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OPG Power Ventures plc
27 November 2018

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

Unaudited results for the six months ended 30 September 2018 and board change

OPG (AIM: OPG), the developer and operator of power generation plants in India, announces its unaudited results for the six months ended 30 September 2018 ("H1 FY19").

Highlights

- H1 FY19 total generation of 1.55 billion units up 9 per cent from 1.42 billion units in H1 FY18
- Robust operational performance - PLF at Chennai 85 per cent in H1 FY19; 73 per cent in H1 FY18
- Chennai average tariff in H1 FY19 was Rs5.20, Rs4.92 in FY18
- Profit from continuing operations was £6.5 million compared with £2.1m in H1 FY18
- Average tariff increase of 7 per cent to Rs5.58 effective from October 2018 for captive consumers
- Coal prices have reduced by 23 per cent since end of September 2018
- £10.3 million term loan principal repayment in H1 FY19; Gross debt £85.9 million, incl. term loans of £76.5 million and working capital loans of £9.4 million

Summary financial information (including historic financial data)

£ million	HY 30 Sep 18*	HY 30 Sep 17*
Revenue	77.9	66.5
EBITDA	14.4	13.6
Profit Before Tax	7.3	4.2
Profit/(Loss) Per Share /EPS (pence)	1.67**	(0.70)**

* Gujarat financials are excluded on account of deconsolidation
** Includes dilution impact of 31,601,503 shares which will be issued in December 2018 under scrip dividend

Arvind Gupta, Chairman, commented: "We are pleased to have continued with our strong operational performance and maximised volumes from our Chennai plant. Healthy operational performance, an increase in tariffs and continued reduction in coal prices keep us optimistic about the prospects for the Company in FY19. All these factors are expected to provide the basis for OPG to demonstrate robust profitability in FY19."

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ('MAR')

Disclaimer

This announcement does not constitute or form part of any offer or invitation on to sell or issue, or any solicitation on of any offer to purchase or subscribe for any securities. The making of this announcement does not constitute a recommendation on regarding any securities. Certain statements, beliefs and opinions contained in this announcement, particularly those regarding the possible or assumed future financial or other performance of OPG, industry growth or other trend projections are or may be forward

Executive Chairman's Statement

Half year results statement

Operations Summary

Chennai - Total generation maintained at 1.55 billion kWh and PLF of 85%

	HY 30th Sep 2018	HY 30th Sep 2017	FY18
Generation (million kWh)			
414 MW Chennai	**1,439**	**1,146**	**2,492**
Additional "deemed" offtake at Chennai	106	276	277
Total Generation (MUe)1	1,545	1,422	2,770
Reported Average PLF (%)			
414 MW Chennai	85%	73%	77%
Average Tariff Realized (Rs)			
414 MW Chennai	5.20	4.98	4.92

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

Total Generation at the Chennai plant excluding deemed generation in H1 FY19 was 1.44 billion units, 26 per cent higher than in H1 FY18. This increase in generation was primarily due to higher plant availability and increased demand by industrial customers. Average tariffs realised in H1 FY18 were Rs5.20 and for FY19 are expected to be approximately Rs5.35 as tariff were increased in October 2018 (FY18: Rs4.92). Deemed offtake under the Long Term Variable Tariff Agreement ("LTVT") with TANGEDCO is entitled to a fixed capacity charge of Rs1.50.

Focus on Maximising Asset Performance and Deleveraging

The average landed cost of coal was Rs 4,632 (£51) in H1 FY19, which was approximately 2 per cent higher than in FY18. However, it is pleasing to report that, following the coal price spike in 2017 and the first half of 2018, coal prices have reduced by some 23 per cent in Q3 FY19. We are cautiously optimistic that the lower coal prices will provide some benefit in FY19 and significant benefits will accrue in FY20.

All scheduled interest and principal repayments at Chennai, amounting in aggregate to Rs1.39 billion (£15.0 million, including £10.3 million principal repayments) were made during the six months ended 30 September 2018.

As at 30 September 2018, total borrowings were £85.9 million as of 30 September 2018, including term loans of £76.5 million and working capital loans of £9.4 million. The Company looks forward to achieving a major milestone later this year as the term loans with respect to Unit 1 of the Chennai plant (77 MW out of 414 MW) will be fully repaid in December 2018. The remainder of the Chennai plant term loans are scheduled to be fully repaid by Unit II and III in calendar year 2022 and Unit IV in Q3 23.

62 MW Karnataka Solar projects

Karnataka solar projects (62MW) are situated north of Bengaluru. All plants are operational and have met all critical operating metrics. Currently the projects are receiving a tariff of Rs4.36 per kWh. We expect the Capacity Utilisation Factor to be around 18 per cent in its first year of operations.

Update on shipping Joint Venture

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").

As reported, during FY18, Noble (the Joint Venture partner) due to a change in their group strategy requested the Joint Venture to be terminated. As the vessels were still under construction the termination process was to be initiated in FY19. Pursuant to the termination of the Joint Venture, both vessels due to be sold and we currently expect these transactions and the termination to be concluded by the end of the financial year FY19 with no material additional funding from OPG.

Overview of the Indian Economy and Power Sector & Factors influencing power demand

The IMF's World Economic Update in July 2018 estimated a GDP annual growth rate of 7.5 per cent for India in 2019. With such strong GDP growth, India is the fastest growing economy in the world and historically, growth in power demand has largely followed GDP growth and increased economic activity. We expect power demand to grow at a rate of 6.7 per cent CAGR during the period between 2017 and 2022 and, as Indian power consumption per capita was only 1,075 kWh in 2016, that it will catch up with developed economies with similar social economic conditions over time. Demand patterns continue to undergo changes due to, inter-alia, urbanisation and increases in life style spending. The key drivers of growth for increased power demand are distribution reforms, last mile connectivity and transformation of DISCOMs through policy decisions like the UDAY and IPDS schemes, improvement in governance and transparency and adoption of emerging trends and technology. India has jumped 23 positions to rank 77 globally, its highest ever, in the World Bank's annual Ease of Doing Business ranking in the latest World Bank Doing Business Report (DBR, 2019). The resultant impact is expected to be increased economic activity and industrialisation, contributing to increasing power demand.

Board Changes

Following the resignation of Mr Ravi Gupta from the Board of Directors in May 2018, we are pleased to announce that Ms Avantika Gupta, Chief Operating Officer, was appointed to the Board of Directors effective immediately. Ms Gupta was admitted as a Barrister-at-law in England & Wales. She joined the Company in 2010 and served in the capacity of legal manager. Ms Gupta was appointed as Chief Operating Officer from March 2018. Ms Gupta, aged 31, has been a Director of the following companies within the last five years:

- Padma Shipping Limited (current)
- Ujjain Enterprises & Holdings LLP (current)
- Pankaj Shipping Limited (current)
- Neeraj Shipping Limited (current)
- Gita Power Ventures Limited
- OPG Power Generation Private Limited
- OPGS Industrial Infrastructure Developers Private Limited
- OPGS Industrial Infrastructure Private Limited

There is no further information required to be disclosed pursuant to Schedule Two, paragraph (g) of the AIM rules.

Outlook

This is the first time that OPG has reported its financial statements since the Gujarat plant financials were deconsolidated. The Company is benefitting from continued coal price reductions since the period end. We expect that strong operational performance, combined with the impact of recently increased tariffs and lower coal prices will allow us to demonstrate robust profitability in FY19. The company continued repaying term loans in H1 FY19 and debt reduction will continue into the second half of FY19. We expect to revert to paying cash dividend in FY19 and we believe that the Company going forward will maintain its long term profitable and sustainable business model.

Consolidated statement of financial position
As at 30 September 2018
(All amounts in £, unless otherwise stated)

	Notes	As at 30-Sep-18	As at 30-Sep-17	As at 31-Mar-18
Assets				
Non-current assets				
Intangible assets		42,981	102,031	64,170
Property, plant and equipment	13	197,246,154	440,321,485	207,271,135
Investments accounted for using the equity method		11,301,252	1,366,249	11,219,378
Other long-term assets		2,980,928	7,493,492	3,000,333
Restricted cash		4,786,914	73,453	4,966,140
		216,358,229	**449,356,710**	**226,521,156**
Current assets				
Inventories		5,197,880	6,931,708	9,716,280
Trade and other receivables	14	42,182,770	77,800,753	33,695,545

Other short-term assets		11,060,707	7,236,293	9,414,971
Current tax assets (net)		3,091,830	1,577,719	2,890,933
Restricted cash		19,513,067	32,805,157	20,318,985
Cash and cash equivalents	15	798,218	8,489,056	2,185,570
		81,844,472	**134,840,686**	**78,222,284**
Total assets		**298,202,701**	**584,197,396**	**304,743,440**
Equity and liabilities				
Equity				
Share capital		52,378	51,672	52,378
Share premium		125,567,473	124,319,142	125,567,473
Other components of equity		(3,317,105)	4,447,687	1,193,995
Retained earnings		17,949,568	98,824,894	11,461,826
Equity attributable to owners of the Company		**140,252,314**	**227,643,395**	**138,275,672**
Non-controlling interests		855,915	(15,475,328)	854,752
Total equity		**141,108,229**	**212,168,067**	**139,130,424**
Liabilities				
Non-current liabilities				
Borrowings	16	56,842,623	247,935,946	69,636,532
Trade and other payables		21,077,060	260,290	17,547,733
Deferred tax liabilities (net)		1,833,002	5,021,641	1,457,209
		79,752,685	**253,217,877**	**88,641,474**
Current liabilities				
Borrowings	16	29,025,604	50,887,768	23,829,415
Trade and other payables		47,550,615	62,871,917	52,331,422
Other liabilities		765,568	5,051,767	810,705
		77,341,787	**118,811,452**	**76,971,542**
Total liabilities		**157,094,472**	**372,029,329**	**165,613,016**
Total equity and liabilities		**298,202,701**	**584,197,396**	**304,743,440**

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

The financial statements were authorised for issue by the board of directors on 26 November 2018 and were signed on its behalf by

Arvind Gupta, Executive Chairman Dmitri Tsvetkov, Chief Financial Officer

Consolidated statement of Comprehensive Income
For the period ended 30 September 2018
(All amounts in £, unless otherwise stated

	Notes	Six month Period ended 30-Sep-18	"Restated" (Refer notes 5(a), 7) Six month Period ended 30-Sep-17	Year ended 31-Mar-18
Revenue		77,865,908	66,464,600	140,115,336
Cost of revenue		(54,360,778)	(44,867,021)	(100,195,277)
Gross profit		**23,505,130**	**21,597,579**	**39,920,059**
Other income	9	816,397	343,353	1,979,024
Distribution cost		(4,449,571)	(4,274,414)	(10,293,699)
General and administrative expenses		(5,514,467)	(4,085,730)	(7,559,711)
Depreciation		(3,059,313)	(3,466,904)	(6,526,177)
Operating profit before impairments		**11,298,176**	**10,113,884**	**17,519,496**
Impairment provision for loss on investments and assets under construction			-	(7,280,793)
Operating profit		**11,298,176**	**10,113,884**	**10,238,703**
Share of loss from equity accounted investments		(268,408)	(9,927)	(35,296)
Finance costs	10	(5,808,618)	(6,744,152)	(12,931,972)
Finance income	11	2,076,678	818,086	1,623,500

Profit / (Loss) before tax		**7,297,828**	**4,177,891**	**(1,105,065)**
Tax expense	12	(804,026)	(2,118,176)	(3,072,731)
Profit / (Loss) for the year from continued operations		**6,493,802**	**2,059,715**	**(4,177,796)**
Loss from discontinued operations, including Non-Controlling Interest	7	-	(9,261,843)	(96,700,467)
Profit/ Loss for the year		**6,493,802**	**(7,202,128)**	**(100,878,263)**
Profit / (Loss) for the year attributable to:				
Owners of the Company		6,487,742	(2,666,311)	(87,141,023)
Non - controlling interests		6,060	(4,535,816)	(13,737,240)
		6,493,802	**(7,202,127)**	**(100,878,263)**
Earnings/(Loss) per share from continued operations				
Basic earnings per share (in Pence)		1.67	1.24	(1.08)
Diluted earnings per share (in Pence)		1.67	1.24	(1.08)
Loss per share from discontinued operations				
Basic earnings per share (in Pence)		-	(1.93)	(22.15)
Diluted earnings per share (in Pence)		-	(1.93)	(22.15)
Earnings /(Loss) per share				
-Basic (in pence)		1.67	(0.70)	(22.65)
-Diluted (in pence)		1.67	(0.70)	(22.65)
Other comprehensive (loss) / income				
Items that will be reclassified subsequently to profit or loss				
Available for sale financial assets				
-Reclassification to profit or loss			(73,351)	(73,351)
-Current year gains			-	-
Exchange differences on translating foreign operations		(4,511,100)	(17,544,460)	(20,871,345)
Items that will be not reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		(4,897)	300,401	(555,331)
Total other comprehensive (loss) / income		**(4,515,997)**	**(17,317,410)**	**(21,500,027)**
Total comprehensive income / (loss)		**1,977,805**	**(24,519,537)**	**(122,378,290)**
Total comprehensive income / (loss) attributable to:				
Owners of the Company		1,976,642	(20,284,122)	(108,085,719)
Non-controlling interest		1,163	(4,235,415)	(14,292,571)
		1,977,805	**(24,519,537)**	**(122,378,290)**

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

Consolidated statement of cash flows

For the period ended 30 September 2018
(All amounts in £, unless otherwise stated)

	Six month Period ended 30 September 2018	"Restated" (Refer notes 5(a), 7) Six month Period ended 30 September 2017	Year ended 31 March 2018
Cash flows from operating activities			
Profit / (Loss) before income tax	7,297,828	4,177,891	(97,805,532)
Adjustments for:			
Loss from discontinued operations, net	-	-	96,700,467
Unrealised foreign exchange loss	1,585,018	(193,600)	(64,747)
Financial costs	5,808,618	6,744,152	12,931,972
Financial income	(2,076,678)	(838,934)	(1,623,500)
Depreciation and amortisation	3,059,313	3,452,504	6,526,177
Impairment provision for loss on investments and assets under construction	-	-	7,280,793
Loss/ (Gain) on sale of shares in AFS investments	-	-	(159,998)
Share of net loss from associates	268,408	9,927	35,296
Changes in working capital			
Trade and other receivables	(8,334,431)	6,865,523	4,928,335
Inventories	4,312,858	7,808,553	1,943,460
Other assets	(1,163,448)	(6,626,337)	(668,761)
Trade and other payables	(760,992)	7,203,931	26,381,201
Other liabilities	(10,990)	66,322	807,855
Cash generated from continuing operations	**9,985,504**	**28,669,932**	**57,213,018**
Taxes paid	(388,266)	(663,312)	(823,728)
Cash provided by (used for) operating activities of continuing operations	**9,597,238**	**28,006,620**	**56,389,290**

Cash provided by (used for) operating activities of discontinued operations	-	(3,948,285)	24,239,702
Net cash from operating activities	**9,597,238**	**24,058,335**	**80,628,992**
Cash flows from investing activities			
Purchase of property, plant and equipment (including capital advances)	(406,525)	(1,026,097)	(1,090,689)
Interest received	2,076,677	713,845	1,547,138
Movement in restricted cash	75,143	(18,078,688)	(16,103,811)
Sale of investments	4,120	381,468	2,676,801
Purchase of investments	-	(3,222,601)	(14,972,747)
Advances to associates	(268,998)	-	(1,985,863)
Cash provided by (used for) investing activities of continuing operations	1,480,417	(21,232,073)	(29,929,171)
Cash provided by (used for) investing activities of discontinued operations		932,265	442,963
Net cash used in investing activities	**1,480,417**	**(20,299,808)**	**(29,486,208)**
Cash flows from financing activities			
Proceeds from borrowings (net of costs)	6,114,016	20,514,214	4,099,459
Repayment of borrowings	(12,753,961)	(29,516,320)	(25,070,007)
Dividend paid	-	8,670,886	(1,623,539)
Interest paid	(5,808,618)	(15,415,038)	(12,931,972)
Cash provided by (used for) financing activities of continuing operations	(12,448,563)	(15,746,258)	(35,526,059)
Cash provided by (used for) financing activities of discontinued operations		5,551,465	(25,127,046)
Net cash from financing activities	**(12,448,563)**	**(10,194,793)**	**(60,653,105)**
Net (decrease)/ increase in cash and cash equivalents from continuing operations	(1,370,908)	(8,971,710)	(9,065,940)
Net increase/(decrease) in cash and cash equivalents from discontinued operations		2,535,445	(444,381)
Net (decrease)/ increase in cash and cash equivalents	**(1,370,908)**	**(6,436,265)**	**(9,510,321)**
Cash and cash equivalents at the beginning of the year	2,185,570	13,086,123	13,086,123
Exchange differences on cash and cash equivalents	(16,444)	2,001,533	(843,405)
Cash and cash equivalents from the deconsolidation of discontinued operations	-	(162,335)	(546,827)
Cash and cash equivalents at the end of the period	**798,218**	**8,489,056**	**2,185,570**

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

Consolidated statement of changes in equity

For the period ended 30 September 2018

(All amounts 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 01 April 2017	**351,508,955**	**51,672**	**124,319,142**	**6,723,656**	**15,341,842**	**101,491,205**	**247,927,517**	**(11,239,914)**	**236,687,603**
Adjustments on account of deconsolidation subsidiary (Note 7)				-	-	-	-	26,353,147	26,353,147
Impact of change in shareholding structure during the year					(18,312)	(15,778)	(34,090)	34,090	-
Dividends	4,799,742	706	1,248,331	-	91,505	(2,872,578)	(1,532,036)	-	(1,532,036)
Transaction with owners	**4,799,742**	**706**	**1,248,331**	**-**	**73,193**	**(2,888,356)**	**(1,566,126)**	**26,387,237**	**24,821,111**
Loss for the year						(87,141,023)	(87,141,023)	(13,737,240)	(100,878,263)
Other comprehensive income				(73,351)	(20,871,345)		(20,944,696)	(555,331)	(21,500,027)
Total comprehensive income	**-**	**-**	**-**	**(73,351)**	**(20,871,345)**	**(87,141,023)**	**(108,085,719)**	**(14,292,571)**	**(122,378,290)**
At 31 March 2018	**356,308,697**	**52,378**	**125,567,473**	**6,650,305**	**(5,456,310)**	**11,461,826**	**138,275,672**	**854,752**	**139,130,424**
At 01 April 2018	**356,308,697**	**52,378**	**125,567,473**	**6,650,305**	**(5,456,310)**	**11,461,826**	**138,275,672**	**854,752**	**139,130,424**
Dividends	-	-	-	-	-	-	-	-	-
Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the						6,487,742	6,487,742	6,060	6,493,802

period									
Other comprehensive (loss) / income					(4,511,100)		(4,511,100)	(4,897)	(4,515,997)
Total comprehensive loss	**-**	**-**	**-**	**-**	**(4,511,100)**	**6,487,742**	**1,976,642**	**1,163**	**1,977,805**
At 30 September 2018	**356,308,697**	**52,378**	**125,567,473**	**6,650,305**	**(9,967,410)**	**17,949,568**	**140,252,314**	**855,915**	**141,108,229**
At 01 April 2017	**351,508,955**	**51,672**	**124,319,142**	**6,723,656**	**15,341,842**	**101,491,205**	**247,927,517**	**(11,239,914)**	**236,687,603**
Dividends	-	-	-	-	-	-	-	-	-
Transaction with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period						(2,666,311)	(2,666,311)	(4,535,816)	(7,202,127)
Other comprehensive (loss) / income				(73,351)	(17,544,460)		(17,617,811)	300,402	(17,317,409)
Total comprehensive loss	**-**	**-**	**-**	**(73,351)**	**(17,544,460)**	**(2,666,311)**	**(20,284,122)**	**(4,235,414)**	**(24,519,536)**
At 30 September 2017	**351,508,955**	**51,672**	**124,319,142**	**6,650,305**	**(2,202,618)**	**98,824,894**	**227,643,395**	**(15,475,328)**	**212,168,067**

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 IOMA House, Hope Street, Douglas, Isle of Man 1M1 1JA. 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 2018 were approved and authorised for issue by the Board of Directors on 26 November 2018.

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, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group.

Information on those expected to be relevant to the Group's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Group's financial statements.

IFRS 16 'Leases'
On 13 January 2016, the IASB issued the final version of IFRS 16 'Leases'. IFRS 16 will replace the existing leases standard, IAS 17 'Leases', and related interpretations. The standard sets out the principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of comprehensive income. The standard also contains enhanced disclosure requirements for lessees. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

The effective date for adoption of IFRS 16 is annual periods beginning on or after 1 January 2019, though early adoption is permitted for companies applying IFRS 15 'Revenue from Contracts with Customers'. Management does not expect any significant impact of IFRS 16.

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 available-for-sale financial assets measured at fair value.

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.

In FY 2018 results of operations of Bhadreshwar Vidyut Private Limited (herein referred to as BVP and formerly known as OPGS Power Gujarat Private Limited) were reclassified to discontinued operations (Note 7).

Depreciation was reclassified from Cost of Revenue and General and Administrative expenses to a separate line in the Consolidated Statement of Comprehensive Income.

As at 30 September 2018, the group had £0.8m in cash and net current assets of £4.5m. The directors and management have prepared a cash flow forecast to November 2019, 12 months from the date this report has been approved.

The Group experiences sensitivity in its cash flow forecasts due to the exposure to settle a guarantee provided to the lenders of BVP and the potential increase in USD denominated coal prices and a decrease in the value of the Indian Rupee.

During these periods the Group is exposed to the risk that a guarantee provided to the lenders of BVP of £7.2m is called upon. Based on recent loan repayments made by BVP the exposure risk has reduced to £1.4m. As BVP has been awarded captive status for the years FY16, FY17 and FY18 the DISCOMS will be refunding the Cross Subsidy Surcharges ("CSS") to the Captive customers of BVP and in return these customers will be settling their debts with BVP and hence it is unlikely that the guarantee will be called upon.

If against our expectation the guarantee is called upon then the Directors and management are confident that the Group can raise additional funds. 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.

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 2018.

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 or received and the book value of the share of the net assets is recognised in 'other reserve' within 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:

(i) Subsidiaries	Immediate parent	Country of incorporation	% Voting Right		% Economic interest	
			September 2018	March 2018	September 2018	March 2018
Caromia Holdings limited ('CHL')	OPGPV	Cyprus	100	100	100	100
Gita Power and Infrastructure Private Limited, ('GPIPL')	CHL	India	100	100	100	100
OPG Power Generation Private Limited ('OPGPG')	GPIPL	India	70.75	72.72	99.91	99.91
Bhadreshwar Vidyut Private Limited ('BVP') (*)	GPIPL	India	(*)	(*)	(*)	(*)
Samriddhi Solar Power Private Limited	OPGPG	India	70.75	72.72	99.90	99.90
Samriddhi Surya Vidyut Private Limited	OPGPG	India	70.75	72.72	99.90	99.90
OPG Surya Vidyut Private Limited	OPGPG	India	70.75	72.72	99.90	99.90
Powergen Resources Pte Ltd	OPGPV	Singapore	98.64	98.64	100.00	100.00

(*) During the financial year 2017-18, GPIL sold 5% of its shareholding in BVP (formerly known as OPGS Power Gujarat Private Limited), and thereby reducing its stake to 46% as a result of which the group lost control over BVP. In addition, the group also does not have any significant influence in BVP (Note 7 Loss from discontinued operations), therefore, the investment in BVP was classified as available for sale and BVP financial statements were consequently deconsolidated as on 31st March 2018.

(ii) Joint ventures	Venturer	Country of incorporation	% Voting right		% Economic interest	
			September 2018	March 2018	September 2018	March 2018
Padma Shipping Limited ("PSL")	OPGPV / OPGPG	Hong Kong	50	50	50	50

The Group has invested in the following entities which are in the business of solar projects in India.

(iii) Associates	Investor	Country of incorporation	% Voting right		% Economic interest	
			September 2018	March 2018	September 2018	March 2018
Avanti Solar Energy Private Limited	OPGPG	India	31	31	31	31
Mayfair Renewable Energy Private Limited	OPGPG	India	31	31	31	31
Avanti Renewable Energy Private Limited	OPGPG	India	31	31	31	31
Brics Renewable Energy Private Limited	OPGPG	India	31	31	31	31

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 2018: 94.21 (31 March 2018: 90.81; 30 September 2017: 87.44) and the average rate for the period ended 30 September 2018: 91.04 (31 March 2018: 85.40; 30 September 2017: 83.19)

f) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

Sale of electricity
Revenue from the sale of electricity is recognised when earned on the basis of contractual arrangement with the customers and reflects the value of units supplied including an estimated value of units supplied to the customers between the date of their last meter reading and the reporting date.

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
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of any financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Financial assets are classified into the following categories upon initial recognition:

i) loans and receivables
ii) available-for-sale financial assets.
The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

Loans and receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for assets having maturities greater than 12 months after the reporting date. These are classified as non-current assets. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Available-for-sale financial assets:
Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include Mutual funds and equity instruments. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the other reserves in equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. The fair value of the mutual fund units is based on the net asset value publicly made available by the respective mutual fund manager.

Reversals of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognised in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognised.

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
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Group as a lessee
Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the group. Leases where the Group does not acquire substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term. Lease of land is classified separately and is amortised over the period of the lease.

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) 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 shareholders 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.

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
During the FY 2018, the Group has sold a 5% per cent equity stake in its special purpose vehicle BVP to Bee Electric, an Indian company. This transaction reduced the Group's equity interest in BVP to 46%. A voting agreement was signed with Bee Electric whereby OPG shall exercise all its rights of voting at the general meetings of BVP in accordance with the directions of Bee Electric. Sale of the 5% stake and execution of voting agreement resulted in the Company losing control and significant influence over BVP and in accordance with International Financial Reporting Standards BVP was deconsolidated as of 31 March 2018 and the Group's remaining 46% in BVP was accounted for as an investment at fair value as at 31 March 2018.

Recognition of revenue and receivables
The operating entities of the group has entered into power purchase agreements with transmission companies incorporated by the Indian state government (TANGEDCO) to sell the electricity generated. The Group has exposure to credit risk from accounts receivable balances on sale of electricity. For other customers, the Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. Consequent to delay in payments by TANGEDCO the group has in accordance with power purchase agreements invoiced for surcharge on delayed payments.

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

Available for sale financial assets
Management applies valuation techniques to determine the fair value of available for sale financial assets 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. Further, liabilities associated with financial guarantee contracts in the Company financial statements are initially measured at fair value and re-measured at each Statement of financial position date. (see note 5(j) and note 16).

iii) 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;

iv) 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. Loss from discontinued operations of BVP
During FY 2018, the Group has sold a 5% per cent equity stake in its special purpose vehicle BVP to a local firm, Bee Electric Power Private Limited ("Bee Electric"), that has already assisted BVP in resolving several issues raised by the DISCOMS and will continue to assist BVP in its dealings with DISCOMS, captive consumers and regulators. The 5% equity interest in BVP will provide long-term incentives for Bee Electric and will better align its interests with those of BVP. The Group retains the ability to buyback the 5% shareholding at fair value in the future. This transaction reduced the Group's equity interest in BVP to 46%. The Group does not expect any cash flow or dividends from BVP. Sales proceeds from selling a 5% equity interest in BVP is approximately GBP 4,535 which represents tax book value. Also a voting agreement was signed with Bee Electric whereby OPG shall exercise all its rights of voting at the general meetings of BVP in accordance with the directions of Bee Electric.

Sale of the 5% stake and execution of voting agreement resulted in the Company losing control and significant influence over BVP and in accordance with International Financial Reporting Standards BVP was deconsolidated as of 31 March 2018 and the Group's remaining 46% in BVP was accounted for as an investment at fair value as at 31 March 2018. Fair Valuation of retained investments in BVP is on basis of the recent transaction. Starting from 2018-19, the results of operations of BVP will not be consolidated in OPG Group's consolidated financial statements. The Board has decided to conduct a review of strategic options at Gujarat. The Board's strategic review will occur alongside but separately to the development of a lender-assisted Resolution Plan ("RP") as per the Reserve Bank of India ("RBI") circular dated 12 February 2018 setting out a revised framework to reschedule the terms of BVP's term loans. These were described in the Company's statement of 13th March 2018. The circumstances leading to the requirement to develop an RP were due to the accumulated impact of delayed recognition of captive power status and the withholding of the CSS. The RP plan was developed and presented to the banks but it has not been approved and implemented at the date of signing of these financial statements.

	INCOME STATEMENT OF BVP	**Year ended March 31 2018**	**Period ended September 30 2017**
	The Loss from discontinued operations of BVP consists of:		
i	Operating Loss of BVP for current year	27,990,427	9,261,843
ii	Loss on deconsolidation of BVP	22,330,728	-
iii	Impairment provision for investments in debentures of BVP	11,060,890	-
iv	Impairment provision for trade receivables and trade advances to BVP	21,969,479	-
v	Impairment provision for financial securities pledged with lenders of BVP	13,348,943	-
	Total loss from discontinued operations of BVP	**96,700,467**	**9,261,843**

Loss on deconsolidation of BVP:		**£**
Consideration received		4,535
Fair value of retained non-controlling investment in BVP		40,453
Total	(A)	44,988

Total assets	256,056,615

Total liabilities		260,034,046
Net liabilities at date of loss of control	(B)	(3,977,431)
Non-controlling interest on date of loss of control	(C)	26,353,147
Net loss on disposal effecting the Group	(A-B-C)	(22,330,728)

INCOME STATEMENT OF BVP	**Year ended March 31 2018**	**Period ended September 30 2017**
Revenue	91,536,946	47,409,798
Cost of revenue	(69,294,346)	(35,335,022)
Gross profit	**22,242,600**	**12,074,776**
Other income	393,243	221,795
Distribution cost	(14,805,606)	(2,646,153)
General and administrative expenses	(1,848,316)	(1,268,106)
Depreciation	(6,143,974)	(2,850,250)
Operating profit	**(162,053)**	**5,532,062**
Finance costs	(28,343,101)	(12,732,782)
Finance income	514,727	160,803
Loss before tax	**(27,990,427)**	**(7,039,917)**
Tax income / (expense)	-	(2,221,926)
Loss after tax	**(27,990,427)**	**(9,261,843)**

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 chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operating segment level. Accordingly, there is only a single operating segment "generation and sale of electricity". The accounting policies used by the Group for segment reporting are the same as those used for consolidated financial statements. There are no geographical segments as all revenues arise from India.

9. Other income

	30 Sep 2018	**30 Sep 2017**	**31 March 2018**
Sale of coal	158,821	50,595	162,394
Sale of fly ash	31,269	-	53,198
Foreign exchange	-	136,112	-
Power trading commission and other services	-	-	558,657
Sale of Solar power plant system to associates (Net of cost)	-	-	44,505
Others	626,307	156,646	1,160,270
Total	**816,397**	**343,353**	**1,979,024**

10. Finance costs

	30 Sep 2018	**30 Sep 2017**	**31 March 2018**
Interest expenses on borrowings	5,338,513	5,975,921	12,237,962
Other finance costs	470,105	768,231	694,010
Total	**5,808,618**	**6,744,152**	**12,931,972**

11. Finance income

	30 Sep 2018	**30 Sep 2017**	**31 March 2018**
Interest income on bank deposits	2,076,678	686,480	1,519,407
Profit on disposal of financial instruments*	-	131,606	104,093
Total	**2,076,678**	**818,086**	**1,623,500**

* Financial instruments represent the mutual funds held during the year.

12. Tax expense

	30 Sep 2018	**30 Sep 2017**	**31 March 2018**
Current tax	428,233	-	341,614
Deferred tax	375,793	2,118,176	2,731,117
Tax reported in the statement of comprehensive income	**804,026**	**2,118,176**	**3,072,731**

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 entirely 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 which is calculated on the book profits of the respective entities currently at a rate of 21.34% (31 March 2017: 21.34%).

13. Property, plant and equipment

	Land & Buildings	Power stations	Other plant & equipment	Vehicles	Assets under construction	Total
Cost						
At 1 April 2017	**15,615,379**	**482,207,682**	**970,897**	**2,814,116**	**8,480,876**	**510,088,950**
Additions	(495,514)	9,725,079	53,476	3,813	-	9,286,854
Deletions	-	-		(4,610)	-	(4,610)
Transfers on capitalisation	58,937	-	-	-	(2,998,381)	(2,939,444)
Exchange adjustments	(1,692,549)	(53,062,680)	(106,946)	(303,001)	(951,735)	(56,116,911)
Adjustments on account of deconsolidation of a subsidiary	(8,742,160)	(217,803,207)	(302,502)	(115,679.00)	-	(226,963,548)
At 31 March 2018	**4,744,093**	**221,066,874**	**614,925**	**2,394,639**	**4,530,760**	**233,351,291**
Additions	9,375	63,696	2,764	8,386	308,148	392,369
Exchange adjustments	(165,092)	(7,979,039)	(21,902)	(86,361)	(169,240)	(8,421,634)
At 30 September 2018	**4,588,376**	**213,151,531**	**595,787**	**2,316,664**	**4,669,668**	**225,322,026**
Accumulated depreciation and impairment						
At 1 April 2017	**143,397**	**28,373,085**	**832,397**	**835,345**	**-**	**30,184,224**
Charge for the year	21,566	11,953,076	69,209	463,647	-	12,507,498
Exchange adjustments	(17,066)	(3,802,766)	(95,031)	(119,348)	-	(4,034,211)
Adjustments on account of deconsolidation of a subsidiary	(115,723)	(12,067,207)	(280,475)	(113,950)		(12,577,355)
At 31 March 2018	**32,174**	**24,456,188**	**526,100**	**1,065,694**	**-**	**26,080,156**
Charge for the period	3,822	2,809,163	38,113	208,215	-	3,059,313
Exchange adjustments	(1,292)	(997,529)	(19,386)	(45,390)	-	(1,063,597)
At 30 September 2018	**34,704**	**26,267,822**	**544,827**	**1,228,519**	**-**	**28,075,872**
Net book value						
At 30 September 2018	**4,553,672**	**186,883,709**	**50,960**	**1,088,145**	**4,669,668**	**197,246,154**
At 31 March 2018	**4,711,919**	**196,610,686**	**88,825**	**1,328,945**	**4,530,760**	**207,271,135**
At 30 September 2017	**15,004,187**	**415,178,263**	**63,823**	**1,594,336**	**8,480,876**	**440,321,485**

14. Trade and other receivables

	30 Sep 2018	30 Sep 2017	31 March 2018
Current			
Trade receivables	40,990,171	77,794,200	33,644,282
Unbilled revenues	1,107,664	-	-
Other receivables	84,935	6,553	51,263
	42,182,770	**77,800,753**	**33,695,545**

Trade receivables are generally due within 30 days terms and are therefore short term and the carrying values are considered a reasonable approximation of fair value. An amount of £36,871,335 (31 March 2018: £24,594,934) has been pledged as security for borrowings. As at 30 Sep 2018 & 31 March 2018, trade receivables of £271,116 (30 Sep 2017: £1,677,967) were collectively impaired and provided for. Trade receivables that are neither past due nor impaired represents billings for the month of September 2018. The group has been supplying power to Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) as per terms of relevant power purchase agreements. The Group are due a sum of £ 13,016,831(2018: £12,926,948) from Tangdeco for the surcharge on delayed payments made by Tandegco toward power supplies. A receivable has not been recognised at this point due to the uncertainty of its collectability.

			Past due but not impaired		
Period	**Total**	**Neither past due nor impaired**	**Within 90 days**	**90 to 180 days**	**Over 180 days**
Sep-18	40,990,171	15,628,017	13,328,000	7,915,318	4,118,836

Mar-18	33,644,282	20,619,510	5,048,431	696,534	7,279,807
Sep-17	77,794,200	17,145,471	11,013,931	5,930,578	43,704,220

The movement in the provision for trade receivables is as follows:

Period	Opening balance	Provision for the year	Adjustment on account of deconsolidation	Closing balance
Sep-18	271,116	-	-	271,116
Mar-18	1,177,967	271,116	(1,177,967)	271,116
Sep-17	1,177,967	500,000	-	1,677,967

The creation of provision for impaired receivables of £271,116 for FY 2017-18 has been included in general and administrative expenses in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

15. Cash and cash equivalents

	30 Sep 2018	30 Sep 2017	31 March 2018
Cash at banks and on hand	798,218	7,861,377	2,185,570
Short-term deposits	-	627,679	-
	798,218	**8,489,056**	**2,185,570**

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

16. Borrowings

	30 Sep 2018	30 Sep 2017	31 March 2018
Term loans at amortized cost and cash credit loans at cost	85,868,227	298,823,714	93,465,947
Total	**85,868,227**	**298,823,714**	**93,465,947**

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

	30 Sep 2018	30 Sep 2017	31 March 2018
Current liabilities			
Amounts falling due within one year	29,025,604	50,887,768	23,829,415
Non-current liabilities			
Amounts falling due after 1 year but not more than 5 years	56,842,623	247,935,946	69,636,532
Amounts falling due in more than five years	-	-	-
Total non-current	**56,842,623**	**247,935,946**	**69,636,532**
Total	**85,868,227**	**298,823,714**	**93,465,947**

17. Post - reporting date events

On 23 October 2018, Company's Annual General Meeting approved scrip dividend of 1 pence per share for the financial year 2018 in respect of 356,308,697 existing ordinary shares of 0.0147 pence each in the capital of the Company. Accordingly based on the previously announced reference price of 11.275 pence per share and the scrip dividend of 1 pence per share, a total of 31,601,503 new ordinary shares will be allotted by the Company to shareholders. Admission of the new ordinary shares is expected on 3 December 2018. Following Admission, the Company will have 387,910,200 Ordinary Shares in issue admitted to trading on AIM.

Basic and diluted earnings per share of current and prior periods were calculated based on the new number of shares, including dilution impact of 31,601,503 shares which are expected to be admitted to trading on AIM on 3 December 2018.

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