	35,830,965	32,866,783

9. Other income and expenses

Other income	**30 Sep 2020**	**30 Sep 2019**	**31 March 2020**
Contractual claims payments	9,628,703	-	-
Sale of coal	493,498	312,908	462,718
Sale of fly ash	7,697	1,828	26,611
Power trading commission and other services	4,367	-	161,053
Sale of Solar power plant system to associates (net of cost)	-	20,631	-
Others	-	204,100	17,655
Total	**10,134,265**	**539,467**	**668,037**

10. Finance costs

Finance costs are comprised of:	**30 Sep 2020**	**30 Sep 2019**	**31 March 2020**
Interest expenses on borrowings	3,198,947	4,778,805	9,289,625
Net foreign exchange loss	162,550	266,286	1,147,491
Other finance costs	319,697	542,247	1,058,020
Total	**3,681,194**	**5,587,338**	**11,495,136**

Other finance costs include charges and cost related to LC's for import of coal and other charges levied by bank on transactions

11. Finance income

	30 Sep 2020	**30 Sep 2019**	**31 March 2020**
Interest income on bank deposits	284,328	851,944	1,943,132
Profit on disposal of financial instruments*	-	-	19,560
Total	**284,328**	**851,944**	**1,962,692**

* Financial instruments represent mutual funds held during the year.

12. Tax expense

	30 Sep 2020	**30 Sep 2019**	**31 March 2020**
Current tax	155	267,559	788,430
Deferred tax	1,864,965	2,006,423	4,525,920
Total tax expenses on income from continued operations	1,865,120	2,273,982	5,314,350
Add: tax on income from discontinuing operations	-	-	(993,226)
Tax reported in the statement of comprehensive income	**1,865,120**	**2,273,982**	**4,321,124**

The Company is subject to Isle of Man corporate tax at the standard rate of zero percent. As such, the Company's tax liability is zero. Additionally, Isle of Man does not levy tax on capital gains. However, considering that the group's operations are primarily based in India, the effective tax rate of the Group has been computed based on the current tax rates prevailing in India. Further, a substantial portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to generation of power in India. Under the tax holiday the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years out of a total of fifteen consecutive years from the date of commencement of the operations. However, the entities in India are still liable for Minimum Alternate Tax (MAT) which is calculated on the book profits of the respective entities currently at a rate of 17.47% (30 September 2019: 21.55%).

13. Intangible assets

Cost As at	30 Sep 2020	30 Sep 2019	31 Mar 2020
Opening	**827,065**	**852,624**	**852,624**
Additions	-	-	-
Deletions	-	-	-
Deletions Exchange adjustments	(14,610)	38,187	(25,559)
Total	**812,455**	**890,811**	**827,065**
Accumulated depreciation and impairment			
Opening	818,020	829,021	829,021
Charge for the year	3,173	7,327	14,327
Exchange adjustments	(14,454)	37,262	(25,329)
Total	**806,739**	**873,610**	**818,020**
Net book value	5,716	17,201	9,045

14. Property, plant and equipment

	Land & Buildings	Power stations	Other plant & equipment	Vehicles	Solar assets	Asset under construction	Total
Cost							
At 1 April 2019	**5,007,901**	**222,961,054**	**1,773,269**	**2,417,413**	**-**	**4,285,864**	**236,445,501**
Additions	-	294,954	165,831	10,958	-	82,815	554,559
Transfers on capitalisation	3,903,256	56,168	-	-	-	(3,959,424)	-
Exchange adjustments	(145,667)	(6,689,809)	(52,848)	(72,290)	-	(128,479)	(7,089,093)
At 31 March 2020	**8,765,490**	**216,622,367**	**1,886,252**	**2,356,081**	**-**	**280,776**	**229,910,967**
At 1 April 2020	**8,765,490**	**216,622,367**	**1,886,252**	**2,356,081**	**-**	**280,776**	**229,910,967**
Additions	95,244	66,513	44,589	-		113,668	320,013
Transfers on capitalisation							
Exchange adjustments	(152,212)	(3,830,070)	(33,125)	(41,514)	-	(4,960)	(4,061,881)
At 30 September 2020	**8,708,522**	**212,858,810**	**1,897,716**	**2,314,567**	-	**389,484**	**226,169,099**
Accumulated depreciation and Impairment							
At 1 April 2019	**45,030**	**30,171,648**	**634,011**	**1,491,921**	**-**	**-**	**32,342,610**
Charge for the year	12,981	5,603,791	272,110	389,825	-	-	**6,278,707**
Exchange adjustments	(2,410)	(1,091,777)	(28,050)	(57,509)	-	-	**(1,179,746)**
At 31 March 2020	**55,601**	**34,683,662**	**878,072**	**1,824,237**	**-**	**-**	**37,441,571**
At 1 April 2020	**55,601**	**34,683,662**	**878,072**	**1,824,237**	**-**	**-**	**37,441,571**
Charge for the period	6,181	2,668,512	134,161	171,168	-	-	**2,980,022**
Exchange adjustments	(1,359)	(616,105)	(15,653)	(32,303)	-	-	**(665,420)**
At 30 September 2020	**60,422**	**36,736,068**	**996,580**	**1,963,101**	**-**	**-**	**39,756,173**
Net book value							
At 30 September 2020	**8,648,100**	**176,122,741**	**901,135**	**351,466**	**-**	**389,484**	**186,412,926**
At 31 March 2020	**8,709,889**	**181,938,705**	**1,008,180**	**531,845**	**-**	**280,776**	**192,469,395**
At 30 September 2019	**5,183,282**	**198,527,004**	**1,157,122**	**764,355**	**-**	**4,485,406**	**210,117,169**

15. Trade and other receivables

	30 Sep	30 Sep	31 March

	2020	2019	2020
Current			
Trade receivables	14,621,070	30,520,861	26,901,986
Other receivables (contractual claims payments income)	9,617,656	-	-
	24,238,726	**30,520,861**	**26,901,986**

Expected Credit Loss ("ECL") recognised in profit or (loss) during the period ended 30 September 2020 of £ Nil (September 2019 - £5.2m, FY2020 £17m). ECL are measured using the simplified approach permitted by IFRS 9, which requires lifetime ECL to be recognised. The Group determined that for some trade receivables an impairment provision have to be recognised as they deemed to be not recoverable and due to dispute regarding contractual terms.

16. Cash and cash equivalents

Cash and short term deposits comprise of the following:

	30 Sep 2020	30 Sep 2019	31 March 2020
Cash at banks and on hand	2,603,300	2,139,037	3,438,830
Short-term deposits and investments	6,771,550	5,571,114	-
	9,374,849	**7,710,151**	**3,438,830**

Short-term deposits are placed for varying periods, depending on the immediate cash requirements of the Group. They are recoverable on demand.

17. Share based payments

Long Term Incentive Plan

In April 2019, the Board of Directors has approved the introduction of Long Term Incentive Plan ("LTIP"). The key terms of the LTIP are:

The number of performance-related awards is 14 million ordinary shares (the "LTIP Shares") (representing approximately 3.6 per cent of the Company's issued share capital). In addition to three executive directors, additional members of the senior management team will be included within the LTIP. The grant date is 24 April 2019.

The LTIP Shares were awarded to certain members of the senior management team as Nominal Cost Shares and will vest in three tranches subject to continued service with Group until vesting and meeting the following share price performance targets, plant load factor ("PLF") and term loan repayments of the Chennai thermal plant. The vesting conditions are as follows:

- 20% of the LTIP Shares shall vest upon meeting the target share price of 25.16p before the first anniversary for the first tranche, i.e. 24 April 2020, achievement of PLF during the period April 2019 to March 2020 of at least 70% at the Chennai thermal plant and repayment of all scheduled term loans;
- 40% of the LTIP Shares shall vest upon meeting the target share price of 30.07p before the second anniversary for the second tranche, i.e. 24 April 2021, achievement of PLF during the period April 2020 to March 2021 of at least 70% at the Chennai thermal plant and repayment of all scheduled term loans;
- 40% of the LTIP Shares shall vest upon meeting the target share price of 35.00p before the third anniversary for the third tranche, i.e. 24 April 2022, achievement of PLF of at least 70% at the Chennai thermal plant during the period April 2021 to March 2022 and repayment of all scheduled term loans.

The nominal cost of performance share, i.e. upon the exercise of awards, individuals will be required to pay up 0.0147p per share to exercise their awards.

The share price performance metric will be deemed achieved if the average share price over a fifteen day period exceeds the applicable target price. In the event that the share price or other performance targets do not meet the applicable target, the number of vesting shares would be reduced pro-rata, for that particular year. However, no LTIP Shares will vest if actual performance is less than 80 per cent of any of the performance targets in any particular year. The terms of the LTIP provide that the Company may elect to pay a cash award of an equivalent value of the vesting LTIP Shares. None of the LTIP Shares, once vested, can be sold until the third anniversary of the award, unless required to meet personal taxation obligations in relation to the LTIP award.

For LTIP Shares awards, £267,624 (Sep19: £417,911; FY20: £835,822) has been recognised in General and administrative expenses.

Grant date	24-Apr-19	24-Apr-19	24-Apr-19
Vesting date	24-Apr-20	24-Apr-21	24-Apr-22
Method of settlement	Equity/ Cash	Equity/ Cash	Equity/ Cash
Vesting of shares (%)	20%	40%	40%
Number of LTIP shares granted	2,800,000	5,600,000	5,600,000
Exercise price (pence per share)	0.0147	0.0147	0.0147
Fair value of LTIP shares granted (pence per share)	0.107493	0.121739	0.104486
Expected volatility (%)	68.00%	64.18%	55.97%

In April 2020, and upon meeting relevant performance targets, 2,190,519 LTIP shares vested (80% of the 1st tranche). These shares will be issued during FY21.

18. Borrowings

The borrowings comprise of the following:

	30 Sep 2020	30 Sep 2019	31 March 2020
Term loans and non-convertible debentures at amortised cost and cash credit loans at cost	44,281,691	70,743,240	56,827,685
Total	**44,281,691**	**70,743,240**	**56,827,685**

The borrowings are reconciled to the statement of financial position as follows:

	30 Sep 2020	30 Sep 2019	31 March 2020
Current liabilities			
Amounts falling due within one year	1,430,290	26,754,827	23,746,229
Non-current liabilities	42,851,401	43,988,413	33,081,456
Amounts falling due after 1 year but not more than 5 years			

Total	**44,281,691**	**70,743,240**	**56,827,685**

The Group raised approximately £21.1 million (Rs2 billion) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. NCD's proceeds was used to repay the FY21 and FY22 (i.e. to March 2023) principal term loans obligations.

19. Post - reporting date events

Subsequent to 30 September 2020, the Group has collected contractual claims payments from its customers under the power purchase agreements amounting to £9.6 million (Rs0.9 billion) (see note (9)). These contractual claims were accumulated over several periods and were recognised as Other income in these financial statements.

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