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SUSTAINABLE PROFITABLE RESILIENT

ANNUAL REPORT 2017

INTRODUCTION

OPG is a developer and operator of power plants in India with a track of record of delivery and an experienced management team. Our goal is to be a leader in the Indian energy sector.

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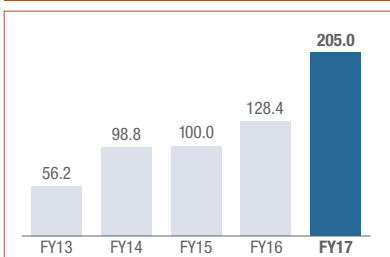
HIGHLIGHTS

- Profit after tax of £23.1m up 24% compared with £18.6m in FY16
- EPS of 8.43 pence per share on attributable basis up by 59% compared with FY16
- Full year dividend of 0.98 pence per share, including interim dividend of 0.26 pence per share already paid
- Generation up 30% to 4.4* billion units from 3.3 billion units in FY16
- Revenue up 60% to £205m from £128m in FY16
- EBITDA margin of 33% despite higher coal costs
- Net debt £308m; Gearing of 57% consistent with FY16
- 62 MW solar project construction started and is on track for commissioning in FY18

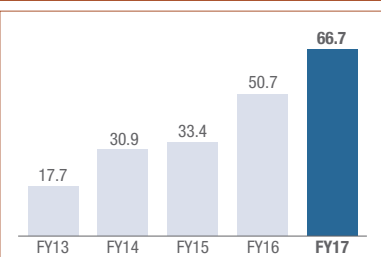
* 4.4 billion units includes 0.4 billion deemed generation for Chennai Unit 3 (FY16: 0.2 billion)

FINANCIAL HIGHLIGHTS

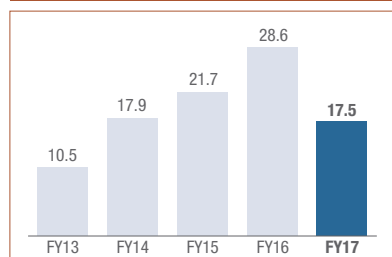
REVENUES (£m)



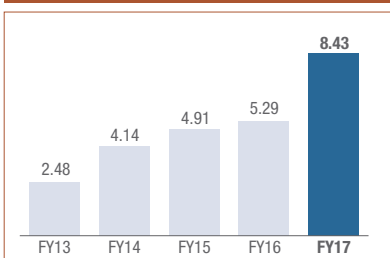
EBITDA (£m)



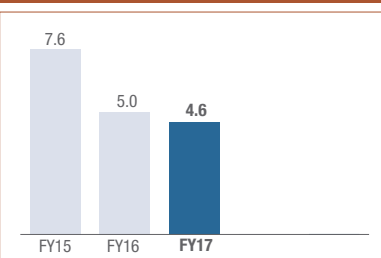
PROFIT BEFORE TAX (£m) (pre-exceptional items)



EPS (£ pence)



NET DEBT / EBITDA





OPG has established a strong investment case

- **Robust platform of operating assets**
- **Experienced management**
- **Proven ability to execute**
- **Attractive sector fundamentals**
- **Demonstrated focus on cash flow generation**

EXECUTIVE CHAIRMAN'S STATEMENT

In the year ended 31 March 2017, we witnessed more of the potential from our 714 MW portfolio. At 4.4 billion units, OPG generated 30% more electricity than the previous year, benefitting from a full year of operation at Gujarat. The Company's full year profit after tax increased by 24% to £23.1m and earnings per share increased by 59% to 8.43 pence per share.

Overall performance overview

The Company has recorded its ninth successive year of increasing revenues, a near-zero lost time injury rate and improved environmental performance measures. The strategy of maximising our existing assets to make our business stronger in the long term has led the Board proposing a final dividend of 0.72 pence per share bringing the total dividend payable in respect of FY17 to 0.98 pence per share. A further, formal announcement setting out the record date and payment date for the final dividend as well as scrip option will follow in due course.

Maximising our assets, demonstrating resilience

Since 2010 we have consistently achieved plant load factors above published national thermal averages and FY17 was also such a year. In addition, our clean dark spreads (being the difference between tariff and cost on a per unit basis) at our flagship Chennai plant were Rs 2.63 per kWh in FY17 in spite of unforeseen events such as the spike in coal costs and other external factors that we reported during FY17. We believe that this reflects margins amongst the best in the sector.

On the majority of our sales at both plants, we continued to be paid within sixty days of billing industrial customers. However, slow remittances and recoveries from state electricity boards ("SEBs") have continued to impact the Indian power sector and it is pleasing that our track record in recovering amounts due has been relatively good and the

backlog in Chennai has been appreciably reduced. We expect to achieve similar progress in Gujarat now that we have amended the share capital structure.

Pursuing the maximisation of our assets strengthens our ability to withstand external events while keeping gearing at a sustainable level. The Company's gearing remained stable at 57% in FY17 and FY16. Further, to better align our debt obligations and cash flows, we have extended our loan repayment at Gujarat by ten years. This includes a period of low repayments in the next five years and thereby reduces principal amounts to be repaid by £67m up to 2022. We were cushioned, to a degree, by good volumes, our sales tariffs under group captive power business model, the diversity of our largely industrial customer base and some short term forward purchasing of coal. We believe that the underlying business remains resilient primarily because of the captive power business model.

Building Towards A Bright Future Macro – gathering momentum

Alongside a buoyant stock market, the broader trend of economic growth in India remains strong. The government has continued to undertake reforms on a transformational scale which, in our view, bode well for momentum and growth over the long term such that both power consumption, system efficiency and cost of capital should improve. These include the long-awaited introduction of a uniform system of indirect taxes (GST) across the country designed to improve interstate commerce, prioritising non-

performing assets in the banking sector, achieving higher levels of electrification across the country and implementing reforms to improve profitability of state power distribution companies (UDAY scheme). We believe these reforms will make the Indian power market stronger from the next year.

UDAY – implementing a game changer for tariffs and efficiencies

Almost all states in India, including Gujarat and Tamil Nadu are now signed up to the UDAY scheme. This benefits the SEBs through a reduction in debt and interest costs, while committing them to a yearly tariff review and increased efficiency. Tariff orders issued by most signatory states imply an average 10% annual improvement in SEB finances from tariff and other changes. In Tamil Nadu, under a MoU with the Ministry of Power, the state government and the utility have agreed to raise tariffs by an average of 6% for FY18-19 across all categories of consumers.

As well as being resilient, we believe our underlying business is in a good position to benefit from these changes which will progressively compound the visibility of revenues brought about as a result of the multi-year sale agreements the Company has now negotiated for nearly 500 MW of its output (including the 74 MW long term contract with the state of Tamil Nadu).

Managing availability and cost of landed coal

For most of the last seven years we have enjoyed highly attractive clean

EXECUTIVE CHAIRMAN'S STATEMENT

CONTINUED

dark spreads and uninterrupted coal supply, unlike many plants in India. We regularly highlight the risk that seaborne coal prices present to our sector, but the last twelve months have seen unheralded and prolonged coal price volatility, against which short term price hedging can only provide limited protection. Intuitively with market consensus index coal prices still forecast to decline by over 20% in the next two years, our coal procurement strategy will require careful management and execution, with the timing of any forward purchases being a major strategic consideration. As a result of the optionality that we have to switch between several types of coal, we are exploring additional strategies to buffer our trading operations for FY19 and beyond.

Historically, freight costs have also been volatile. In 2014, we announced a joint venture with Noble Chartering Limited, a wholly owned subsidiary of Noble Resources Group, aimed at acquiring and managing two new build carrier vessels supported by the carriage of OPG cargo. The new vessels are approaching delivery in mid-2018, and are expected to provide a degree of protection against any sharp or prolonged rise in future seaborne freight rates for nearly half of coal movements.

The outlook for thermal and renewable power

Coal India Limited, the world's largest coal producer, has recently stated publicly its own expectation that coal will remain the mainstay of the Indian energy sector for decades to come with the possibility of an increase in its use. The Ministry of Power has voiced similar expectations. As a result of a surplus of domestic coal, there are plans in India to significantly reduce thermal coal imports over the next two to three years, with state owned power

plants importing significantly less. The reduction of coal imports by India, the recent Chinese policy measures to restrict coal imports and suspend new capacity development and ongoing global investments in renewables are generally expected to underpin the outlook for lower international coal prices going forward.

In fact, the latest directive issued recently by the Chinese authorities enforcing stricter environmental norms and closure of manufacturing units in several industries, including metals, is expected to further depress international coal prices.

Growth in renewables is progressing, with many players bidding for new projects at highly competitive tariff levels. Pursuant to recent trends in tariff bidding, as well as volatility in solar panel prices and in coal prices in our core business, we continue to approach new projects from a perspective of seeking returns rather than purely scale. Our focus remains on delivering our 62 MW solar entry project this year and being selective about further projects while maintaining our target of 300 MW solar over the next few years.

Outlook

Following a year of rising revenues and earnings in FY17, the first several months of FY18 have as previously announced been challenging given the sustained and unexpectedly high seaborne thermal coal prices that have impacted our sector as a whole. Whilst consensus prices for coal in the second half of FY18 are expected to reduce, the board will continue to review all options to ensure that any impact is minimised should this expected reduction not take place.

India has achieved a GDP growth of over 7% in FY17 and electricity markets

grew at 5.4% CAGR over the last 10 years, which indicates steady growth in demand for electricity going forward. Operationally the business has continued to deliver high load factors which we believe puts us in a strong position to withstand the short-term challenges to the business and we are working on a number of initiatives that we believe will mitigate the impact of volatility in coal prices on our business. With coal prices continuing to point downwards, positive pipeline developments on tariffs and our renewable projects progressing, I believe the current year will prove to be a year of re-alignment, setting the business on its course to recover increased profitability in FY19 due to the prospective strong tariff potential and reduction in coal prices.

At the Annual General Meeting, the Board will seek a renewal of customary authorisation to purchase ordinary shares in the Company up to 10% of the Ordinary Shares in issue. Finally, the Board and I wish to place on record our immense gratitude to our team who have built up the Company's track record of success carrying the responsibility of navigating the Company through multiple challenges. After all, the mark of a solid team is how we respond to the challenges presented to us and it is this team strength at OPG that enables the Board to stand by its confidence in the Company's future.

Arvind Gupta
Executive Chairman
28 September 2017



The following is a commentary on the Group's financial performance for the year.

Income statement

Year ended 31 March	2017 £m	% of revenue	2016 £m	% of revenue
Revenue	205.00		128.44	
Cost of revenue (excluding depreciation)	(115.10)		(66.60)	
Gross profit	89.90	43.85	61.84	48.15
Other income	0.90		4.44	
Distribution, general and administrative expenses (excluding depreciation, employee stock option charge)	(24.05)		(15.60)	
EBITDA	66.75	32.56	50.68	39.4
Depreciation	(11.94)		(5.94)	
Net finance costs	(37.24)		(15.91)	
Income from continuing operations (before tax non-operational and/or exceptional items)	17.57	8.57	28.83	22.4
Employee stock option charge	(0.09)		(0.28)	
Profit before tax	17.48	8.53	28.55	22.2
Taxation	5.59		(9.97)	
Profit after tax	23.08	11.26	18.57	14.45

Revenue

The Group's revenue has increased by £76.56m, reflecting a 60% growth year on year. Generation exported to customers and billed for revenue increased by 63% to 3,695m units in FY17 from 2,272 in FY16.

Production and output levels from the Group's operating power plants in Chennai and Gujarat compared to the prior year were as follows:

Particulars	FY17	FY16
Generation (million units)	4,003	3,163 ¹
PLF (%)	70 ²	70
Average tariff (INR/unit)	4.86	5.58

1 Includes 704m units from Gujarat for which results were being capitalised.

2 Chennai Unit 3: Deemed PLF (%) has been included

Gross profit

Gross profit ('GP'), net of depreciation on Plant and machinery included in cost of revenue in FY17 was 43.85% of revenue (FY16: 48.15%). The reduction in GP is partly on account of reduction in Tariff during the year.

The cost of revenue represents fuel costs (including the depreciation on plant & machinery added therein in the audited accounts but excluded for the purpose of this review). The average factory gate costs for Indian coal increased by 9.6% and those for imported coal by 10.85%. The table overleaf shows the price and blend of Indian and Indonesian coal consumed in FY17 and FY16.

FINANCIAL REVIEW

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Price and blend of India and Indonesian coal consumed

Financial year	Average factory gate price (INR/mt)		Average factory gate price (INR perm KCal)		Blend % Indian: Imported
	Indian coal	Imported coal	Indian coal	Imported coal	
FY17	3,301	3,565	904	835	5:95
FY16	3,013	3,216	879	769	22:78
Change %	9.56	10.85			

EBITDA

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a measure of a business's cash generation from operations before depreciation, interest and exceptional and non-standard or non-operational changes such as the annual charge for stock options which is a non-cash item or expenses relating to projects under construction.

EBITDA was £66.75m in FY17 up from £50.68m in FY16 and EBITDA margin was lower at 32.56% in FY17 against 39.46% in FY16 on account of decrease in GP margin.

Profit before tax reconciliation ('PBT') (£m)	FY17
PBT 2016-17	17.48
PBT 2015-16	28.55
Decrease in PBT	(11.07)
Reconciliation	
Increase in GP	22.06
Decrease in other income	(3.55)
Increase distribution, general and administrative expenses	(8.25)
Increase in depreciation*	(0.01)
Increase in net finance cost ¹	(21.33)
Decrease in PBT	(11.07)

* excluding depreciation on Property, Plant and equipment £11.30m (FY16: £5.29m) included in cost of revenue, adjusted in the GP.

Note¹

The increase in Net finance costs of £21.33m is attributable to the full year effect of interest costs relating to debt on the Gujarat plant commissioned on 30 January 2016.

Taxation

The Company's operating subsidiaries are under a tax holiday period but are subject to Minimum Alternate Tax ('MAT') on its accounting profits. Any tax paid under MAT can be offset against future tax liabilities arising after the tax holiday period.

The tax credit during the year was £5.60m (FY16: expense of £9.97m) which includes current tax (MAT) expense of £3.32m (FY16: £3.99m) and deferred tax income of £14.49m net of deferred tax expense of £5.58m. (FY16: expense of £5.97m).

The deferred tax expense arises from timing differences in the amounts of depreciation charged in the tax accounts as against these published accounts.

The Group has carried forward credits in respect of MAT tax paid in earlier periods to the extent it is probable that future taxable profits will be available against which such tax credits can be utilised. Consequent to a change in laws from 1 April 2017, companies in India can now carry forward and take benefit of tax credits in respect of MAT up to the fifteenth assessment year as against ten assessment years as was previously allowed. This has resulted in the group recognising a deferred tax asset amounting to £14.49m, out of which £11.17m was previously unrecognised.

Details of tax credit during the year (£m)	FY17
Current tax FY 2016-17	3.32
Deferred Tax on Property, Plant & Equipment Credit for MAT	5.59
	(14.49)
Tax expense/(income)	(5.59)

Profits after tax

Profits after tax have increased by £4.50m from £18.51m in FY16 to £23.08m in FY17.

Earning per Share (EPS)

The Company's attributable reported EPS increased from 5.29 pence to 8.43 pence on account of increase in PAT due to attributable loss to minority shareholders.

Dividend

In line with our dividend policy, the Board approved FY17 full year dividend at 0.98 pence per share, including interim dividend of 0.26 pence per share already paid. No dividends were paid in FY16.

Foreign exchange gain on translation

The Company's total assets/ liabilities increased during the year by £112.55m, which is primarily on account of foreign exchange translation during the year of £91.30m. (FY 17: 1 £= INR 80.82; FY 16: 1 £=INR 95.09)

Property, plant and equipment

The increase in net book value of our property, plant and equipment principally relates to forex gain on account of translation during the year.

Other non-current assets

Other non-current assets (excluding Property, plant and equipment & Intangible assets) have increased by £2.94m year on year primarily as a result of increase in the restricted cash holding for more than 12 months.

Current assets

Current assets have increased by £44.75m to £141.73m year on year primarily as a result of the following:



- Increase in trade receivables by £26.43m, including cross subsidy charges deducted on invoices pertaining to Gujarat subsidiary of £14.50m. (Total amount of cross subsidy charges withheld from the sales invoices of Gujarat subsidiary was £26m as at 31 March 2017).
- During the year the Company collected £24m of the £35m outstanding from TANGEDCO as at 31 March 2016.
- Increase in cash and bank balances (including restricted cash) by £12.65m
- Increase in inventory holdings by £6.23m.
- Effective 2011, the Group's investments in the minority owned plants OPG Energy Pvt Ltd or OPGE & OPG Renewable Energy Pvt Ltd or OPGRE in which the Group holds, respectively, 29.8% and 22% of the paid-up equity were deconsolidated from these accounts and accounted as non-current

investments. In terms of Fair valuation exercises carried out at the time and subsequently, these investments are carried, since 30 November 2011 at NIL value in these accounts.

- The Group has been informed by OPGE & OPGRE that these companies propose, shortly, to make an offer of buy back of their shares at face value. Having completed the due process in this respect, the Group intends, if and when such an offer is extended to the shareholders, to tender its shares under the offer.

Current liabilities

Current liabilities have increased by £31.37m primarily on account of increase in trade creditors by £15.81m (including an increase in Gujarat of £22.5m offset by decrease in Chennai) and borrowings by £15.52m.

Other non-current liabilities

Other non-current liabilities have increased by £25.37m primarily

on account of forex impact on translation during the year.

Net debt, gearing and finance costs

Net borrowings (borrowings net of cash and cash equivalents and available-for-sale of investments) are £308m. The gearing ratio is 57% in FY17.

Total borrowings (current and non-current portions) didn't change significantly during the year and amounted to Rs 25.9 bn as at 31 March 2017 (31 March 2016 – Rs 25.1bn) while GBP equivalent increased from £263.6m to £321m due to significant strengthening of INR against GBP in FY17. Increase in Total borrowings (current and non-current) £263.6m in FY16 to £321m in FY17 and increase of £57.41m (Increase on account forex is £46.53m and £10.88m due to increase in debt).

Finance costs have increased from £16.71m in FY16 to £38.82m in FY17

FINANCIAL REVIEW

CONTINUED



primarily due to i) the incidence of full year of interest on the Gujarat plant term loan included in the income statement (such interest having been capitalised before the completion date of 1 February 2016) and ii) significant strengthening of INR against GBP in FY17. FY18 finance costs are expected to be similar to FY17 finance costs.

Finance income increased from £0.8m in FY16 to £1.58m in FY17 and therefore net finance costs in FY17 amounted to £37.24m.

The FY17 restricted cash balances totalling £17.83m (FY16: £9.23m) comprise deposits that have been pledged as security against the Company's specific borrowings.

Cash flow

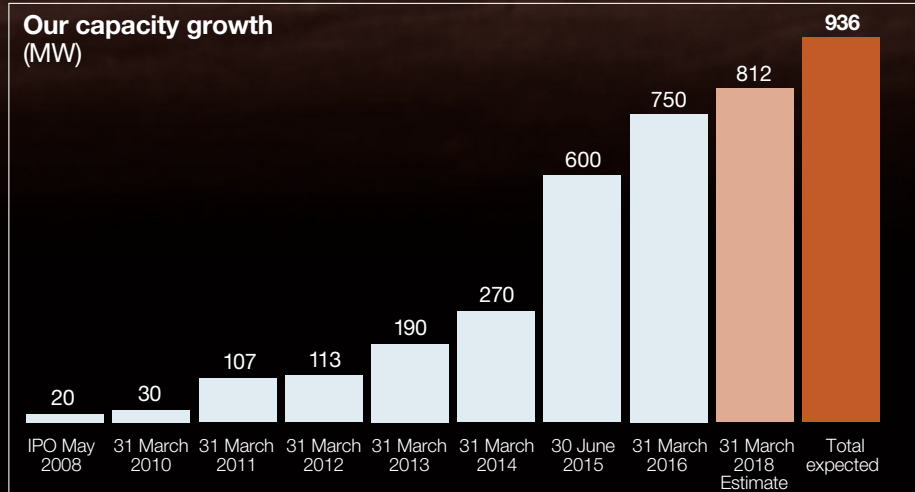
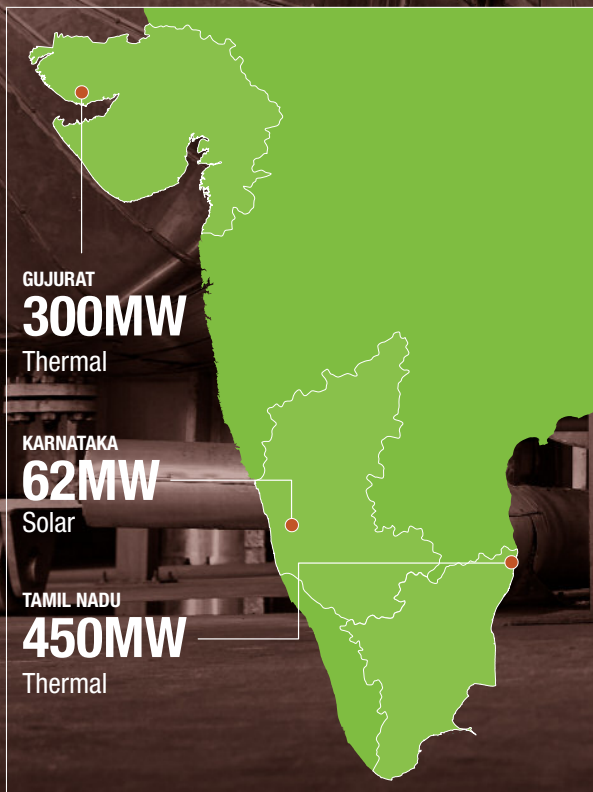
Operating cash flow has increased from £48.90m in FY16 to £66.78m in FY17, an increase of £17.61m or 36%. The increase is primarily due to the increased gross profit sales.

Movements (£m)	FY17	FY16
Operating cash	66.78	48.90
Tax paid	(3.91)	(3.97)
Change in working capital assets and liabilities	(6.78)	(25.13)
Net cash generated by operating activities	56.09	19.80
Purchase of property, plant and equipment (net of disposals)	(5.14)	(13.32)
Other investments	(10.03)	(1.65)
Net cash used in investing activities	(15.17)	(14.97)
Net interest paid	(38.82)	(7.87)
Dividend paid	(0.91)	–
Total cash change before net borrowings	1.19	(3.04)

V Narayan Swami
Finance Director
28 September 2017

OPERATING CAPACITY

750MW



COO OPERATIONAL REVIEW



The following is a review of operations for the year.

Plant availability and generation

Our operational performance is affected by our revenue generation model, plant availability and load factors and auxiliary power consumption (the internal deployment of the plant's production as this is not saleable production).

Both coal availability and water consumption are two factors which have disrupted the availability and load factors of other thermal power plants in India in recent years. OPG's plants are designed to be able to use a wide range of fuels, both domestic and international, and the Company further has the capability to maintain reserves of coal. This has been integral to coal availability at its locations and we haven't faced any interruptions on account of coal since commissioning each unit. In addition, the plants are designed to limit the consumption of water as they are built with air cooled condenser technology rather than being water cooled. As a result our plant availability has remained consistently over 90%. This is important as availability is the basis of our reward on the 74 MW Long-Term Variable Tariff ('LTVT') which is discussed further below.

Our load factors take account of plant availability as reduced by external factors like normal seasonal demand adjustments to their offtake under the LTVT (though the customer still pays us as discussed further below), enforced system back downs and once off disruptions to demand such as due to weather.

Total generation at 414 MW Chennai plant in FY17, including 'deemed' offtake, was 2.7bn units which is 12% higher than last year despite the seasonal and regional events, including Cyclone Vardah hitting northern parts of the Tamil Nadu state in December 2016. The Chennai plant load factor ('PLF') including 'deemed' offtake, in FY17 was 76% versus a national average for thermal plants of

approximately 60% and is expected to be at the same level in FY18.

The 300 MW Gujarat plant's generation was up 79% from FY16 to 1.7bn units following the commissioning of both units. The Gujarat plant continued to ramp up achieving a PLF of 63% in FY17, up from 52% in FY16. The Company expects PLF to be approximately 80% during FY18.

For FY19, the Company expects load factors at both of its plants to be at around 80%.

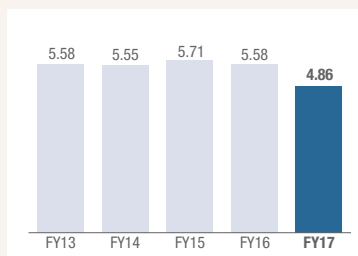
Auxiliary consumption levels, also a key measure of plant efficiency, is typically between 7.5-8% for our plants.

Sales contracts

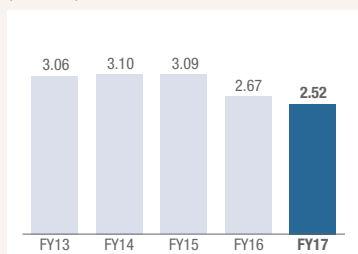
During FY17, the Company continued supplies directly to industrial customers under short-term and multi-year contracts in Chennai. The tenure of sales contracts entered into with industrial customers at Chennai was between six months and three years. This has accelerated cash collections and improved visibility of earnings. The capacity allocated to industrial customers under such contracts was 334 MW, or 82% of the plant's installed capacity and nearly half of Group capacity. 74 MW of Chennai capacity has remained available for supply on the LTVT.

Significant portion of supply of electricity to industrial customers provides an element of protection from grid-related issues. During the year the state of Tamil Nadu was forced to restrict grid access by reducing its purchases of electricity from many generators of conventional power during an especially strong wind season due to grid constraints. Industrial customers are less affected by such restrictions as the state seeks to ensure continuity of supply to business.

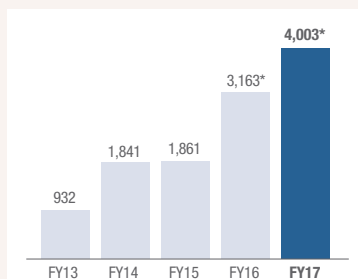
Average tariff realisation (Rs/kWh)
(INR/kWh)



Cost of generation
(Rs/kWh)



Generation
(million kWh)



Note: FY16 includes 704m units from Gujarat that were capitalised.

* excluding deemed generation for Chennai Unit 3 of 0.4 billion (0.2 billion in FY16)



For FY18, the Chennai plant expects to continue with its diversified sales mix, contracting the majority of its generation from 414 MW to Group Captive customers and the balance of 74 MW (net) to TANGEDCO under the 15 year Power Purchase Agreement ('PPA').

Power sales from the new 300 MW Gujarat plant have been to mainly industrial customers on short and medium-term contracts and to the power exchange. The industrial customers are also supplied by the state government utilities, which operates a power surplus and is able to determine how grid access is allocated. Grid access is being made available gradually, with the result that the plant has ramped up gradually as we had previously reported, achieving a load factor of 63% in FY17, compared with 52% for the two-month period since commissioning from February to March 2016.

The Chennai plant realised an average tariff of Rs 5.18 in FY17 and a 'deemed' offtake charge of Rs 1.50 per unit for 'deemed' generation. The difference between tariff and cost of coal on a per unit basis ('the Clean

Dark Spread'), was Rs 2.63 at Chennai for FY17, which we believe continues to be amongst the best in the sector, notwithstanding the sharp spike in coal prices we reported earlier during the year as well as measures taken by management to mitigate high coal price volatility.

The Gujarat plant realised an average tariff of Rs 4.03 per unit for FY17 and the Clean Dark Spread was Rs 1.37 per unit. The Gujarat Electricity Authorities have been levying Cross Subsidy and associated charges since FY 2016 on our captive users. As per legal opinions such action is inconsistent with the express provisions of the Electricity Act, other regulations and the orders of the Gujarat Electricity Regulatory Commission. The amounts withheld aggregate to ₹26m as at the end of FY17. The group is making progress in its dialogue with the authorities to revoke and rescind the levy of such charges and to refund the amounts. We anticipate resolution of this matter before the end of FY18.

For FY18, at Chennai, the Company expects the average tariff to be around

Rs 5.00. At Gujarat, the Company expects the average tariff to be around Rs 3.80. As the Company announced in Q1 FY18 trading update, it has had a change in the customer mix with a higher proportion of offtake by some large customers paying slightly lower tariffs, on multi-year sales.

For FY19, with a large number of multi-year sales contracts agreed to be rolled over as and when they fall due, the Company expects average group tariffs to be consistent with that for the FY18 one at around Rs 4.40. Average realised tariffs on multi-year contracts would benefit from any increase in regulated tariffs. In Tamil Nadu, under a MoU with the central government, the state has resolved to raise tariffs by an average of 6% from FY19 across the board.

Coal supply and prices

The Company has consistently been able to import low sulphur coal from a small number of high class Indonesian coal producers and traders with whom it has developed long-standing relationships. The Company has purchased coal primarily on short and medium-term contracts and because

COO OPERATIONAL REVIEW

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of that earlier in 2016, the Company benefited as prices spiked later during the year.

The average coal price was Rs 3,552 per tonne in FY17 (FY16: Rs 3,171 per tonne). Following coal prices spike in 2016 and some volatility at the beginning of 2017, coal prices had started to decline by the end of FY17. However in Q1 FY18, prices for imported coal unexpectedly rose substantially higher than consensus expectations, predominantly as a result of policy actions undertaken in China. The average landed cost of the Company's coal in Q1 FY18 was Rs 4,420. Based on the current market consensus we expect the average landed cost of coal to fall by around 10% over the course of the period to March 2019.

Consensus expectations continue to be for international coal prices to recede in 2018 and 2019 with longer-term consensus expectations for that trend to continue whilst coal supply is expected to stay robust.

The Company will continue to actively review its procurement and hedging practices to establish ways in which to mitigate the volatility of the coal price and will report any material developments in this regard.

Safety and environmental compliance

The Company made good progress with its safety programme, recording no fatalities and a zero reported incident rate in FY17 for Chennai versus 0.28 for every 100,000 man hours in FY16. For Gujarat Plant, total reported incident rate was targeted at 0.50 for FY17 and we have been able to bring it down from 0.64 in FY16 to 0.23 in FY17.

The Company continues to minimise its consumption of water through air cooling and we operate with a philosophy of continual improvement with regards to any effluent.

Solar projects **62 MW Karnataka**

In FY17, the Company has signed long-term 25 year PPA for 62 MW

with Karnataka Discoms at an average tariff of Rs.5.00 across the 4 sites. The 60 MW out of 62 MW solar projects have achieved financial closure and work has started on the first 20 MW site, and all sites remain on track to be commissioned in FY18.

124 MW Jharkhand

In FY17, the Company has secured a Letter of Intent for the award of a 25 year PPA for 124 MW. The necessary security deposits and guarantees have been lodged with the Jharkhand authorities.

The land has been identified and potential debt providers are ready to fund the project. The process of financial closure and land acquisition is expected to start post signing of the PPA, with a progressive commissioning timeframe over 18 months.

T. Chandramoulee
Chief Operating Officer
28 September 2017

GENERATION

4.4 BILLION UNITS (KwH)

Our generation increased 30% to 4.4 billion units from 3.3 billion units in FY16. Our plant load factors remain ahead of industry average.



BUSINESS MODEL

Our model is driven by economic growth and the demand for power in India.

DRIVERS

Industry and commerce needs sustainable, reliable power



ROBUST PLATFORM

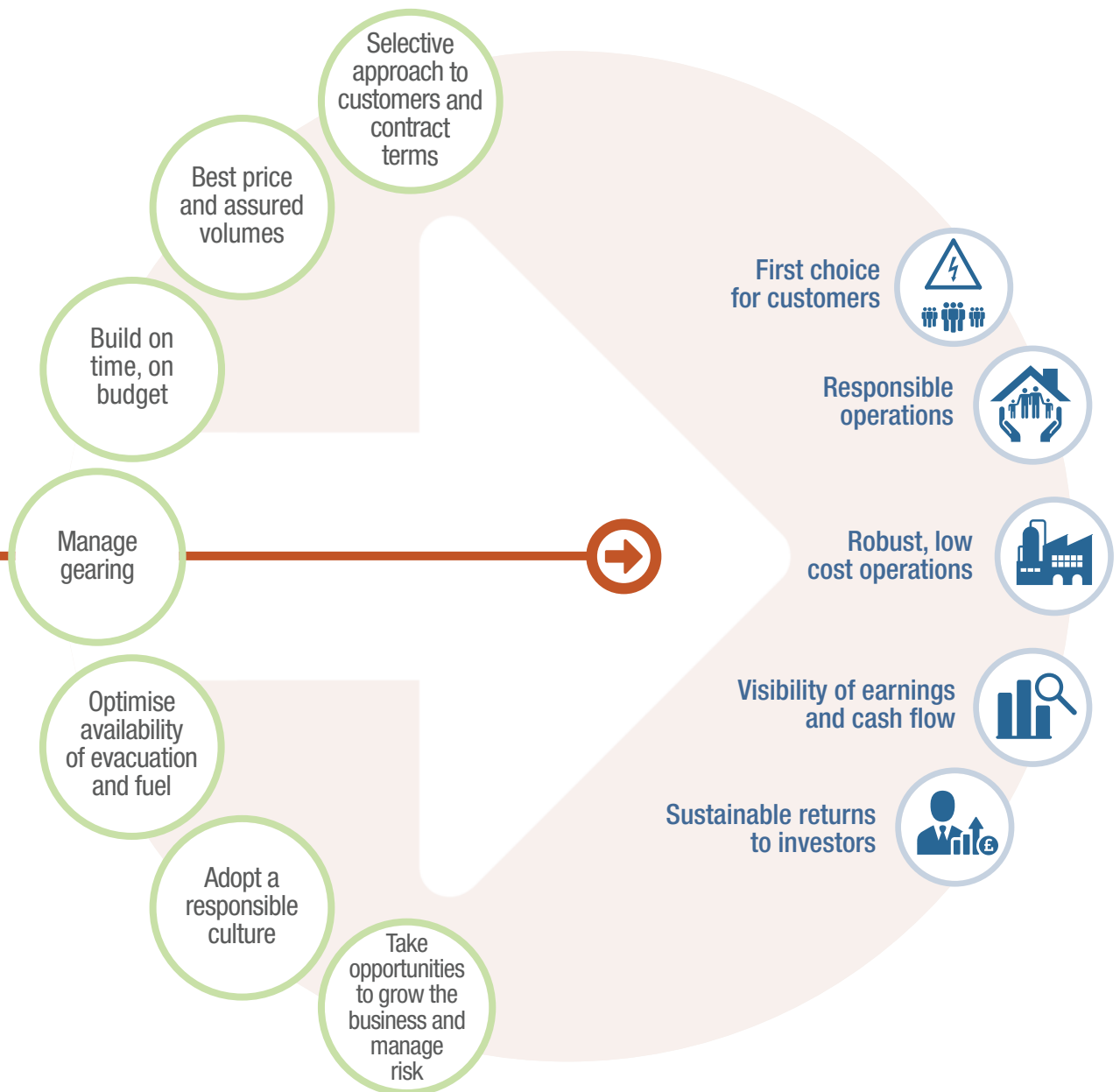
THERMAL



RENEWABLES

WHERE OPG ADDS VALUE

OUTCOMES



GROUP OBJECTIVES AND STRATEGIES

The Group's objective is to build shareholder value through profitable growth by becoming the first choice provider of reliable and uninterrupted power at competitive rates to its customers.

In addition, the Group's aim is to be a sector leader by reference to the quality of its earnings, the profitable growth it delivers and its performance against its own stringent safety and environment management standards.

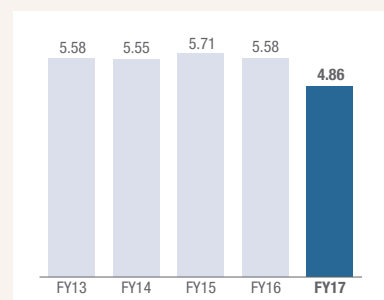
To meet these objectives, the Group's strategy includes: (i) maximising the performance of its existing power generation assets; (ii) reducing its cost of capital and paying dividends; (iii) pursuing responsible growth; and (iv) delivering accretive growth projects within its areas of expertise.

STRATEGIES	DESCRIPTION
<p>Maximising performance of existing power plants</p> 	<p>Customers The Group is committed to maximising the performance of its existing power generation assets through plant availability and providing a reliable and uninterrupted supply of electricity directly to its customers.</p> <p>The flexible design of our plants allows us to procure a variety of international and domestic coal and maintain an uninterrupted supply of coal. Further, the Group seeks to achieve competitive prices that are negotiated directly with customers. The Group's use of the group captive model means that it is well positioned to respond to fluctuations in fuel costs through short- and medium-term sales contracts.</p> <p>Profitability The Group's strategy involves developing and operating its power plants under the group captive model enabling it to set its own tariffs with captive users and thereby providing the Group with the flexibility to optimise tariffs and profitability.</p> <p>The Group continuously seeks to improve its operational performance and so implements strategies for the optimisation of its power generation assets.</p>
<p>Reducing cost of capital and paying dividends</p> 	<p>The Group aims to maximise cash generation at its existing power plants in order to provide liquidity support for its operations and to repay debt, pay dividends and generate equity for use in potential projects.</p> <p>The Group continues to prioritise projects that can be funded through a combination of debt financing and internal resources, and that can be expected to generate revenues which meet its target return levels without any direct subsidies being made available. Furthermore, the Group seeks to maintain manageable gearing levels and regular open dialogue with its shareholders and financing partners.</p> <p>Dividends The Group seeks returns for shareholders and has adopted a dividend policy that will, initially, seek to pay out 15% of full year net earnings, subject to the level of free cash flow generated, (calculated after scheduled debt repayments and expected capital expenditure) and progress to a long-term dividend strategy that pays out a third of the Company's net earnings in any year.</p>
<p>Pursuing responsible growth</p> 	<p>The Group works with long-term, top-tier financing, technical and consulting partners to pursue responsible growth, and targets international environmental standards while ensuring that domestic standards are met or exceeded. The Group also seeks to respect the rights and acknowledge the aspirations and concerns of the local communities in which it operates.</p> <p>The Group has developed, and intends to continue to develop, small- and medium-sized power projects and, alongside potential financing arrangements, considers a number of factors when assessing the viability and development of potential power projects, including that land acquisition, water supply, availability of equipment, logistics, transmission infrastructure or other local and socio-political issues, are not material constraints, and that environmental and safety standards are capable of being met.</p>
<p>Delivering accretive growth projects and expanding into renewable power sector</p> 	<p>Energy mix The Group evaluates projects consistent with its strategy of accretive growth that better replicate India's energy mix, and where it can expect to meet its debt commitments and enhance earnings. These projects currently include a range of potential power generation and related projects, including opportunities for inorganic growth through the acquisition of existing distressed or operational assets.</p> <p>Solar power The Group is expanding into the solar segment with a planned investment of £45m in four solar energy projects with a planned aggregate installed capacity of 62 MW in Karnataka.</p> <p>The Group aims to develop at least 300 MW of solar power generation projects in India. The Group intends to leverage its track record and the experience of its management team to obtain and deliver renewable power generation projects. The Directors believe that, at present, attractive growth projects in renewable energy bring with them strong potential for the Group to replicate India's energy generation mix and add to the quality of its earnings and, consequently, offer the Group attractive organic growth potential.</p>

KEY PERFORMANCE INDICATORS

FINANCIAL

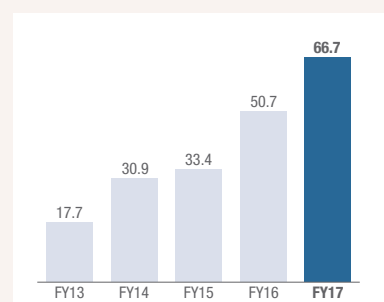
Average tariff realisation (INR/kWh)
(INR/kWh)



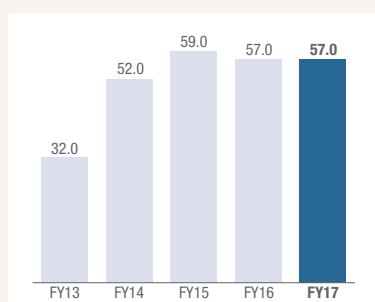
Cost of generation (INR/kWh)
(INR/kWh)



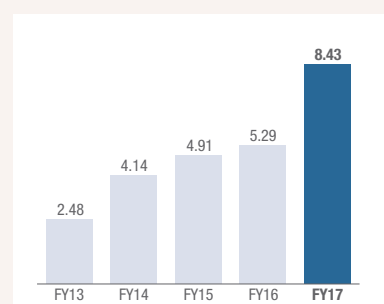
EBITDA
(£m)



Gearing
(%)

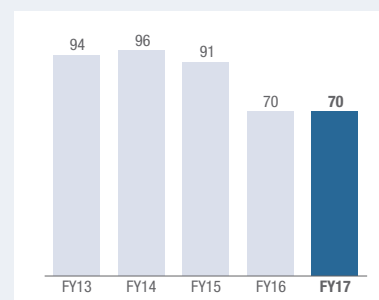


Earnings per share (EPS)
(pence)



NON-FINANCIAL

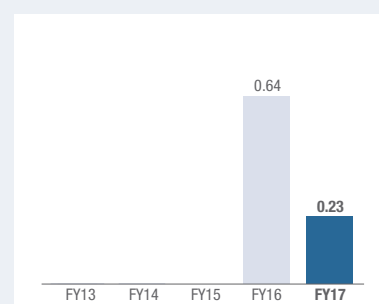
Plant load factor
(%) (Group)



Total Recordable Injury Rate
(Chennai)



Total Recordable Injury Rate
(Gujarat)*



* Commenced commercial operations on 30 January 2016

MARKET REVIEW

India has achieved a GDP growth of over 7% in FY17 and electricity markets grew at 5.4% compound annual growth rate ('CAGR') over the last ten years. The Government has continued to push ahead with structural reforms key to driving future growth and improving transparency for businesses. With Government's focus on infrastructure, aided by an increasing impetus from the buoyant domestic equity markets and with a population of 1.3 billion largely young people, the long term economic outlook continues to remain strong for India. Further due to its historic correlation with electricity consumption demand in the power sector is expected to grow.

India's GDP is forecasted to grow 7 – 8% annually over the next 3 – 4 years

Key drivers for growth

- India's has a large and young population of 1.32 bn (World Bank, 2016)
- Industrial growth is expected to be led by domestic consumption and favourable policies such as 'Make in India'
- Growth in infrastructure and smart cities will increase the pace of urbanisation; World Bank estimated only 32% urbanisation in India compared to 55% for China and 54% world average
- Interest rates have come down just under 2% since January 2015 boosting investments
- Trade deficit, exchange rates and inflation remain favourable
- A buoyant domestic equity market
- Reforms ranging from Demonetisation, Aadhar to Insolvency Act to Goods and Services Tax ('GST') expected to improve future investments in India

Power sector is expected to grow in line with GDP growth of 7%

Key highlights Supply

- The 12th five year plan (2012-2017) has seen the highest capacity additions of approximately 85 GW and 12 GW in thermal and solar respectively placing India amongst the top five power producers in the world
- All India average thermal PLF's were 60% for FY17 due to an increased supply from new plants and subdued demand by distressed Discoms (State electricity distribution companies)
- Up to 70 GW of ageing coal power plants to be retired over next 10 years which will need to be replaced by new capacity
- A target of 175 GW of renewable energy by 2022 has been set and is making efforts to bring 50 GW of stressed and under construction thermal capacity into production by 2022
- Increased coal production by Coal India Limited of 100Mt from 433Mt in 2012 to 543Mt in FY17 and expected to increase to 1bn tonnes by 2020 to meet domestic demand
- The Power Ministry and India's planning commission NITI Aayog expect coal to remain the principal source of power generation for India for decades to come

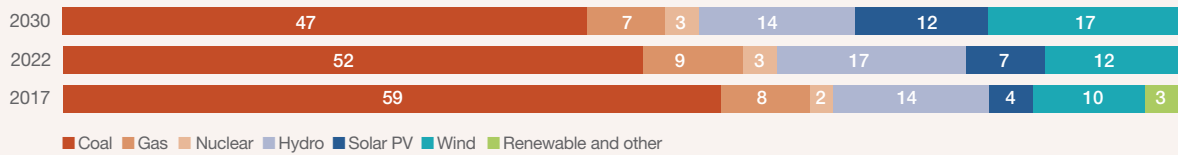
- As quoted by Niti Aayog on 28 August 2017 "The reality of India's energy sector is that around three-quarters of our power comes from coal-powered plants and this scenario will not change significantly over the coming decades"

Demand

- According to a recent credit analyst report, 24% of India still remains without electricity
- The government continues to make significant efforts through increased generation and transmission to achieve its target of; 'Power for All' by 2020
- Reforms expected to improve liquidity and demand by Discoms such as UDAY are beginning to show results
- Government plans to move to all electric cars by 2030
- As a result, demand for power is expected to continue to grow in line with GDP

562 GW installed by 2030

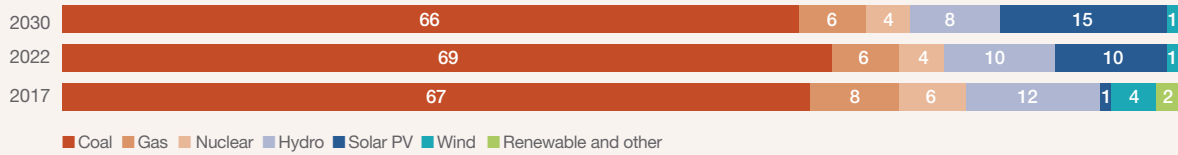
(47% coal and 29% renewables)



Source: NITI Aayog, CEA

2.8 TWh generation by 2030

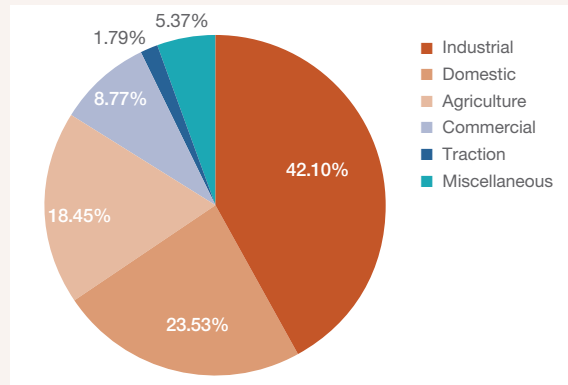
(65% coal and 15% renewables)



Source: NITI Aayog, CEA

Electricity demand by sector 31 March 2015

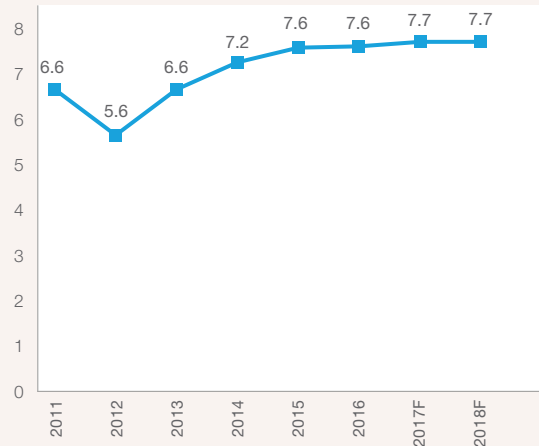
(%)



Source: CEA

GDP growth rate

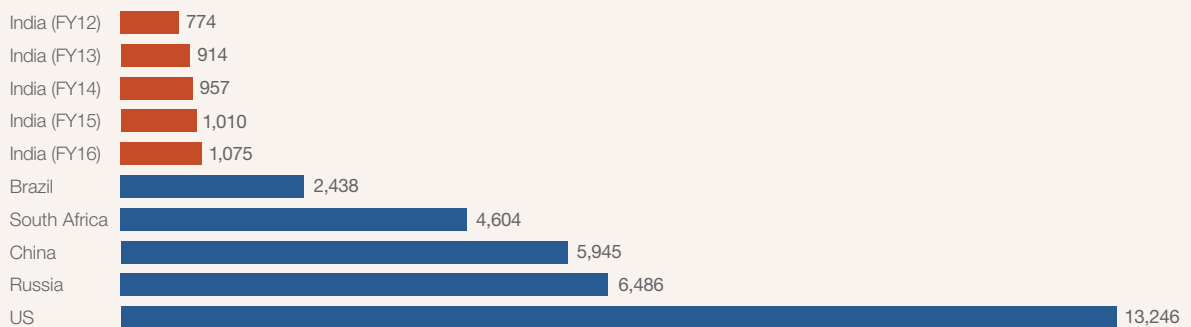
(%)



Source: World Bank

Per capita consumption of electricity

(kWh)



Source: World Bank 2011 and CEA

MARKET REVIEW

CONTINUED

Ujjwal Discom Assurance Yojna – UDAY update

- UDAY was introduced in November 2015 to bring about a financial and operational turnaround of Discoms (State Utilities)
- Key reform for the financial sector to improve the financial health of the sector and in turn reduce the non-performing loans in the banking sector
- 27 States and Union territories have signed up UDAY to date
- Turnaround by FY20 requires sustained efforts to reduce losses and increase tariffs

Results to date

KEY MEASURES	KEY PERFORMANCE
Improvement in financial metrics <ul style="list-style-type: none"> • mainly under recovery of costs due to lower tariffs 	<ul style="list-style-type: none"> • 25 of 27 states (including Tamil Nadu & Gujarat) have agreed tariff revisions up to FY18-19 • Independently projected, reduction in average under recovery from Rs 0.51 to Rs 0.45 per unit
Improvement in operating metrics <ul style="list-style-type: none"> • reduction of technical and commercial power losses and increase in smart metering 	<ul style="list-style-type: none"> • 1% Reduction in ATC losses in FY17 to 24.08%
Reduction in financial costs <ul style="list-style-type: none"> • as phased take over of Discom debts State Governments • converted to State Bonds at lower interest rates 	<ul style="list-style-type: none"> • Reduction in Discom interest costs to 8.5% from 13% previously

Solar update

- 12 GW of solar capacity installed in India at June 2017 with a target to achieve 100 GW by 2022
- Significant decrease in tariffs in the state auctions, following a fall in panel price and in some cases due to provision of payment guarantees and land and grid availability by States
- Lower tariffs have resulted in a state of uncertainty with some Discoms contemplating holding on new auctions and stalling on previously agreed PPAs at higher tariffs but the Central Government has recently denounced retrospective changes
- Solar panel costs increasing with demand from US and China,

- CERC outlines lower ROE of 14% from 16% on projects going forward due to lower interest costs and improved payment terms potentially making more projects viable

Coal update

International coal markets

- Seaborne coal market has seen significant volatility in the last 12 months principally due policy changes in China with two objectives: Eliminate outdated capacity and improve domestic coal industry profitability due to glut in global coal prices
- **Key policy changes in China**
 - Mid 2016: Reduced 330 day production policy for mines to 276

days in leading to sharp price spike of nearly 100% in prices as markets were not ready with stocks

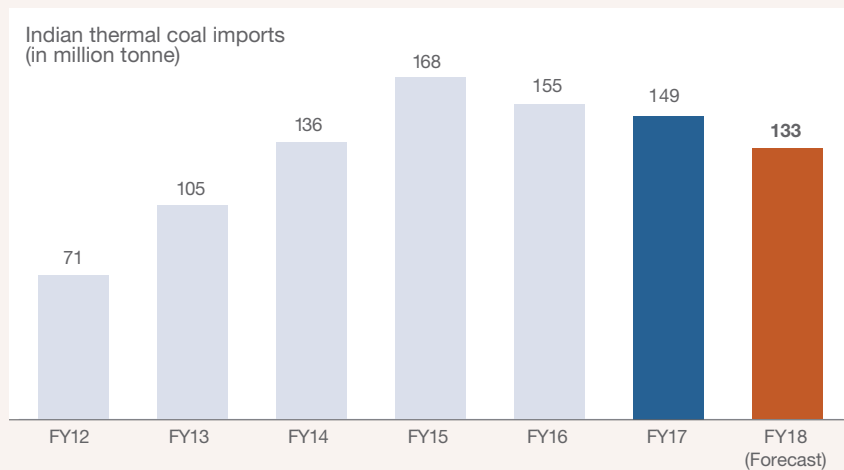
- Late 2016, the 276 day policy to 330 days was partly reversed
- Early 2017, announced to manage coal production to keep prices between US\$70-US\$75 (RMB equivalent); In mid 2017, the Chinese government announced policy changes to restrict coal imports and plans to suspend new coal power plant development to a total capacity of 150 GW, as well as to shut down a further 20GW of outdated capacity

- **Demand and price expectations**

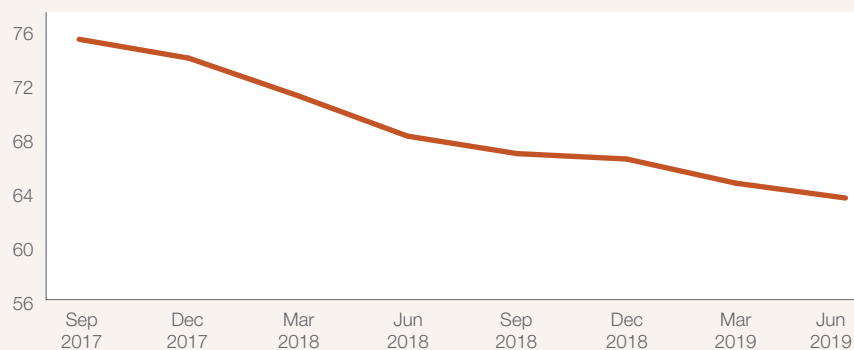
- As part of Paris Climate commitment, several countries are now looking at reduction in Co2 emissions which has led to curtailment of new coal fired power capacity in Asia such as China, South Korea and EU and US retiring older existing capacity
- Further there is a shift to gas based capacity
- India is expected to increase coal production from 550 Mt to 1 billion tonnes by 2020
- No new coal fired projects slated for permitting in 13th five year plan & state enterprises have been asked to stop use of imported coal
- China plans for power plants to maintain 15-20 days of stocks in a bid to ensure supply stability and keep spot prices in check
- As a result, forward prices and coal consensus forecasts are for prices to come down by 20% over the next 2 years

Declining trend

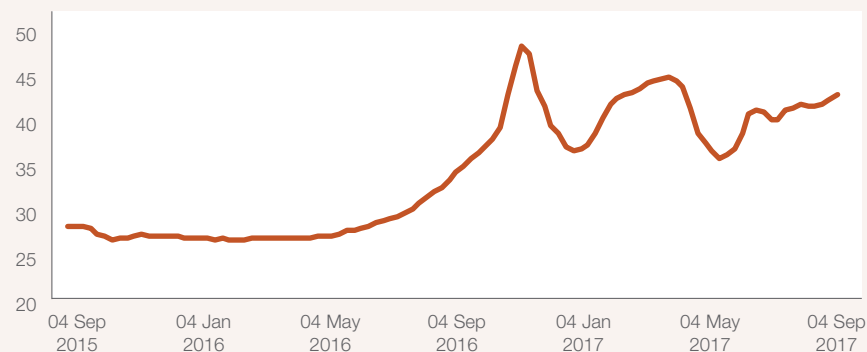
Higher production at Coal India has led to a decline in thermal coal imports



Coal consensus forecast for Newcastle coal to come down 20% (US\$/t)



Indonesian coal prices have risen sharply and remain volatile (US\$/t)



SUSTAINABILITY REPORT

At OPG, we believe in efficient, sustainable, responsible and inclusive growth. We ensure that the health and safety of all our employees and workers remain a top priority for us; environmental compliance and conserving resource remains an integral part of our organisational culture and we continue to proactively engage with communities near our operations; we are working on intensifying our engagement with them in the coming years to have a measurable positive impact on them.

Sustainability and Responsibility is at the core of our operations. Maintaining our social responsibility is vital to successfully delivering on our growth plans and creating value from our operations. We aim to achieve international best practices with our efforts and continually evaluate our health, safety, environment, and community practices to ensure we are delivering to all our stakeholders. We are committed to improving the lives of the societies in which we operate through the integration of economic prosperity, social development and environmental protection.

Our approach

We take our social and environmental responsibility as seriously as our business and economic goals. We recognise that providing safe, efficient and responsible operations are key to long term sustainability of the organisation.

We have identified three areas of priority where we continued our work in a focussed way in the financial year FY17.

- Health and Safety
- Community Support
- Environmental Performance

HSE Governance

The Board's Health, Safety and Environment Committee ('HSE Committee') was instituted to develop, implement and oversee a health and safety culture in the Company and to assist the management in its drive towards achieving and maintaining industry-leading performance in these areas.

The Steering Committee set up by the Board is entrusted with the day to day responsibility on Health, Safety and Environment. The responsibilities include adhering to the compliance, plan trainings and manage incidents. It keeps track of strategic and operational issues. Safety Committee has the responsibility at the plant level and monitors all the necessary action on the ground such as incident and accident data, corrective measures for previous incident and campaign for no repeat of an incident, ill health data and medical check-up.

Health and Safety

At both Chennai and Gujarat, our continued and concerted efforts towards safety and health of our employees have been rewarding and motivating for us and our employees. Zero Harm is our vision for safety at OPG and pursuing a goal of Zero Harm and incident free operations gets highest commitment from OPGs management. We have structured our Health and Safety programme in a way that we have stringent procedures around safety and zero tolerance for unsafe behaviour and practices around safety.

In FY17 for the Chennai Plant, we had a zero Total Recordable Incident Report ('TRIR') and a zero Loss Time Injury Frequency for every 100,000 man hours. We have brought this down from 0.28 in FY16.

For the Gujarat Plant, TRIR was targeted at 0.50 for FY17 and we have been able to bring it down from 0.64 in FY16 to 0.23 in FY17.

The responsibility of safety lies with OPG for all OPG employees and contractors. Annual health check-up has revealed no occupational health issue amongst the workforce which is checked by a certified surgeon from Inspectorate of factories. There has been no report of any woman being injured or hurt at OPG.

Health and Systems

Our approach is to implement systematic change. Chennai plant is certified with ISO 14000 and OHSAS 18001 (Occupational Health and Safety Management System). This System helps in identifying hazard risk and minimising or eliminating that risk.

We adhere to national laws on Occupational Health and Safety related legislations. We have implemented policies strictly in accordance with the legislation in letter and spirit and there has been no violation of any part of the legislation.

Carbon monoxide in coal handling plant is measured and monitored twice per month; lux monitoring during day and night and Suspended Particulate Matter and Noise monitoring is carried out regularly. Periodic health check-up is carried out for the for employees and contractors and that includes CBS, Urine Routine Pulmonary Function Test, Audiogram, Eye Check-up, Chest X Ray.

Training and Supervision

- At both Chennai and Gujarat sites, continuous training programmes in safety management are established. All employees and contractors at our



sites are provided with the necessary training. The following are the key areas of training carried out at both plants

Safety Induction training (mandatory for every new entrant in the system)

- Tool box talks (daily)
- Safety training for all employees (weekly)
- Safety training for contractors (monthly)
- First Aid Training
- Area specific training
- OHS training (5 day)
- Hazard Identification and risk assessment training
- Fire extinguishing drill
- Arc Flash

Supervision

- Following safety practices such as wearing safety gears – goggles, reflective jackets, headgear and other necessary equipment is mandatory for every worker, employee or visitor at OPG.

Promoting Safety Culture

In an Indian context, creating a safety culture is essential to ensure personnel don't underestimate the safety issues. Apart from the governance on safety,

setting up systems, providing training, it is important to promote safety culture through a mix of educating, disciplining and incentivising. For example:

- Incentivising Reporting on near miss.
- National Safety Week Celebrations
- Visitor Safety guidelines on Visitor passes.

Emergency Response and Reporting

- An onsite well equipped medical facility with a doctor and two nurses is available in case of any emergency.
- Incident Reporting Format is specified and it is presented in monthly safety report and safety committee meetings.
- Any condition that is unsafe is brought to the notice of the head, a responsibility is fixed for mitigating the risk in a time bound manner and the list is monitored.
- For each incident, reporting is done with incident type and root cause is analysed. It also specifies how the accident risk can be mitigated.
- We have had excellent safety record in certain areas in plants such as boiler ESP, Turbine and Generator, Transformer, ACC, Switch Yard and DM Plant.

Environmental performance

Continual improvement in environmental performance through responsible operations is one of the key pillars of our corporate strategy. Operational efficiency and environmental stewardship are two key drivers for our environmental management programme.

Environmental Compliance

It is our resolve to remain compliant and strive to stay ahead of compliance by monitoring and measuring our impact. We are compliant on all relevant environmental local acts and rules.

We have had no incidence of any fine or monetary sanctions imposed on us for non-compliance. Our plant has all the necessary waste water treatment as well as air pollution control equipment. There is no consumption of POPs (Persistent Organic Pollutants) in any of our operations.

Measuring and Improving Environmental Performance

Some of the important indicators that we measure are auxiliary power consumption, water quality and quantity, waste generated and recycled and emissions (Sox, Nox, SPM, GHG, CO).

SUSTAINABILITY REPORT

CONTINUED



Whether it is material use, or energy, or water we believe in reducing, reusing and recycling and disposing off the hazardous materials in compliance with guidelines.

Energy

OPG generates power for other consumers which are industrial and commercial establishments. The energy that is consumed within the plant is to maintain facilities, air conditioning, systems etc. Auxiliary Power Consumption for OPG for FY17 is 7.9% for Chennai plant and 9.3% for Gujarat plant.

Water

The primary source of water for our plants is ground water. Ground water level is measured regularly at various points through piezometric wells and level of water is as desired. Water cycle is a closed loop system at OPG, and water recovered during the process is diverted to effluent treatment plant. Treated water enters the water cycle again and the reject goes to the solar pond for evaporation. The water used for domestic consumption at the plant

is treated in Sewage Treatment Plant and the treated water from STP is used for nurturing the green belt. There is no effluent that is released from the premises.

Quality of water at various entry and exit points in the system show that the pH is well within the prescribed limit.

The plant processes were set up in a way that water could be recovered and sent back to the source. One of the major consumption of water at any thermal plant is for cooling which is the norm for most power stations. However, at OPG huge water savings result owing to the air cooling system which is employed to reduce water usage and effectively reduce the water footprint per unit generated. Air cooled condenser with 99.5% recovery of condensate along with air cooled heat exchange equipment effectively delivers huge water savings. To reduce the discharge of water from the system some other initiatives are reverse osmosis unit for effluent treatment plant and sedimentation tank for backwashed water.

Rain Water Harvesting Initiatives

- Rain water harvesting system is designed to collect 90% of runoff
- Storm water drains with infiltration wells have been made in the plant to enrich ground water table.
- Infiltration pits were dug along storm water drains to increase infiltration of water during rains.
- Input recharging pits were cleared and cleaned at regular intervals to ensure water recharge.
- To strengthen the system further gravel was cleared of silt, protective fencing was put around the pits. Water from the rain water gutter pipes are connected to the water storage tank.

Waste

Disposal of waste

Irresponsible disposal of hazardous waste is one of the most potentially dangerous acts that can impact ecology and mankind immensely. We are very proud to say that we have absolutely no waste that is hazardous and is disposed of against Basel

Convention. All hazardous waste that we generated has been disposed to the authorised vendors.

Green Initiative and Afforestation:

We have dedicated 30% of the area at our premises as green belt to promote local biodiversity in the area and we continued our afforestation initiative within the premises of our plant. We would like to further our afforestation initiatives in areas outside of our operations as well.

Emissions

Emissions can be considered an essential negative outcome of burning any fuel. OPG makes use of good quality coal and technology to reduce its emissions.

Our stack emission monitoring analyser has been linked with Tamil Nadu Pollution Control Board (TNPCB) server to get the real-time pollutant data. A LED display board has been fixed at our main gate that displays the pollution levels

To control the dust emissions, we use an electrostatic precipitator which works at 99.9% efficiency. The efficient precipitator helps in controlling the emissions well within the prescribed limits. Even in coal unloading areas, dust suppression system is in place. In coal crushing area, dust filters are installed to avoid the dust generation.

Sox, Nox and SPM remained within the prescribed current emission standards and OPG is well placed to move to new standards which will be applicable from 2018 for most parameters.

Green House Gas (GHG) Emissions are one of the long-term consequences of burning fossil fuel, and OPG measures its Scope I emissions which are emissions within OPG's operations. OPG's average CO₂ emissions are around 1.12 Kg carbon dioxide equivalent per kWh hour.

India is a signatory to the Paris Climate Agreement which has already come into effect. The coal cess is imposed at INR

400 a tonne which is contributing towards decarbonizing India's economy through this taxation as the corpus funds green ideas and green projects.

The total cess paid during FY17 was approximately Rs 1.1bn (approx. £1.3m).

Community Support

As a corporate with motto of 'responsible operations' we engage with communities around our area of operations. We would like to impact the lives of the people around our operations in a positive way. The basis of the engagement with the communities is understanding their needs. As we carried out the exercise of need assessment in 2012-13, we are continuing our interaction with them and all the support is continued as per the needs of the communities. We are supporting the communities in neighbouring villages of S.Kandigai, Periobalapuram, Chinnaobalapuram, NR.Kandigai, Kavalarmedu and Pethikuppam.

A systematic engagement plan was evolved in collaboration with the communities where it emerged that the local communities needed assistance in health, education, community spaces, environment and recreation. Some of the basic principles that guides our engagement with the communities are transparency, accountability and gender inclusiveness.

Education

Through the education initiative so far school uniforms, shoes, bags and stationary were distributed to 1080 children. We are continuing to fund salaries of 11 teachers in Government Schools adjacent to our plant, 3 girl child sponsorships, and 86 college/school fee funding have been provided to needy students.

Health

Continuing our support to health initiative in nearby villages, where we already renovated and upgraded the dispensaries i.e. in S.R. Kandigai and Periobalapuram and villages, number of patients served every day are around 50. We continue to provide the doctor's

salary, medicines, staff salary, supply of materials and nursing staff salary along with petrol reimbursement of the staff.

Local Environment

Some of the initiatives that were taken in the current year are:

- Green Initiative within our premises where we planted more saplings to increase the green cover in the area.
- Mechanical road sweeping from SR Kandigai village to Bypass GNT Road.
- Sprinkling water for dust suppression near village S.Kandigai

Livelihood Generation

To help some of those who have no means to create a livelihood for themselves, we donated sewing machines to needy families that could help them with income generation. However, we would like to engage with the communities more on this aspect in the coming years.

Contribution for Community places

Many of the community relationships get strengthened around places of worship. Based on the needs of the communities, we have supported construction of a Church at Kayalamedu. Similarly, we have supported some temple initiatives in the villages around our operations and a temple in Madurai.

PRINCIPAL RISKS

The Group faces a number of risks to its business and strategy. Management of these risks is an integral part of the management of the Group.

SECTOR-RELATED RISKS	DESCRIPTION	MONITORING AND MITIGATION
<p>Power sale</p> 	<p>The Company's power plants derive their revenue from the group captive model selling power on short-term, medium-term, or long-term sale basis and would, for this purpose, enter into power purchase agreements with counterparties such as industrial captive consumers, power trading companies and state utilities. Contracts with customers may impose restrictions on the Company's ability to, amongst other things, increase prices at short notice and undertake expansion initiatives with other customers. The Group's power plants may not qualify or continue to be recognised as captive power producers which may damage the Group's business model or increase the costs to the Group's customers. This could adversely affect the revenues in the short- to medium-term and results of operations.</p>	<ul style="list-style-type: none"> • Review contracts periodically to obtain best possible tariffs • Flexibility to sell to captive consumers or in the open market • Benchmarking captive consumer prices to state utility prices to benefit from any price increases • Monitor ongoing customer performance, maintaining a group of counterparties
<p>Availability of fuel supply and costs</p> 	<p>The Group has coal linkages with domestic companies and agreements for imported coal. The dependence on third parties for coal exposes the Group's power plants to vulnerabilities such as non-supply, price increases in the international market, foreign exchange fluctuations and increases in shipping costs and any changes in applicable taxes and duties. This could impact the operations and profitability of the Group.</p>	<ul style="list-style-type: none"> • Seeking long-term supplies • Maintaining adequate storage facilities to keep appropriate levels of surplus stocks • Maintaining relationships with suppliers and mitigating any potential disruption • Developing different sources for fuel supply especially in the imports market
<p>Timely execution of projects</p> 	<p>The length of the construction period and the cost to complete any given project is dependent on third-party suppliers and Engineering, Procurement and Construction ("EPC") contractors. Factors such as disputes with contractors, price increases, shortages of construction materials, delays in supply from various contractors, accidents, unforeseen difficulties, changes in government policies, delays in receipt of necessary approvals and non-availability of external infrastructure such as transmission lines, can lead to cost overruns and delays impacting the timely completion and ultimately the profitability of projects.</p>	<ul style="list-style-type: none"> • Close monitoring of projects by the project team and addressing issues causing delays • Ordering key equipment and long lead items ahead of schedule • Including liquidated damages clauses in its contracts in relation to such matters as delays and inferior workmanship • Developed strong and well experienced in-house EPC team to deliver the projects on time
<p>Project finance</p> 	<p>The development of power plants is a capital intensive business and the Group's projects require access to both equity and debt markets. The availability of capital as well as terms of debt funding/interest rates may change including the need for personal guarantees.</p>	<ul style="list-style-type: none"> • Assessing financial viability of projects • Financing projects with an optimum mix of debt and equity including internal accruals • Obtaining in-principle project finance from banks before commencement of projects • Monitoring cash flow to ensure repayment of debt and interest in line with schedule • Exploring new relationships in debt markets to ensure optimum debt funding terms
<p>Reliable transmission infrastructure</p> 	<p>The Group is dependent upon a reliable transmission and distribution infrastructure so that the power generated at the Group's power plants can be evacuated and transmitted to consumers. The Group pays an open access fee to access the transmission and distribution structure. If the transmission infrastructure is inadequate or subject to approvals and unexpected fees then this will adversely affect the Group's ability to deliver electricity to its customers and impact revenues and profitability.</p>	<ul style="list-style-type: none"> • Assessing adequate availability of transmission capacity and related fees during project evaluation stage • Construction and/or upgrade of transmission facilities near the Group's existing or future power plants • Maintaining a proactive relationship with local Distribution Companies ("Discoms") and monitor any changes

The list of principal risks and uncertainties facing the Group's business set out below cannot be exhaustive because of the very nature of risk. New risks emerge and the severity and probability associated with these will change over time.

INDIA-SPECIFIC RISKS	DESCRIPTION	MONITORING AND MITIGATION
<p>Government policy and regulations</p> 	<p>The Group's operations are subject to complex national and state laws and regulations with respect to numerous matters, including the following:</p> <ul style="list-style-type: none"> • environmental factors (emissions, waste disposal, storage and handling); • health and safety; and • planning and development. <p>The Group is required to obtain approvals, licences and permits issued by the Indian government and other regulators and failure to obtain, comply with the terms of or renew such approvals, licences and permits may restrict the Group's operations or development plans, or require their amendment, and may adversely affect the Group's profitability, or result in it being subject to fines, sanctions, revocation of licences or other limitations.</p> <p>Group's business model of GCPPs is subject to rules and regulations, which can be potentially interpreted by the authorities in a way different from Group's interpretations. The profitability of the Group will be in part dependent upon the continuation of a favourable regulatory regime with respect to its projects.</p>	<ul style="list-style-type: none"> • The Group monitors and reviews changes in the regulatory environment and its commitments under licences previously granted • It continually ensures compliance with the conditions contained within individual licences and is mindful of the importance of complying with national and local legislation and standards • The Group maintains an open and proactive relationship with the Indian government and its various agencies • The Group is consulting with industry and legal experts as required and, if necessary, is prepared to defend its position in the courts.
<p>Ability to retain fiscal and tax incentives</p> 	<p>The Group's existing and planned power plants benefit from various fiscal and tax incentives that are available to the Company from the federal and state governments.</p> <p>A change in policy or the adoption of tax policies and incentives can have an adverse impact on the profitability of the Group.</p>	<ul style="list-style-type: none"> • The Group continues to monitor changes and developments in respect of incentives provided by the Indian federal and state authorities • Project investment returns are evaluated based on the expected incentives available to the Company and are revised based on the most up-to-date guidance available
<p>Exchange rate fluctuations</p> 	<p>As a consequence of the international nature of its business, the Company is exposed to risks associated with changes in foreign currency exchange rates. The Group's operations are based in India and its functional currency is the Indian Rupee although the presentational currency is Great Britain Pound. Imported coal is purchased in US Dollars.</p> <p>The Group's financial results may be affected by appreciation or depreciation of the value of the foreign exchange rates relative to the Indian Rupee.</p>	<ul style="list-style-type: none"> • Putting in place, where appropriate, forward contracts or hedging mechanisms • Monitoring our risk on a regular basis where no hedging mechanism is in place and taking steps to minimise potential losses
<p>Global financial instability</p> 	<p>The Indian market and Indian economy are influenced by global economic and market conditions, particularly emerging market countries in Asia. Financial instability in recent years has inevitably affected the Indian economy.</p> <p>Continuing uncertainty and concerns about contagion in the wake of the financial crises could have a negative impact on the availability of funding.</p>	<ul style="list-style-type: none"> • The Group continues to monitor changes and developments in the global markets to assess the impact on its financing plans

BOARD OF DIRECTORS



Mr Arvind Gupta
Executive Chairman

Background and experience

Mr Arvind Gupta gained experience in various divisions of the business including flour milling, steel production and logistics, becoming President of Kanishk Steel, listed on the Bombay Stock Exchange. Having identified the opportunities in power generation, Mr Gupta developed this division within Kanishk Steel with initial projects in wind power generation in 1994. He was the pioneer of the Group Captive Power Producer concept in Tamil Nadu State. Since then, Mr Gupta, founder of OPG Group, has been responsible for the construction and development of the power plants of the Group as well as its overall strategy, growth and direction. He has also developed profitable wind and solar power projects within the family portfolio.



Mr V Narayan Swami
Finance Director

Background and experience

Mr V Narayan Swami has over 30 years' experience in finance and management. He has a Masters in business, with a major in finance and accounting. Mr Swami started his career with the State Bank of India before moving to Ashok Leyland Limited in 1976. For 12 years until 1993, he held a variety of positions within Standard Chartered Bank including as Senior Manager – Corporate Division for Southern India. Later Mr Swami joined Essar Global Ltd, Dubai, as Executive Director, subsequently becoming CFO of Essar Telecom Group where he played a key role in the entry and planned exit of Swisscom from the venture along with the simultaneous induction of Hutchinson Whampoa in the business. Mr Swami was Group Finance Director (and CFO) of Best & Crompton Engineering Limited, listed on the Bombay Stock Exchange, before joining OPG in 2007 as Finance Director.



Mr Martin Gatto
Senior Independent
Non-executive Director

Background and experience

Mr Martin Gatto has considerable experience as a senior financial professional and has worked at a number of large UK quoted public companies. He is a graduate of Brunel University and is a Fellow of the Chartered Institute of Management Accountants. During his career, Mr Gatto gained international experience at Hilton International Company where he was responsible for business development and property. Later, as Chief Financial Officer of British Energy Plc, Midlands Electricity Plc and Somerfield Plc, he was responsible for the successful execution of turnaround strategies. He is also the Chairman of Medico-Dental Holdings Ltd.

Member
Audit, Remuneration Committee



Mr P Michael (Mike) Grasby

Independent
Non-executive Director

Background and experience

Mr P Michael Grasby is a Chartered Engineer and has been associated with the UK and international power industry for many years. He was manager of the Drax Power Station between 1991 and 1995 and Director of Operations for National Power, with responsibilities for over 16,000 MW of generating capacity, until 1998. Following the demerger of National Power in 1999, he joined International Power as Senior Vice-President for Global Operations and retired in 2002. Mr Grasby has experience of power company directorships in the Czech Republic, Portugal, Turkey and Pakistan. Mr Grasby was formerly a Non-executive Director of Drax Plc where he chaired the Health and Safety Committee and sat on the Audit, Remuneration and Nominations Committees; he retired from the Drax Board in April 2011. He was also formally a Director of Strategic Dimension Technical, a London-based executive recruitment company.

Member
Audit, Remuneration Committee



Mr Ravi Gupta

Independent
Non-executive Director

Background and experience

Mr Ravi Gupta is the brother of Mr Arvind Gupta and throughout his career has been involved with family businesses. He is one of the founders of Kanishk Steel and is its Chairman. Mr Gupta has also been associated with the flour mill industry, setting up a new flour mill in 1988 in Tamil Nadu State, Salem Food Products Limited, where he is Managing Director.

Member
Audit, Remuneration Committee



Jeremy Beeton

Independent
Non-executive Director

Background and experience

Jeremy was appointed to the OPG Board in November 2016 as a Non-executive Director. He is a Fellow of the Institution of Civil Engineers with 40 years of international experience in project and programme management over very large multi-site, multiple project operations portfolios for and within government, public companies and private companies. He is also currently an independent Non-executive Director of SSE plc, John Laing and an independent Non-executive Director of WYG plc, an Advisory Board member of PricewaterhouseCoopers LLP and Chairman of Merseylink Ltd. Additionally, Jeremy sits on the governing Court of Strathclyde University. He was Director General of the London 2012 Olympic and Paralympic Games from 2007 until the Olympic Baton was passed on to Rio de Janeiro in 2012. For eight years prior to this, he was a Principal Vice President with Bechtel, responsible for their worldwide civil operations and has lived and worked extensively in the Middle East and Asia Pacific. He was awarded CB in the 2013 New Year Honours and holds an honorary Doctorate of Engineering from Napier University.

Member
Audit, Remuneration Committee

CORPORATE GOVERNANCE REPORT

FINANCIAL YEAR ENDED 31 MARCH 2017

Introduction

The Board is committed to good corporate governance practices. The Company was admitted to trading on AIM in May 2008. Accordingly, compliance with the governance framework contained in the UK Corporate Governance Code published by the Financial Reporting Council (the 'Code') is not currently mandatory. Nevertheless, the Company remains committed to adopting high standards of corporate governance and endeavours to comply with the Code to the extent practicable for a public company of its size.

Compliance with the Code

Since admission to AIM, the Group has grown substantially against a background of difficult trading conditions within the Indian electricity generation sector. The Company completed its development programme, paid interim dividend and is poised for the next phase of its development. The key objective is to build on these achievements and the Board has therefore adopted an approach to governance that is proportionate with and appropriate to the current size and complexity of the Group.

The Board notes the following areas of non-compliance with the Code with comments on each as appropriate:

1. Schedule of Matters Reserved (A.1.1)

At present, the Board reviews and adopts the Group's strategy, plan and key risks, policies and procedures. Subsequent to the year end, the Board adopted a schedule of matters specifically reserved to it for decision. These include matters relating to strategy and management, financial reporting, internal controls, audit and risk management, structure and capital, transactions and contracts, communications, board membership and other appointments, remuneration, litigation and policies.

2. Division of Responsibilities (A.2.1)

At the Annual General Meeting ('AGM') on 14 November 2016, Mr M C Gupta retired from the position of Chairman and the Chief Executive, Arvind Gupta, accepted the Board's proposal to assume the role of Executive Chairman effective from that date. As Executive Chairman, Mr Arvind Gupta is responsible for the overall business, strategic decision and heads the Executive Committee.

Mr V Narayan Swami, the Company's Finance Director, remains responsible for the finance function, including financial controls and funding. Simultaneously with the appointment of Mr Arvind Gupta as Executive Chairman, the Company announced the appointment of Mr T Chandramoulee to a newly created post of Chief Operating Officer. This is a non-Board appointment. As Chief Operating Officer, Mr Chandramoulee is responsible for the day-to-day running of the operations.

In the Board's view, these changes together ensure an appropriately clear division of responsibilities between the running of the Board and the executive responsibility for the running of the Company's business.

3. Non-executive Directors (A.4.2)

The Code requires the Non-executive Directors, led by the Senior Independent Director, to meet at least annually without the Executive Chairman to appraise the Executive Chairman's performance. The Board is to institute a periodic evaluation process, including evaluating the performance of the Executive Chairman in due course.

4. Nominations Committee (B.2.1)

Subsequent to the year end, the Board established a Nominations Committee comprising a majority of independent Non-executive Directors. The Committee will meet as and when required, its primary function being to provide a formal procedure for the appointment of new Directors to the Board and to advise generally on issues relating to Board composition and balance. In appropriate cases, recruitment consultants may be used to assist in the process.

5. Evaluation (B.6)

The Executive Chairman, as part of his responsibilities, informally assesses the performance of the Board and its Directors on an ongoing basis and brings to the Board's attention any areas for improvement. For the time being, the Board will continue to evaluate in this way the balance of skills, experience, independence and knowledge required to ensure that its composition is appropriate to the Group's size and complexity. As noted in connection with Code provision A.4.2 above, the Board is to institute a process of periodic evaluation of its performance and that of its principal committees and the individual Directors annually.

Operation of the Board

Board of Directors

The Board comprises the following individuals:

Executive

1. Arvind Gupta (Executive Chairman since 14 November 2016 (Chief Executive Officer before 14 November 2016)); and
2. V Narayan Swami (Finance Director).

Non-executive

1. Martin Gatto (Senior Independent Director);
2. Michael Grasby;
3. Jeremy Beeton (since 14 November 2016); and
4. Ravi Gupta.

Having been Non-executive Chairman of the Company for eight years Mr M C Gupta retired from the board at the Annual General Meeting ('AGM') of the Company on 14 November 2016.

The Board considers that, as at the date of this report, it complies with Code provision B.1.2, which requires that, in the case of smaller companies, there should be a minimum of two independent Non-executive Directors. The Board considers both Mr Gatto and Mr Grasby to be independent in character and judgement notwithstanding their length of service. Mr Beeton was appointed in November 2016 and is considered to be independent under the Code. Biographical details of all the Directors at the date of this report are set out on pages 28 and 29 together with details of their membership, as appropriate, of the Board Committees. The Board is responsible for setting the Company's objectives and policies and providing effective leadership and the controls required for a publicly listed company. Directors receive papers for their consideration in advance of each Board meeting, including reports on the Group's operations to ensure that they remain briefed on the latest developments and are able to make fully informed decisions. The Board met 5 times during the year under review.

The Executive Committee ('ExCo') comprises of the two Executive Directors and four members of senior management.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Directors have the right to request that any concerns they have are recorded in the appropriate Committee or Board minutes. Informal procedures are in place for Directors to take independent professional advice at the Company's expense although these are not currently set down in writing.

The Company maintains Directors' and officers' liability insurance and indemnity cover, the level of which is reviewed annually.

Executive Chairman, Chief Executive Officer and Senior Independent Director

The roles of the Chairman and Chief Executive Officer have been held by different individuals until 14 November 2016 with a clear separation of roles. The Chairman's key responsibilities were the effective running of the Board, ensuring that the Board plays a full and constructive part in the development and determination of the Group's strategy and overseeing the Board's decision-making process. The key responsibilities of the Chief Executive Officer were managing the Group's business, proposing and developing the Group's strategy and overall commercial objectives in consultation with the Board and, as leader of the executive team, implementing the decisions of the Board and its Committees.

As mentioned above, at the AGM of the Company on the 14 November 2016, the previous Chief Executive, Arvind Gupta, assumed the role of Executive Chairman and the previous Chairman retired on the same date.

Martin Gatto, the Senior Independent Director, is available to shareholders who have concerns that cannot be resolved through discussion with the Executive Chairman. The role of the Senior Independent Director is to support and tender advice to the Executive Chairman on all governance matters.

Re-election of Directors

At every AGM, one-third of the Directors for the time being (excluding any Director appointed since the previous AGM) or, if their number is not divisible by three, the number nearest to one-third, shall retire from office by rotation. On this basis, Messrs Ravi Gupta and Jeremy Beeton will offer themselves for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

CONTINUED

Information and professional development

Prior to the Company's admission to AIM in May 2008, all Directors received a briefing from the Company's nominated adviser of their duties, responsibilities and liabilities as a Director of an AIM company. Directors are encouraged to keep abreast of developments and attend training courses to assist them with their duties.

In addition to the formal meetings of the Board, the Executive Chairman is available to the other Non-executive Directors to discuss any issues of concern they may have relating to the Group or as regards to their area of responsibility and to keep them fully briefed on ongoing matters relating to the Group's operations.

The Executive Chairman is responsible for ensuring that new Directors each receive a full, formal and tailored induction on joining the Board as required by provision B.4.1 of the Code.

Board performance

As noted above, the Board will in due course consider the most appropriate methodology for evaluating its performance and that of its principal Committees and the individual Directors.

Meetings of the Board and its Committees

The following table sets out the number of meetings of the Board and its Committees during the year under review and individual attendance by the relevant members at these meetings:

	Board Committee meetings					
	Board meetings		Audit		Remuneration	
	Number	Attended	Number	Attended	Number	Attended
Arvind Gupta	5	5	2	2	NA	NA
V Narayan Swami	5	5	2	2	NA	NA
M C Gupta	3	2	2	1	1	1
Martin Gatto	5	5	2	2	1	1
Michael Grasby	5	5	2	2	1	1
Ravi Gupta	5	3	2	2	1	1
Jeremy Beeton	2	1	2	1	1	1
Number of meetings held during the year	5		2		1	

In the event that Directors are unable to attend a meeting, their comments on the business to be considered at the meeting are discussed in advance with the Executive Chairman so that their contribution can be included in the wider Board discussions.

Board Committees

Audit Committee

The members of the Audit Committee are Martin Gatto, Michael Grasby, Ravi Gupta and Jeremy Beeton (M C Gupta was a member of the Audit Committee until his resignation in November 2016). Martin Gatto is considered to have continuing, relevant financial experience. The Executive Chairman and Finance Director and also, as necessary, a representative of the auditors are normally invited to attend meetings of the Committee.

The primary duty of the Audit Committee is to oversee the accounting and financial reporting process of the Group, the external audit arrangements, the internal accounting standards and practices, the independence of the external auditor, the integrity of the Group's external financial reports and the effectiveness of the Group's risk management and internal control system.

The Audit Committee met twice during the year and considered the following matters during the year under review:

- the Annual Report and Accounts for the year ended 31 March 2016; and
- the unaudited results for the half-year FY17 to 30 September 2016.

Remuneration Committee

The Remuneration Committee currently consists of Martin Gatto, Michael Grasby, Ravi Gupta and Jeremy Beeton. Ravi Gupta is not present when any remuneration matter relating to the Executive, Arvind Gupta (his brother) is discussed.

The primary duty of the Remuneration Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors and such other members of the executive management team of the Group as is deemed appropriate. The remuneration of the Non-executive Directors is a matter for the executive members of the Board. No Director may be involved in any decisions as to his own remuneration.

Full details of the role and composition of the Remuneration Committee, the remuneration policy of the Company and its compliance with the Code provisions relating to remuneration are set out in the Directors' Remuneration Report on pages 36 to 39.

Accountability and Audit

Risk management and internal control

The Board has overall responsibility for the Group's system of internal control, which includes risk management. The Board has delegated the responsibility for reviewing the effectiveness of its internal control systems to the Audit Committee. The Audit Committee reviews these systems, policies and processes for tendering, authorisation of expenditure, fraud and the internal audit plan.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has instructed the ExCo to be a leading part of its process to identify, evaluate and manage the significant risks the Group faces, which is in accordance with the current guidance on internal control. The Audit Committee will assist the Board in discharging its review responsibilities. A summary of the key risks facing the Group and mitigating actions is described on pages 26 and 27.

Assurance

Grant Thornton has been auditor for the Group for the last five years. The Audit Committee considers that, at this stage in the Group's development, it is more efficient to use a single audit firm to provide certain non-audit services for transactions and tax matters. However, to regulate the position, the Audit Committee will at the appropriate time establish a policy on the provision of non-audit services by the external auditor. That policy will set out the external auditor's permitted and prohibited non-audit services and a fee threshold requiring prior approval by the Audit Committee for any new engagement. The external auditor did not provide any non-audit services during the year.

Going concern

A statement on the Directors' position regarding the Company as going concern is contained in the Directors' Report on pages 34 and 35.

Shareholder Relations and the Annual General Meeting

The Board is committed to maintaining an ongoing dialogue with its shareholders. The Directors are keen to build a mutual understanding of objectives with its principal shareholders. To this end, the Executive Chairman and Finance Director together with the Senior Independent Director met with a number of institutional shareholders during the year. The Directors also encourage communications with private shareholders and encourages their participation in the AGM.

Arvind Gupta is primarily responsible for ensuring the effective communication of shareholders' views to the Board as a whole and updates the Board accordingly. Board members keep abreast of shareholder opinion and to discuss strategy and governance issues with them as appropriate.

Notice of the AGM will be sent to shareholders at least 21 clear days before the meeting. The voting results will be made available on the Company's website following the meeting.

The Company uses its corporate website (www.opgpower.com) to communicate with its institutional shareholders and private investors and posts the latest announcements, press releases and published financial information together with updates on current projects and other information about the Group.

DIRECTORS' REPORT

The Directors present their report, together with the audited financial statements of the Group, for the year ended 31 March 2017. Particulars of important events affecting the Group, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 27 which is incorporated into this report by reference together with the Corporate Governance Report on pages 30 to 33. These together contain certain forward looking statements and forecasts with respect to the financial condition, results, operations and business of OPG Power Ventures Plc which may involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this Annual Report to shareholders should be construed as a profit forecast.

Principal activity

OPG Power Ventures Plc ('the Company' or 'OPGPV') is a public limited company incorporated in the Isle of Man, registered number 002198V, which is listed on the Alternative Investment Market ('AIM') of the London Stock Exchange.

The Company 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 'Group Captive' provisions mandated by the Government of India.

Results and dividends

The audited financial statements for the year ended 31 March 2017 are set out from pages 42 to 73. The Group profit for the year after taxation was £23.08m (2016: £18.57m).

The Board will be recommending a dividend for the year ended 31 March 2017 in amount of 0.98 pence per share, comprising of the interim dividend already paid, 0.26 pence per share, and the final dividend to be paid 0.72 pence per share. Shareholders will have an option to take their cash dividend in form of scrip. No dividend was paid for the year ended 31 March 2016.

Directors

There were changes to the Board during the period (see page 31 of the Corporate Governance Report) and of the Directors offering themselves for re-election at the forthcoming Annual General Meeting ('AGM') are set out in the Corporate Governance Report on page 31.

Details of Directors' service agreements are set out in the Directors' Remuneration Report on page 37.

The interests of the Directors in the shares of the Company are shown in the Directors' Remuneration Report on page 38.

Biographies of all the Directors at the date of this report are set out on pages 28 and 29.

Related parties

Details of related party transactions are set out in note 24 to the financial statements.

Directors' liability insurance and indemnities

The Company maintains liability insurance for the Directors and officers of all Group companies.

Indemnities are in force under which the Company has agreed to indemnify the Directors to the extent permitted by applicable law and the Company's Articles of Association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Neither the Group's liability insurance nor indemnities provides cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly.

Share capital

The issued share capital of the Company at 31 March 2017 was £51,672 comprising 351,508,955 ordinary shares of £0.000147 pence each, of which there are no designated treasury shares.

The Directors will be seeking to renew authority at the forthcoming AGM to purchase its own shares. Full details of these resolutions, together with explanatory notes, are contained in the Notice of Annual General Meeting.

Political donations

The Group has made no political donations during the year under review.

Going concern

As highlighted in the Consolidated Statement of Cash Flows and notes 5(a) and 22 to the financial statements, the Group meets its day-to-day working capital requirements through cash from operations and bank facilities.

Further information on the financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 5 to 8. In addition, note 28 to the financial statements details the Group's objectives, policies and processes for managing its capital and its exposures to credit risk and liquidity risk.

The management's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

After making enquiries, the Board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Substantial shareholdings

Details of substantial shareholdings are set out on the Company's website at www.opgpower.com. The Company has been notified, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of the following interests (whether directly or indirectly held) in 3% or more of the Company's total voting rights at 31 July 2017:

	Percentage of voting rights and issued share capital	Number of ordinary shares
Gita Investments Limited and related parties ¹	50.9%	178,886,428
M&G Investment Management Limited	11.3%	39,881,231
Audley Capital Management Ltd	5.6%	19,659,544
British Steel Pension Scheme	3.6%	12,650,000

¹ Beneficial interest in these shareholdings vests with Arvind Gupta and his family.

Annual General Meeting

The Annual General Meeting of the Company will take place on 31 October 2017 at 11:30am at IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP. The notice convening the meeting, together with details of the special business to be considered and explanatory notes for each resolution, is contained in a separate document sent to shareholders. It is also available on the Company's website, www.opgpower.com, where a copy can be viewed and downloaded in a pdf format which may be printed or saved by following the link to the Investor Centre/Shareholder Circulars.

Registered agent

The registered agent of the Company at 31 March 2017 was FIM Capital Limited who served throughout the year and has continued to date.

Financial instruments

Information on the Group's financial risk management objectives and policies and its exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk can be found in note 28.

Auditor

Grant Thornton have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be proposed at the forthcoming AGM.

Disclosure of information to the auditor

As required by Section 418 of the Companies Act 2006, each Director serving at the date of approval of the financial statements confirms that:

1. to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
2. each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Words and phrases used in this confirmation should be interpreted in accordance with the provisions of the Companies Act 2006.

This report was approved by the Board of Directors on 28 September 2017 and signed on its behalf by:

Philip Scales

Company Secretary
OPG Power Ventures Plc
IOMA House, Hope Street, Douglas, Isle of Man IM1 1AP
28 September 2017

DIRECTORS' REMUNERATION REPORT

Introduction

This report sets out information about the remuneration of the Directors of the Company for the year ended 31 March 2017. As a company admitted to AIM, OPG is not required to prepare a directors' remuneration report. However, the Board follows the principle of transparency and has prepared this report in order to provide information to shareholders on executive remuneration arrangements. This report has been substantially prepared in accordance with the Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) (2008) (the 'Regulations').

Remuneration Committee

The members of the Remuneration Committee are Jeremy Beeton (Chairman since November 2016), Martin Gatto, Ravi Gupta and Michael Grasby who, with the exception of Ravi Gupta, are all independent Non-executive Directors. M C Gupta was the Chairman of the Remuneration Committee until his resignation from the Board of Directors in November 2016.

Terms of reference have been approved for the Remuneration Committee the primary duty of which is to determine and agree with the Board the framework or broad policy for the remuneration of the Executive Directors, senior managers and such other members of the executive management team of the Group as is deemed appropriate. The remuneration of the Non-executive Directors is a matter for the executive members of the Board.

The principal responsibilities of the Committee include:

- assessing and setting compensation levels for Directors and senior managers;
- reviewing the ongoing appropriateness and relevance of the remuneration policy at regular intervals to ensure that members of the executive team are provided with incentives that encourage enhanced performance;
- reviewing the design of share incentive plans for the approval of the Board or shareholders, as appropriate; and
- ensuring that contractual terms on termination are such that failure is not rewarded and that the duty to mitigate losses is fully recognised in the drafting of Directors' service agreements and letters of appointment.

In fulfilling these duties, the Committee shall be cognisant of remuneration trends across the Group and within the sector in which the Group operates.

The Executive Directors and external advisers may be invited to attend meetings of the Remuneration Committee but do not take part in the decision making.

Attendance at meetings of the Remuneration Committee by individual members is detailed in the Corporate Governance Report on page 32.

Remuneration policy

The Remuneration Committee seeks to maintain a remuneration policy to ensure that the Company is able to attract, retain and motivate its Executive Directors and senior management.

The retention of key management and the alignment of management incentives with the creation of shareholder value are key objectives of this policy.

The Group therefore sets out to provide competitive remuneration for all its management and employees appropriate to the business environment in the market in which it operates and in recognition of their contribution to Group performance. To achieve this, the remuneration package is based upon the following principles:

- total rewards should be set to provide a fair and attractive remuneration package;
- appropriate elements of the remuneration package should be designed to reinforce the link between performance and contribution to the Group's success and reward; and
- Executive Directors' incentives should be aligned with the interests of shareholders.

The remuneration strategy is designed to be in line with the Group's fundamental values of fairness, competitiveness and equity, and also to support the Group's corporate strategy. The Group seeks increasingly to align the interests of shareholders with those of Directors and senior employees by giving the latter opportunities and encouragement to build up a shareholding interest in the Company.

Long-term incentives

The Remuneration Committee believes that it is appropriate to operate share incentive schemes to encourage Executive Directors and senior employees to meet the Group's long-term strategic and financial objectives set by the Board.

Stock option plan

All of the Directors, with the exception of Jeremy Beeton who joined the Board in November 2016, have received awards under the stock option plan approved by the Board on 16 July 2009 (see table below). Options granted must be exercised within 10 years of the date of grant and vesting depends on achievement of the following performance conditions:

1. the power plant at Kutch in the state of Gujarat must have been in commercial operation for three months; and
2. the closing share price must be at least £1 for three consecutive business days.

Long Term Incentive Plan ('LTIP')

In June 2015, the Company announced the introduction of a new Long Term Incentive Plan ('LTIP'). The Remuneration Committee approved the introduction of the LTIP in order to incentivise further the executives to continue its planned growth strategy. Vesting of awards under the LTIP will be subject to the following shareholder value based performance targets:

1. achievement of a share price of 130 pence;
2. achievement of a further 250 MW growth in installed capacity; and
3. a cumulative total of 3 pence in ordinary dividends paid or declared up to FY18.

Up to 16m shares in the Company will be awarded at their nominal value to certain members of the senior management team, including about 14m shares to Gita Investments Limited, a company controlled by Arvind Gupta and his family. Subject to certain covenants, the awards, once made, will vest over the period to FY18 with a third of the maximum award vesting upon achievement of a share price of 130 pence and equally on achieving the other targets. With certain exceptions, vested shares will not be allowed to be sold for one year. All vested shares are entitled to dividends. The Remuneration Committee has discretion to declare vesting of awards on a linear scale of performance but cannot raise maximum award levels. The metrics of the scheme have been established to support the Group's strategy to deliver responsible and sustainable returns over the long term. No awards have been made under this Plan.

Annual bonus

The Remuneration Committee considered bonuses and in subsequent discussions Arvind Gupta volunteered to reduce his bonus by 40%. Therefore bonuses for Arvind Gupta of £360,000 and for V Narayan Swami £27,422 have been provided in the accounts for FY17.

Service agreements, notice periods and termination payments

The service agreements for the Executive Directors are for no fixed term and may in normal circumstances be terminated on the notice periods set out in the table below. The Company reserves the right and discretion to pay the Executive Directors in lieu of notice. If the Company terminates the employment of an Executive Director by exercising its right to pay in lieu of notice, the Company is required to make a payment equal to the aggregate of basic salary and the cost to the Company of providing other contractual benefits for the unexpired portion of the duration of any entitlement to notice. Under their service agreements, Mr Arvind Gupta and Mr V Narayan Swami are entitled to medical, insurance and other allowances and received £52,959 (FY16: £48,074) and £1,984 (FY16: £2,486) respectively.

The key terms of the Executive Directors' service agreements are as follows:

Name	Position	Date of contract	Notice period	Current salary p.a. £
Arvind Gupta	Executive Chairman	23 May 2008	12 months' prior written notice on either side	750,000
V Narayan Swami	Finance Director	23 May 2008	Three months' prior written notice on either side	82,267

Non-executive Directors

The remuneration of the Non-executive Directors consists of fees that are paid quarterly in arrears. The Non-executive Directors do not have a contract of employment with the Company. Each has instead entered into a contract for services with the Company.

DIRECTORS' REMUNERATION REPORT

CONTINUED

Non-executive Directors' contracts for services

Non-executive Directors were appointed for an initial term of 12 months. Martin Gatto, Michael Grasby, Ravi Gupta and Jeremy Beeton have each signed a contract for services with the Company. They were each appointed for an initial period of 12 months and, under the terms of their contracts for services, their appointments were renewable for a further period by mutual agreement, subject to re-election, when appropriate, by the Company in general meeting.

The key terms of the Non-executive Directors' letters of appointment are as follows:

Director	Date of appointment	Notice period	Fees p.a. £
Martin Gatto	6 May 2008	Three months' prior written notice on either side	45,000
Michael Grasby	6 May 2008	Three months' prior written notice on either side	45,000
Ravi Gupta	12 May 2008	12 months' prior written notice on either side	45,000
Jeremy Beeton	14 November 2016	Three months' prior written notice on either side	45,000

External appointments

It is the Board's policy to allow the Executive Directors to accept directorships of other companies provided that they have obtained the consent of the Board. Any such directorships must be formally notified to the Board.

Directors' interests in ordinary shares

The interests of Directors in the ordinary share capital of the Company during the year were as follows:

	31 March 2017	31 March 2016
Gita Investments Limited ¹	178,886,428	178,886,428
Michael Grasby	10,041	10,000
Martin Gatto	60,000	60,000
M C Gupta (resigned on 14 November 2016)	n/a	9,800
Jeremy Beeton	–	–
V Narayan Swami	10,300	10,300
Total	178,966,769	178,976,528

¹ Beneficial interest in these shareholdings vests with Arvind Gupta and family.

There were no changes to Directors' interests between 31 March 2017 and the date of this report.

No Director had any interest in any contract of significance with the Group during the year ended 31 March 2017 other than their service contracts, details of which are given in the table above.

Directors' remuneration for the period 31 March 2016 to 31 March 2017.

Salary, annual bonus and benefits

	Salary/fees £	Annual bonus £	Total FY17 £	Total FY16 £
Non-executive Chairman				
M C Gupta (until 14 November 2016)	27,880	–	27,880	45,000
Executive Chairman				
Arvind Gupta (paid in INR equivalent)	750,000**	360,000*	1,110,000	1,350,000
Executive Director				
V Narayan Swami (paid in INR equivalent)	82,267**	27,422*	109,689	97,239
Non-executive Directors				
Martin Gatto	45,000	–	45,000	45,000
Michael Grasby	45,000	–	45,000	45,000
Ravi Gupta	45,000	–	45,000	45,000
Jeremy Beeton	22,500	–	22,500	–
Total	1,017,647	387,422	1,405,069	1,627,309

No consideration was paid or received by third parties for making available the services of any Executive or Non-executive Director.

* Bonus provision made, not paid (INR equivalent of FY17 bonus: INR 31.5m for Arvind Gupta and INR 2.4m for V Narayan Swami)

** INR equivalent of FY17 salary: INR 64.1m for Arvind Gupta and INR 7.2m for V Narayan Swami)

Directors' share options

	Option granted	Option price £	Options as at 1 April 2016	Movements during the period			Options outstanding	
				Granted	Cancelled/Lapsed	Exercised	31 March 2017	Latest exercise date
Gita Investments Limited (Arvind Gupta)	16 Jul 2009	0.60	21,524,234	Nil	Nil	Nil	21,524,234	15 Jul 2019
Martin Gatto	16 Jul 2009	0.60	1,000,000	Nil	Nil	Nil	1,000,000	15 Jul 2019
M C Gupta	22 Dec 2015	0.60	250,000	Nil	250,000	Nil	Nil	21 Dec 2025
Ravi Gupta	22 Dec 2015	0.60	250,000	Nil	Nil	Nil	250,000	21 Dec 2025
V Narayan Swami	22 Dec 2015	0.60	250,000	Nil	Nil	Nil	250,000	21 Dec 2025
Michael Grasby	22 Dec 2015	0.60	250,000	Nil	Nil	Nil	250,000	21 Dec 2025

All share options have vested.

At 31 March 2017, the closing mid-market price of the Company's shares was 49.75 pence. During the year under review, the Company's closing mid-market share price ranged between a low of 48 pence and a high of 75.5 pence.

This report has been approved by the Board of Directors of the Company.

Jeremy Beeton

Chairman, Remuneration Committee

28 September 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Group and the Parent Company financial statements. The Directors are required to prepare financial statements for the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the European Union and have also elected to prepare financial statements for the Company in accordance with IFRS as adopted for use in the European Union. Company law requires the Directors to prepare such financial statements in accordance with IFRS and the Companies Act 2006.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's and Company's financial position, financial performance and cash flows. This requires the fair presentation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Group website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OPG POWER VENTURES PLC

We have audited the accompanying financial statements of OPG Power Ventures Plc for the year ended 31 March 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) (as adopted by the European Union).

This report is made solely to the Company's members, as a body, in accordance with the terms of the engagement letter dated 1 June 2016. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2017 and of its profit for the year then ended and have been properly prepared in accordance with IFRSs as adopted by the European Union.

Grant Thornton Limited
Chartered Accountants
Douglas, Isle of Man
28 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Revenue		204,998,415	128,438,193
Cost of revenue	8(a)	(126,397,331)	(71,895,139)
Gross profit		78,601,084	56,543,054
Other income	9	897,551	4,444,268
Distribution cost		(13,693,144)	(6,564,363)
General and administrative expenses		(11,081,178)	(9,967,112)
Operating profit		54,724,313	44,455,847
Share of profit/(loss) from equity accounted investments	15	(352)	–
Finance costs	10	(38,817,909)	(16,712,169)
Finance income	11	1,577,702	806,453
Profit before tax		17,483,754	28,550,131
Tax income/(expense)	12	5,592,150	(9,972,626)
Profit for the year		23,075,904	18,577,505
Profit for the year attributable to:			
– Owners of the Company		29,614,506	18,558,014
– Non-controlling interests		(6,538,602)	19,491
		23,075,904	18,577,505
Earnings per share			
– Basic (in pence)	25	8.43	5.29
– Diluted (in pence)		8.39	5.13
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Available-for-sale financial assets			
– Reclassification to profit or loss		(38,557)	5,133
– Current year gains		73,351	38,557
Exchange differences on translating foreign operations		34,890,638	(2,844,341)
Items that will be not reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(1,166,597)	2,755
Total other comprehensive income		33,758,835	(2,797,896)
Total comprehensive income		56,834,739	15,779,609
Total comprehensive income attributable to:			
Owners of the Company		64,539,938	15,757,365
Non-controlling interest		(7,705,199)	22,244
		56,834,739	15,779,609

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

The financial statements were authorised for issue by the Board of Directors on 28 September 2017 and were signed on its behalf by:

Arvind Gupta
Executive Chairman

V Narayan Swami
Finance Director

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	As at 31 March 2017 £	As at 31 March 2016 £
Assets			
Non-current assets			
Intangible assets	13	223,224	364,504
Property, plant and equipment	14	479,904,726	414,906,166
Investments accounted for using equity method	15	1,342,395	552,028
Other long-term assets	16	2,665,892	2,399,563
Restricted cash	19	3,825,733	1,940,600
		487,961,970	420,162,861
Current assets			
Inventories	18	16,853,761	10,614,890
Trade and other receivables	17	84,271,986	57,840,717
Other short-term assets	16	12,686,018	13,365,243
Current tax assets (net)		826,398	715,214
Restricted cash	19	14,009,027	7,294,778
Cash and cash equivalents	19	13,086,123	7,153,455
		141,733,313	96,984,297
Total assets		629,695,283	517,147,158
Equity and liabilities			
Equity			
Share capital		51,672	51,671
Share premium		124,319,142	124,316,524
Other components of equity		22,065,498	(13,652,725)
Retained earnings		101,491,205	69,684,455
Equity attributable to owners of the Company		247,927,517	180,399,925
Non-controlling interests		(11,239,914)	276,325
Total equity		236,687,603	180,676,250
Liabilities			
Non-current liabilities			
Borrowings	22	284,415,451	242,558,875
Trade and other payables	23	283,754	8,463,049
Deferred tax liability (net)	12	1,007,851	9,310,429
		285,707,056	260,332,353
Current liabilities			
Borrowings	22	36,576,466	21,023,963
Trade and other payables	23	70,706,795	54,890,882
Other liabilities		17,363	223,710
		107,300,624	76,138,555
Total liabilities		393,007,680	336,470,908
Total equity and liabilities		629,695,283	517,147,158

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

The financial statements were authorised for issue by the Board of Directors on 28 September 2017 and were signed on its behalf by:

Arvind Gupta
Executive Chairman

V Narayan Swami
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	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 2015	351,504,795	51,671	124,316,524	7,167,520	(18,303,165)	51,126,441	164,358,991	254,079	164,613,070
Employee share-based payments	–	–	–	283,571	–	–	283,571	–	283,571
Transaction with owners	–	–	–	283,571	–	–	283,571	–	283,571
Profit for the year	–	–	–	–	–	18,558,014	18,558,014	19,491	18,577,505
Other comprehensive income	–	–	–	43,690	(2,844,341)	–	(2,800,651)	2,755	(2,797,896)
Total comprehensive income	–	–	–	43,690	(2,844,341)	18,558,014	15,757,363	22,246	15,779,609
At 31 March 2016	351,504,795	51,671	124,316,524	7,494,781	(21,147,506)	69,684,455	180,399,925	276,325	180,676,250
Employee share-based payments	–	–	–	87,907	–	–	87,907	–	87,907
Change in non-controlling interests without change in control (refer note 5(d))	–	–	–	(893,826)	1,598,710	3,106,156	3,811,040	(3,811,040)	–
Dividends#	4,160	1	2,618	–	–	(913,912)	(911,293)	–	(911,293)
Transaction with owners	4,160	1	2,618	(805,919)	1,598,710	2,192,244	2,987,654	(3,811,040)	(823,386)
Profit for the year	–	–	–	–	–	29,614,506	29,614,506	(6,538,602)	23,075,904
Other comprehensive income	–	–	–	34,794	34,890,638	–	34,925,432	(1,166,597)	33,758,835
Total comprehensive income	–	–	–	34,794	34,890,638	29,614,506	64,539,938	(7,705,199)	56,834,739
At 31 March 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

During the year, in addition to the cash dividend paid of £911,293, the Company had declared a stock dividend of 4,160 shares.

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

The financial statements were authorised for issue by the Board of Directors on 28 September 2017 and were signed on its behalf by:

Arvind Gupta
Executive Chairman

V Narayan Swami
Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Cash flows from operating activities		
Profit before income tax	17,483,754	28,550,131
Adjustments for:		
– Unrealised foreign exchange loss	54,616	299,256
– Provisions no longer required written back	–	(1,823,228)
– Finance cost	38,817,909	16,460,854
– Finance income	(1,577,702)	(806,452)
– Share-based compensation costs	87,907	283,571
– Depreciation and amortisation	11,908,819	5,944,912
Changes in working capital		
Trade and other receivables	(2,634,413)	(29,279,858)
Inventories	(4,364,886)	(2,918,712)
Other assets	(4,095,766)	3,362,875
Trade and other payables	5,434,569	4,066,886
Other liabilities	(1,116,616)	(359,581)
Cash generated from operations	59,998,191	23,780,654
Taxes paid	(3,910,745)	(3,973,243)
Net cash from operating activities	56,087,446	19,807,411
Cash flows from investing activities		
Purchase of property, plant and equipment (including capital advances)	(5,136,876)	(13,321,443)
Interest received	1,413,781	690,548
Dividend received	163,920	–
Movement in restricted cash	(6,381,763)	(1,308,062)
Sale of investments ¹	88,415,450	42,247,590
Purchase of investments ¹	(93,639,958)	(43,277,870)
Net cash used in investing activities	(15,165,446)	(14,969,237)
Cash flows from financing activities		
Proceeds from borrowings (net of costs)	29,264,909	77,159,277
Repayment of borrowings	(27,080,680)	(74,259,217)
Interest paid	(38,817,909)	(7,874,257)
Dividend paid	(911,293)	–
Net cash from financing activities	(37,544,973)	(4,974,197)
Net increase in cash and cash equivalents	3,377,027	(136,023)
Cash and cash equivalents at the beginning of the year	7,153,455	6,805,449
Exchange differences on cash and cash equivalents	2,555,641	484,029
Cash and cash equivalents at the end of the year	13,086,123	7,153,455

¹ Investments maturing during the year have been reinvested upon maturity in similar instruments of short tenor. The figures reported under 'Purchase of investments' and 'Sale of investments' in the above consolidated cash flow statements are aggregate of such maturities and reinvestments made during the period reported.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 IM1 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 year ended 31 March 2017 were approved and authorised for issue by the Board of Directors on 28 September 2017.

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 9 'Financial Instruments'

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- i) the classification and measurement of the Group's financial assets will need to be reviewed based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed;
- ii) an expected credit loss-based impairment will need to be recognised on the Group's trade receivables (see note 16) and investments in debt-type assets currently classified as AFS and HTM (see note 15), unless classified as at fair value through profit or loss in accordance with the new criteria; and
- iii) it will no longer be possible to measure equity investments at cost less impairment and all such investments will instead be measured at fair value. Changes in fair value will be presented in profit or loss unless the Group makes an irrevocable designation to present them in other comprehensive income.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

4. RECENT ACCOUNTING PRONOUNCEMENTS CONTINUED

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRS, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. Management has started to assess the impact of IFRS 15 but is not yet in a position to provide quantified information.

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'. The Group is yet to evaluate the requirements of IFRS 16 and the impact on the consolidated financial statements.

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 financial statements have been prepared on going concern basis which assumes the Group will have sufficient funds to continue its operational existence for the foreseeable future covering at least 12 months. As the Group has forecast it will be able to meet its debt facility interest and repayment obligations, and that sufficient funds will be available to continue with the projects development, the assumption that these financial statements are prepared on a going concern basis is appropriate.

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.

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 31 March 2017. 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 or received and the book value of the share of the net assets is recognised in 'other reserve' within statement of changes in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 and joint ventures

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

i) Subsidiaries

Subsidiaries	Immediate Parent	Country of incorporation	% Voting Right		% Economic Interest	
			March 2017	March 2016	March 2017	March 2016
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	77.07	76.96	99.90	99.90
OPGS Power Gujarat Private Limited ('OPGG')#	GPIPL	India	51	53.27	51	99.90
OPGS Industrial Infrastructure Developers Private Ltd ('OPIID')	OPGG	India	Nil	100	Nil	100
OPGS Infrastructure Private Limited ('OPGIPL')	OPGG	India	Nil	100	Nil	100
Samridhi Solar Power Private Limited	OPGPG	India	77.07	Nil	99.90	Nil
Samridhi Surya Vidyut Private Limited*	OPGPG	India	77.07	Nil	99.90	Nil
OPG Surya Vidyut Private Limited*	OPGPG	India	77.07	Nil	99.90	Nil
Powergen Resources Pte Ltd*	OPGPV	Singapore	77.07	Nil	99.90	Nil

During the current financial year, OPGG had amendments to the share capital rights with retrospective effect from 1 April 2015. By means of the amendment, the voting rights and economic rights of all shareholders, irrespective of the class of shares held, were aligned. The aforesaid transaction is accounted as an equity transaction, and accordingly no gain or loss is recognised in the consolidated income statement.

* These companies were incorporated by the group during the year.

ii) Joint ventures

Joint ventures	Venturer	Country of incorporation	% Voting Right		% Economic Interest	
			March 2017	March 2016	March 2017	March 2016
Padma Shipping Ltd ("PSL")	OPGPV	Hong Kong	50	50	50	50

The Company has 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 Long-Term Freight Arrangement (LTFA), the company and Noble are to purchase and own, jointly and equally, two 64,000 MT cargo vessels through a Joint venture company Padma Shipping Ltd, Hong Kong ('Padma'). The company will commit to provide 1.5 million tonnes of coal per annum for carriage by the two vessels for a minimum period of 10 years at competitive long-term rates. Pursuant to this agreement, Padma Shipping Ltd has been incorporated in order to execute the joint arrangement for procuring two cargo ships of 64,000 MT capacity from Cosco Shipyard, Hong Kong which are expected to be delivered by mid-2018. The company and Noble are to invest approximately US\$9m over the period of delivery of the vessels as their equity contribution thereby and during the current period, the company has further invested US\$1,072,193 (2016: US\$782,897). Accordingly, the joint venture has been reported using equity method as per the requirements of IFRS 11.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

iii) Associates

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

Associates	Venturer	Country of incorporation	% Voting Right		% Economic Interest	
			March 2017	March 2016	March 2017	March 2016
Avanti Solar Energy Private Limited	OPGPG	India	31	Nil	31	Nil
Mayfair Renewable Energy Private Limited	OPGPG	India	31	Nil	31	Nil
Avanti Renewable Energy Private Limited	OPGPG	India	31	Nil	31	Nil
Brics Renewable Energy Private Limited	OPGPG	India	31	Nil	31	Nil

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 recognised 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 31 March 2017: 80.82 (2016: 95.09) and the average rate for the year ended 31 March 2017: 87.52 (2016: 98.73).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 derecognised 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 derecognised when it is extinguished, discharged, cancelled or expires.

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

- i) loans and receivables; and
- 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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 recognised 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 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 recognised 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 CGU'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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

q) 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 three 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.

r) 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 for based on weighted average price. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

s) 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 EPS 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.

t) 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.

u) 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'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

v) 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.

w) 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 judgement 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 judgement 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 judgements, estimates and assumptions made by the management and will seldom equal the estimated results.

a) Judgements

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

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Group operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances (see note 12).

Application of lease accounting

Significant judgement is required to apply lease accounting rules under IFRIC 4 'Determining Whether an Arrangement Contains a Lease' and IAS 17 'Leases'. In assessing the applicability to arrangements entered into by the Group, management has exercised judgement to evaluate customers' rights to use the underlying assets, substance of the transaction including legally enforced arrangements and other significant terms and conditions of the arrangement to conclude whether the arrangements meet the criteria under IFRIC 4.

Recognition of revenue and collectability of receivables:

The captive consumers of OPGS Power Gujarat Private Limited (OPGG) (a subsidiary of the Company) have withheld from the sales invoices an amount of £26,098,738 towards Cross Subsidy Surcharge (CSS) levied by GUVNL through their DISCOMs for the financial years 2015-2016 and 2016-2017, challenging the grounds of fulfilment of required shareholding criteria by OPGG to qualify as a captive power generating unit as per Rule 3 of the Electricity Rules, 2005. The Group, based on a legal opinion, strongly believes that OPGG is in compliance with the said provisions and qualifies as a captive power generating unit. Further, in order to settle the matter amicably, OPGG based on an order obtained from the High court has entered into a scheme of arrangement wherein the share capital of OPGG has been reconstituted to give effect to the required economic interest and voting rights to the Captive shareholders retrospectively from 1 April 2015 and to be treated continuously as a captive generating unit. In making its judgement, the group has considered the criteria for recognition of revenue as set out in IAS 18 and the relevant regulatory requirements and is of the opinion that recognition of revenue is appropriate.

Further, the Group has assessed that the levy of CSS is in violation of certain regulatory orders and such unilateral and arbitrary action does not impact the 'flow of the said economic benefit' to the group. Accordingly, the management believes that recovery of the aforementioned amounts is highly probable and hence the same has been recognised after considering necessary provisions on a prudent basis.

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.

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 28).

- iii) **Impairment tests**

In assessing impairment, management estimates the recoverable amount of each asset or CGUs based on expected future cash flow and use an interest rate for discounting them. Estimation uncertainty relates to assumptions about future operating results 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. 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.

Revenue on account of sale of power to one party amounts to £18,489,011 (2016: £53,345,178).

8. DEPRECIATION, COSTS OF INVENTORIES AND EMPLOYEE BENEFIT EXPENSES INCLUDED IN THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

a) Depreciation and cost of fuel

	31 March 2017 £	31 March 2016 £
Included in cost of revenue:		
Cost of fuel consumed	109,521,406	63,797,398
Depreciation	11,296,791	5,294,947
Other direct costs	5,579,134	2,802,794
Total	126,397,331	71,895,139

Depreciation included in general and administrative expenses amount to £639,572 (2016: £649,965).

b) Employee benefit expenses forming part of general and administrative expenses are as follows:

	31 March 2017 £	31 March 2016 £
Salaries and wages	3,406,416	4,246,864
Employee benefit costs	384,464	714,113
Employee stock option	87,907	283,571
Total	3,878,787	5,244,548

c) Auditor’s remuneration for audit services amounting to £90,000 (2016: £48,663) is included in general and administrative expenses.

d) Foreign exchange movements (realised and unrealised) included in the general and administrative expenses is as follows:

	31 March 2017 £	31 March 2016 £
Foreign exchange realised – (loss)	(282,416)	(533,976)
Foreign exchange unrealised – (loss)/gain	(54,615)	(299,256)
Total	(337,031)	(833,232)

9. OTHER INCOME

Other income is comprised of:

	31 March 2017 £	31 March 2016 £
Provisions no longer required written back	–	1,823,228
Sale of coal	398,911	2,335,834
Sale of fly ash	109,815	57,242
Others	388,825	227,964
Total	897,551	4,444,268

10. FINANCE COSTS

Finance costs are comprised of:

	31 March 2017 £	31 March 2016 £
Interest expenses on borrowings	35,836,445	15,793,916
Other finance costs	2,981,464	918,253
Total	38,817,909	16,712,169

11. FINANCE INCOME

Finance income is comprised of:

	31 March 2017 £	31 March 2016 £
Interest income:		
– Bank deposits	1,118,400	576,421
Profit on disposal of financial instruments ¹	459,302	230,032
Total	1,577,702	806,453

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

12. TAX EXPENSES

Tax reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2017 and 2016 is as follows:

	31 March 2017 £	31 March 2016 £
Accounting profit before taxes	17,483,754	28,550,131
Enacted tax rates	34.61%	34.61%
Tax on profit at enacted tax rate	6,050,778	9,880,629
Differences on account tax holiday and MAT rates	2,843,959	(477,625)
MAT credit entitlement	(14,489,964)	–
Others	3,077	569,622
Actual tax expense/(income) for the period	(5,592,150)	9,972,626
	31 March 2017 £	31 March 2016 £
Current tax	3,321,205	3,993,441
Deferred tax	(8,913,355)	5,979,185
Tax expense/(income) reported in the statement of comprehensive income	(5,592,150)	9,972,626

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 utilise 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 2016: 21.34%).

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12. TAX EXPENSES CONTINUED

The Group has carried forward credit in respect of MAT tax liability paid to the extent it is probable that future taxable profit will be available against which such tax credit can be utilised. Consequent to change in laws proposed by Finance Bill 2017, operating companies in India can now carry forward and take benefit of tax credits in respect of MAT up to the fifteenth assessment year as against ten assessment years as was previously allowed. This has resulted in the group recognising a deferred tax asset for the MAT credit amounting to £14,489,964, out of which £11,168,759 pertains to the previous years, now recognised.

Deferred income tax for the Group at 31 March 2017 and 2016 relates to the following:

	31 March 2017 £	31 March 2016 £
Deferred income tax assets		
MAT credit entitlement	15,691,186	–
	15,691,186	–
Deferred income tax liabilities		
Property, plant and equipment	16,684,770	9,287,307
Mark to market on available-for-sale financial assets	14,267	23,122
	16,699,037	9,310,429
Deferred income tax liabilities, net	1,007,851	9,310,429

Movement in temporary differences during the year

Particulars	As at 1 April 2016 £	Recognised in income statement £	Recognised in other comprehensive income £	Translation adjustment £	As at 31 March 2017 £
Property, plant and equipment and others	(9,287,307)	(5,576,609)	–	(1,820,854)	(16,684,770)
MAT credit entitlement	–	14,489,964	–	1,201,222	15,691,186
Mark to market gain/(loss) on available-for-sale financial assets	(23,122)	–	8,855	–	(14,267)
	(9,310,429)	8,913,355	8,855	(619,632)	(1,007,851)

Particulars	As at 1 April 2015 £	Recognised in income statement £	Recognised in other comprehensive income £	Translation adjustment £	As at 31 March 2016 £
Property, plant and equipment and others	(4,024,156)	(5,162,148)	–	(101,003)	(9,287,307)
Lease transactions	67,360	(67,360)	–	–	–
Provisions	749,677	(749,677)	–	–	–
Mark to market gain/(loss) on available-for-sale financial assets	1,268	–	(24,390)	–	(23,122)
	(3,205,851)	(5,979,185)	(24,390)	(101,003)	(9,310,429)

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all the deferred income tax assets will be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

12. TAX EXPENSES CONTINUED

Shareholders resident outside the Isle of Man will not suffer any income tax in the Isle of Man on any income distributions to them. Further, dividends are not taxable in India in the hands of the recipient. However, the group will be subject to a “dividend distribution tax” currently at the rate of 15% (plus applicable surcharge and education cess) on the total amount distributed as dividend.

As at 31 March 2017 and 2016, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group’s subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

13. INTANGIBLE ASSETS

	Acquired software licences £
Cost	
At 1 April 2015	749,769
Additions	39,216
Exchange adjustments	(16,858)
At 31 March 2016	772,127
Additions	27,298
Exchange adjustments	138,577
At 31 March 2017	938,002
Accumulated depreciation and impairment	
At 1 April 2015	84,096
Charge for the year	313,589
Exchange adjustments	9,938
At 31 March 2016	407,623
Charge for the year	215,462
Exchange adjustments	91,693
At 31 March 2017	714,778
Net book value	
At 31 March 2017	223,224
At 31 March 2016	364,504

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14. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment comprises of:

	Land & Buildings £	Power stations £	Other plant & equipment £	Vehicles £	Asset under construction £	Total £
Cost						
At 1 April 2015	12,985,013	117,517,504	711,515	701,318	291,689,584	423,604,934
Additions	138,719	309,514	69,298	58,980	17,847,939	18,424,450
Deletions	(25,323)	–	(370)	–	(2,608,174)	(2,633,867)
Transfers on capitalisation	–	282,423,229	–	–	(282,423,229)	–
Exchange adjustments	(313,595)	7,557,605	(14,784)	(14,915)	(17,029,535)	(9,815,224)
At 31 March 2016	12,784,814	407,807,852	765,659	745,383	7,476,585	429,580,293
Additions	153,123	2,143,268	64,318	1,818,377	71,418	4,250,504
Deletions	–	–	–	(29,531)	–	(29,531)
Exchange adjustments	2,677,442	72,256,562	140,920	279,887	932,873	76,287,684
At 31 March 2017	15,615,379	482,207,682	970,897	2,814,116	8,480,876	510,088,950
Accumulated depreciation and impairment						
At 1 April 2015	96,176	8,148,424	446,651	360,807	–	9,052,058
Charge for the year	14,536	5,294,947	223,959	97,881	–	5,631,323
Exchange adjustments	(1,799)	3,058	(5,425)	(5,088)	–	(9,254)
At 31 March 2016	108,913	13,446,429	665,185	453,600	–	14,674,127
Charge for the year	14,142	11,296,791	131,980	277,988	–	11,720,901
Exchange adjustments	20,342	3,629,865	35,232	103,757	–	3,789,196
At 31 March 2017	143,397	28,373,085	832,397	835,345	–	30,184,224
Net book value						
At 31 March 2017	15,471,982	453,834,597	138,500	1,978,771	8,480,876	479,904,726
At 31 March 2016	12,675,901	394,361,423	100,474	291,783	7,476,585	414,906,166

The net book value of land and buildings block comprises of:

	31 March 2017 £	31 March 2016 £
Freehold land	15,032,841	12,545,682
Buildings	439,141	130,219
	15,471,982	12,675,901

Property, plant and equipment with a carrying amount of £477,787,455 (2016: £414,433,996) is subject to security restrictions (refer note 22).

An amount of £Nil (2016: £17,575,016) pertaining to interest on borrowings made specifically for the qualifying assets was capitalised as the funds were deployed for the construction of qualifying assets.

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 March 2017 £	31 March 2016 £
The carrying amount of investments accounted for using the equity method is as follows:		
Investment in joint venture	1,339,635	552,028
Investments in associates	2,760	–
Total	1,342,395	552,028

The Group's share of profit from equity accounted investments is as follows:

	31 March 2017 £	31 March 2016 £
Investment in joint venture	–	–
Investments in associates	(352)	–
Total	(352)	–

a) Investment in joint venture (Refer note 5(d))

The investment in Padma Shipping Limited ("PSL") is accounted for using the equity method in accordance with IAS 28. Summarised financial information for Padma Shipping Limited ("PSL") is set out below:

	31 March 2017 £	31 March 2016 £
Non-current assets	5,802,605	–
Current assets (a)	317,646	5,070,540
Total assets	6,120,251	5,070,540
Current liabilities (b)	3,440,982	3,966,483
Total liabilities	3,440,982	3,966,483
Net assets	2,679,269	1,104,057
	31 March 2017 £	31 March 2016 £
(a) Includes cash and cash equivalents	10,540	34,303
(b) Includes financial liabilities (excluding trade and other payables and provisions)	3,440,982	3,966,483

A reconciliation of the above summarised financial information to the carrying amount of the investment in PSL is set out below:

	31 March 2017 £	31 March 2016 £
Total net assets of PSL	2,679,269	1,104,057
Proportion of ownership interests held by the Group	50%	50%
Carrying amount of investment in PSL	1,339,635	552,028

b) Investment in associates (Refer note 5(d))

Summarised aggregated financial information of the Group's share in the associates:

	31 March 2017 £	31 March 2016 £
Profit from continuing operations	(352)	–
Total comprehensive Income	(352)	–
Aggregate carrying amount of the Group's interests in these associates	2,760	–

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16. OTHER ASSETS

	31 March 2017 £	31 March 2016 £
A. Current		
Available-for-sale financial assets	2,757,272	2,364,269
Capital advances	1,724,432	3,516,716
Bank deposits	2,903,273	–
Loans and receivables:		
– Advance to suppliers	176,486	5,651,654
– Others	5,124,555	1,832,604
Total	12,686,018	13,365,243
B. Non-current		
Prepayments	–	622,206
Advances to related parties (Refer note 24)	1,575,484	1,684,776
Lease deposits	–	92,581
Bank deposits	681,746	–
Other advances	408,662	–
Total	2,665,892	2,399,563

Available-for-sale investments are comprised of:

Quoted short-term mutual fund units

The fair value of the mutual fund instruments is determined by reference to published data. These mutual fund investments are redeemable on demand.

Loans and receivables (current)

Advances to suppliers include the amounts paid as advance for supply of fuel. Capital advances comprise of payments made to contractors for construction of assets and advances paid for purchase of capital equipment. The management expects to realise these in the next one year.

17. TRADE AND OTHER RECEIVABLES

	31 March 2017 £	31 March 2016 £
Current		
Trade receivables	80,546,225	56,687,426
Unbilled revenues	3,716,051	1,045,219
Other receivables	9,710	108,072
	84,271,986	57,840,717

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 £83,157,785 (2016: £57,840,717) has been pledged as security for borrowings. As at 31 March 2017, trade receivables of £1,177,967 (2016: £Nil) were collectively impaired and provided for. Trade receivables that are neither past due nor impaired represents billings for the month of March.

17. TRADE AND OTHER RECEIVABLES CONTINUED

The age analysis of the (overdue) trade receivables is as follows:

Year	Total £	Neither past due nor impaired £	Past due but not impaired		
			Within 90 days £	90 to 180 days £	Over 180 days £
2017	80,546,225	19,867,879	11,203,698	7,499,958	41,974,690
2016	56,687,426	15,743,623	9,721,710	5,725,198	25,496,895

Subsequent to the reporting date, the Company has received £14,927,895 from Tamil Nadu Generation and Distribution Corporation (TANGEDCO) towards the sale made during the month of September 2016 under short term sale agreement and for November 2016 to March 2017 under 15 year variable tariff LTOA contract.

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

Year	Opening balance £	Provision for the year £	Write off/Reversal £	Closing balance £
2017	–	1,177,967	–	1,177,967
2016	563,827	–	(563,827)	–

The creation of provision for impaired receivables 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. The group does not hold any collateral as security.

18. INVENTORIES

	31 March 2017 £	31 March 2016 £
Coal and fuel	14,947,860	9,477,390
Stores and spares	1,905,901	1,137,500
Total	16,853,761	10,614,890

The entire amount of £16,853,761 (2016: £10,614,890) has been pledged as security for borrowings (refer note 22).

19. CASH AND CASH EQUIVALENTS

Cash and short-term deposits comprise of the following:

	31 March 2017 £	31 March 2016 £
Cash at banks and on hand	13,049,622	6,169,046
Short-term deposits	36,501	984,409
Total	13,086,123	7,153,455

Short-term deposits are placed for varying periods, depending on the immediate cash requirements of the Group. They are recoverable on demand. Restricted cash represents deposits maturing between three to twelve months amounting to £14,009,027 (previous year £7,294,778) and maturing after twelve months amounting to £3,825,733 (previous year £1,940,600) which have been pledged by the group in order to secure borrowing limits with banks. (Refer note 22).

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20. ISSUED SHARE CAPITAL

Share capital

The Company presently has only one class of ordinary shares. For all matters submitted to vote in the shareholders meeting, every holder of ordinary shares, as reflected in the records of the Group on the date of the shareholders' meeting, has one vote in respect of each share held. All shares are equally eligible to receive dividends and the repayment of capital in the event of liquidation of the Group.

The Company has an authorised and issued share capital of 351,508,955 equity shares (2016: 351,504,795) at par value of £0.000147 (2016: £0.000147) per share amounting to £51,672 (2016: £51,671) in total.

The Company has issued share capital at par value of £51,672 (£0.000147 per share).

Reserves

Share premium represents the amount received by the Group over and above the par value of shares issued and the excess of the fair value of share issued in business combination over the par value of such shares. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

Foreign currency translation reserve is used to record the exchange differences arising from the translation of the financial statements of the foreign subsidiaries.

Other reserve represents the difference between the consideration paid and the adjustment to net assets on change of controlling interest, without change in control, other reserves also includes any costs related with share options granted and gain/losses on re-measurement of Available for sale financial assets.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive Income less dividend distribution.

21. SHARE-BASED PAYMENTS

The board has granted share options to directors and nominees of directors which are limited to 10 percent of the group's share capital. Once granted, the share must be exercised within ten years of the date of grant otherwise the options would lapse.

The vesting conditions are as follows:

- The 300 MW power plant of Kutch in the state of Gujarat must have been in commercial operation for three months.
- The closing share price being at least £1.00 for consecutive three business days.

The related expense has been amortised over the remaining estimated vesting period and an expense amounting to £87,907 (2016: £283,571) was recognised in the profit or loss with a corresponding credit to other reserves.

Movement in the number of share options outstanding are as follows:

	31 March 2017 £	31 March 2016 £
At 1 April	23,524,234	22,524,234
Granted	–	1,000,000
Forfeited/exercised/expired	(250,000)	–
At 31 March	23,274,234	23,524,234

21. SHARE-BASED PAYMENTS CONTINUED

The fair value of options granted and the assumptions used under the Black-Scholes option pricing model are as follows:

	Granted in	
	2015	2011
Weighted average fair value of options granted	0.37	0.28
Exercise price	0.60	0.60
Weighted average share price	0.78	0.66
Volatility (%)	40.95%	31.34%
Annual risk-free rate (%)	1.26%	3.00%
Expected option life (years)	5.36	4.96

22. BORROWINGS

The borrowings comprise of the following:

	Interest rate (range %)	Final maturity	31 March 2017 £	31 March 2016 £
Term loans at amortised cost	10.80 – 15.17	March 2025	320,991,917	263,582,838
Total			320,991,917	263,582,838

Total debt of £320,991,917 (2016: £263,582,838) is secured as follows:

- The term loans taken by the Group are fully secured by the property, plant, assets under construction and other current assets of subsidiaries which have availed such loans. All the loans except loans with a cumulative debt balance of £158.82m as at year end are personally guaranteed by a Director.
- The cash credits and working capital arrangements availed by the Group are secured against hypothecation of current assets and in certain cases by deposits and margin money is provided as collateral.
- Other borrowings are fully secured by hypothecation of current assets and in certain cases by margin money deposits and other fixed deposits of the respective entities availing the facility.

Term loans contain certain covenants stipulated by the facility providers and primarily require the Group to maintain specified levels of certain financial metrics and operating results. The terms of the other borrowings arrangements also contain certain covenants primarily requiring the Group to maintain certain financial metrics. As of 31 March 2017, the Group has met all the relevant covenants.

During the year instalment of loan amounting to £242,549 relating to Unit I, II and III was prepaid up to April 2017

The fair value of borrowings at 31 March 2017 was £320,991,917 (2016: £263,582,838). The fair values have been calculated by discounting cash flows at prevailing interest rates.

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

	31 March 2017 £	31 March 2016 £
Current liabilities		
Amounts falling due within one year	36,576,466	21,023,963
Non-current liabilities		
Amounts falling due after one year but not more than five years	104,970,101	123,362,705
Amounts falling due in more than five years	179,445,350	119,196,170
Total non-current	284,415,451	242,558,875
Total	320,991,917	263,582,838

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23. TRADE AND OTHER PAYABLES

	31 March 2017 £	31 March 2016 £
Current		
Trade payables	52,526,424	34,645,009
Creditors for capital goods	8,547,998	2,016,958
Bank Overdraft	5,609,229	6,235,017
Other payables	4,023,144	11,993,898
Total	70,706,795	54,890,882
Non-current		
Retention money	54,321	8,296,003
Other payables	229,433	167,046
Total	283,754	8,463,049

With the exception of retention money and certain other trade payables, all amounts are short term. Trade payables are non-interest bearing and are normally settled on 45 days terms. Creditors for capital goods are non-interest bearing and are usually settled within a year. Other payables include accruals for gratuity and other accruals for expenses.

24. RELATED PARTY TRANSACTIONS

Key management personnel

Name of the party	Nature of relationship
Arvind Gupta	Executive Chairman
V Narayan Swami	Finance Director
M. C. Gupta (until November 2016)	Chairman
Martin Gatto	Director
Ravi Gupta	Director
Patrick Michael Grasby	Director
Jeremy Beeton (from November 2016)	Director

Related parties with whom the Group had transactions during the period

Name of the party	Nature of relationship
Chennai Ferrous Industries Limited	Entity in which key management personnel has control/significant influence
Kanishk Steel Industries Limited	Entity in which key management personnel has control/significant influence
Padma Shipping Limited	Entity in which key management personnel has control/significant influence
Avanti Solar Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence
Mayfair Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence
Avanti Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence
Brics Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence
Avantika Gupta	Relative of key management personnel

24. RELATED PARTY TRANSACTIONS CONTINUED

Summary of transactions with related parties

Name of the party	31 March 2017 £	31 March 2016 £
Kanishk Steel Industries Limited		
Class A shares allotted	–	1,052
Padma Shipping Limited		
Investment	746,268	561,288
Chennai Ferrous Industries Ltd		
Purchase of coal	10,322	–
Avantika Gupta		
Remuneration	68,556	60,774

Summary of balance with related parties

Name of the party	Nature of balance	31 March 2017 £	31 March 2016 £
Padma Shipping Limited	Investment	1,339,635	552,028
Padma Shipping Limited	Advance	1,167,169	1,684,776
Avanti Solar Energy Private Limited	Investment	690	–
Avanti Solar Energy Private Limited	Advance	123,732	–
Mayfair Renewable Energy Private Limited	Investment	690	–
Mayfair Renewable Energy Private Limited	Advance	123,732	–
Avanti Renewable Energy Private Limited	Investment	690	–
Avanti Renewable Energy Private Limited	Advance	123,732	–
Brics Renewable Energy Private Limited	Investment	690	–
Brics Renewable Energy Private Limited	Advance	37,120	–

Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2016: £Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

25. EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator (no adjustments to profit were necessary for the year ended March 2017 or 2016).

The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share (for the group and the company) as follows:

Particulars	31 March 2017 £	31 March 2016 £
Weighted average number of shares used in basic earnings per share	351,505,142	351,504,795
Shares deemed to be issued for no consideration in respect of share-based payments	1,264,567	10,949,551
Weighted average number of shares used in diluted earnings per share	352,769,709	362,454,346

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26. DIRECTORS' REMUNERATION

Name of Director	31 March 2017 £	31 March 2016 £
Arvind Gupta	1,110,000	1,350,000
V Narayan Swami	109,689	97,239
Martin Gatto	45,000	45,000
Mike Grasby	45,000	45,000
MC Gupta (until November 2016)	27,880	45,000
Ravi Gupta	45,000	45,000
Jeremy Beeton (from November 2016)	22,500	–
Total	1,405,069	1,627,239

The above remuneration is in the nature of short-term employee benefits. As the future liability for gratuity and compensated absences is provided on actuarial basis for the companies in the group, the amount pertaining to the directors is not individually ascertainable and therefore not included above.

27. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases land under operating leases. The leases typically run for a period of 15 to 30 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

Non-cancellable operating lease rentals are payable as follows:

	31 March 2017 £	31 March 2016 £
Not later than one year	43,226	29,035
Later than one year and not later than five years	157,056	116,140
Later than five years	–	435,525
Total	200,282	580,700

During the year ended 31 March 2017, £41,204 (2016: £27,965) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

Capital commitments

During the year ended 31 March 2017, the Group entered into a contract to purchase property, plant and equipment for £Nil (2016: £Nil) for its power generation projects under development. In respect of its interest in joint ventures the Group is committed to incur capital expenditure of £18,630,157 (2016: £15,834,660) of their share of interest.

Contingent liabilities

OPGS had entered into a Bulk Power Transmission Agreement (BPTA) with Gujarat Energy Transmission Corporation Limited (GETCO) for availing the transmission network for power generated from its plants. Pursuant to the BPTA, GETCO has raised demand for transmission charges of £11,635,734 for the period from April 2013 to December 2015. OPGS has challenged the aforesaid demand in the Hon'ble Supreme Court in India. Based on a legal opinion management believes that they have good grounds for favourable disposal of the case and accordingly no adjustment to the financial statements is considered necessary.

Guarantees and letter of credit

The group has provided bank guarantees and letter of credits (LC) to customers and vendors in the normal course of business. The LC provided as at 31 March 2017: £40,497,741 (2016: £25,462,779) and Bank Guarantee as at 31 March 2017: £23,425,291 (2016: £12,223,606) are treated as contingent liabilities until such time it becomes probable that the Company will be required to make a payment under the guarantee.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also hold investments designated at available-for-sale categories.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management advises on financial risks and the appropriate financial risk governance framework for the Group.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The following assumptions have been made in calculating the sensitivity analyses:

- i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31 March 2017, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with average interest rates.

At 31 March 2017 and 31 March 2016, the Group had no interest rate derivatives.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. If interest rates increase or decrease by 100 basis points with all other variables being constant, the Group's profit after tax for the year ended 31 March 2017 would decrease or increase by £2,865,102 (2016: £2,692,161).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group's presentation currency is the Great Britain £. A majority of our assets are located in India where the Indian rupee is the functional currency for our subsidiaries. Currency exposures also exist in the nature of capital expenditure and services denominated in currencies other than the Indian rupee.

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity:

Currency	As at 31 March 2017		As at 31 March 2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar	3,000,000	19,852,758	–	21,487,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Set out below is the impact of a 10% change in the US dollar on profit arising as a result of the revaluation of the Group's foreign currency financial instruments:

Currency	As at 31 March 2017		As at 31 March 2016	
	Closing rate	Effect of 10% strengthening of GBP on net earnings	Closing rate	Effect of 10% strengthening of GBP on net earnings
United States Dollar	64.75	1,226,728	66.25	2,549,030

The impact on total equity is the same as the impact on net earnings as disclosed above.

Credit risk analysis

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

The maximum exposure for credit risk at the reporting date is the carrying value of each class of financial assets amounting to £87,029,258 (2016: £60,204,986).

The Group has exposure to credit risk from accounts receivable balances on sale of electricity. The operating entities of the group has entered into short term agreements with transmission companies incorporated by the Indian state government (TANGEDCO) to sell the electricity generated. Therefore the group is committed, in the short term, to sell power to these customers and the potential risk of default is considered low. 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. The credit worthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group's management believes that all the above financial assets, except as mentioned in note 6(a), 16 and 17, are not impaired for each of the reporting dates under review and are of good credit quality.

Liquidity risk analysis

The Group's main source of liquidity is its operating businesses. The treasury department uses regular forecasts of operational cash flow, investment and trading collateral requirements to ensure that sufficient liquid cash balances are available to service on-going business requirements. The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 90-day projection. Long-term liquidity needs for a 90 day and a 30-day lookout period are identified monthly.

The Group maintains cash and marketable securities to meet its liquidity requirements for up to 60-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

The following is an analysis of the group contractual undiscounted cash flows payable under financial liabilities at 31 March 2017 and 31 March 2016:

As at 31 March 2017	Current	Non-current		Total
	Within 12 months	1-5 years	Later than 5 years	
Borrowings	36,576,466	104,970,101	179,445,350	320,991,917
Interest on borrowings	33,903,890	45,442,677	123,948,503	203,295,070
Trade and other payables	70,706,795	283,754	–	70,990,549
Other current liabilities	17,363	–	–	17,363
Total	141,204,514	150,696,532	303,393,853	595,294,899

As at 31 March 2016	Current	Non-current		Total
	Within 12 months	1-5 years	Later than 5 years	
Borrowings	21,023,963	123,362,705	119,196,170	263,582,838
Interest on borrowings	31,280,267	47,246,652	106,939,534	185,466,453
Trade and other payables	54,890,882	8,463,049	–	63,353,931
Other current liabilities	223,710	–	–	223,710
Total	107,418,822	179,072,406	226,135,704	512,626,932

Capital management

Capital includes equity attributable to the equity holders of the parent and debt less cash and cash equivalents.

The Group's capital management objectives include, among others:

- ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value;
- ensure Group's ability to meet both its long-term and short-term capital needs as a going concern; and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years end 31 March 2017 and 2016. The Group maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Group has sufficient available funds for business requirements. There are no imposed capital requirements on Group or entities, whether statutory or otherwise.

The capital for the reporting periods under review is summarised as follows:

	31 March 2017 £	31 March 2016 £
Total equity	236,687,603	180,676,250
Less: cash and cash equivalents	(13,086,123)	(7,153,455)
Capital	223,601,480	173,522,795
Total equity	236,687,603	180,676,250
Add: borrowings (including buyer's credit)	320,991,917	263,582,838
Overall financing	557,679,520	444,259,088
Capital to overall financing ratio	0.40	0.39

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND THEIR FAIR VALUES

	Carrying amount		Fair value	
	March 2017 £	March 2016 £	March 2017 £	March 2016 £
Financial assets				
Loans and receivables				
– Cash and cash equivalents ¹	13,086,123	7,153,455	13,086,123	7,153,455
– Restricted cash ¹	17,834,760	9,235,378	17,834,760	9,235,378
– Current trade receivables ¹	84,271,986	57,840,717	84,271,986	57,840,717
– Available-for-sale instruments ³	2,757,272	2,364,269	2,757,272	2,364,269
	117,950,141	76,593,819	117,950,141	76,593,819
Financial liabilities				
Term loans	320,991,917	263,582,838	320,991,917	263,582,838
Current trade and other payables ¹	70,706,795	54,890,882	70,706,795	54,890,882
Non-current trade and other payables ²	283,754	8,463,049	283,754	8,463,049
	391,982,466	326,936,769	391,982,466	326,936,769

The fair value of the financial assets and liabilities are included at the price that would be received to sell an asset or paid to transfer a liability (i.e. a exit price) in an ordinary transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

1. Cash and short-term deposits, trade receivables, trade payables, and other borrowings like short-term loans, current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. The fair value of loans from banks and other financial indebtedness, obligations under finance leases, financial liabilities at fair value through profit or loss as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt or similar terms and remaining maturities.
3. Fair value of available-for-sale instruments held for trading purposes are derived from quoted market prices in active markets. Fair value of available-for-sale unquoted equity instruments are derived from valuation performed at the year end.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY AND THEIR FAIR VALUES

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Unquoted securities	–	–	–	–
Quoted securities	2,757,272	–	–	2,757,272
Total	2,757,272	–	–	2,757,272

There were no transfers between Level 1 and 2 in the period.

The Group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the Chief Financial Officer.

Valuation processes and fair value changes are discussed by the Board of Directors at least every year, in line with the Group's reporting dates.

30. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Approved by the Board of Directors on 28 September 2017 and signed on its behalf by:

Arvind Gupta
Executive Chairman

V Narayan Swami
Finance Director

CORPORATE DIRECTORY

Nominated Adviser and Broker

Genkos Securities Plc
6–7–8 Tokenhouse Yard
London
EC2R 7AS

Joint Broker

Macquarie Capital (Europe) Limited
Ropemaker Place
28 Ropemaker Street
London
EC2Y 9HD

Financial PR

Tavistock Communications
131 Finsbury Pavement
London
EC2A 7AS

Administrators and Company Secretary

FIM Capital Limited
(Formerly IOMA Fund and Investment Management Limited)
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

Auditors

Grant Thornton
Third Floor
Exchange House
54/62 Athol Street
Douglas
Isle of Man
IM1 1JD

Legal advisers

Dougherty Quinn
The Chambers
5 Mount Pleasant
Douglas
Isle of Man
IM1 2PU

Registrars

Capita Registrars (Isle of Man) Limited
3rd Floor
Exchange House
54–58 Athol Street
Douglas
Isle of Man
IM1 1JD

DEFINITIONS AND GLOSSARY

Act: Isle of Man Companies Act 2006

AGM: Annual General Meeting

Board: Board of Directors of OPG Power Ventures Plc

BHEL: Bharat Heavy Electricals Limited

BOP: Balance of Plant

bps: Basis points

BRICS: Brazil, Russia, India, China and South Africa

CAGR: Compound Average Growth Rate

CEA: Central Electricity Authority

CIL: Coal India Limited and its subsidiaries

CO: Carbon Monoxide

Company or OPG or parent: OPG Power Ventures Plc

Discom: Distribution Company (of the State Electricity Utility)

EBITDA: Earnings before interest, tax, depreciation and amortisation

EHS: Environment, Health and Safety

Electricity Act: Indian Electricity Act 2003 as amended

EPC: Engineering, Procurement and Construction

EPS: Earnings per share

ESOP: Employee Stock Options

FDI: Foreign Direct Investment

FII: Foreign Institutional Investor

FY: Financial year commencing from 1 April to 31 March

GAR: Gross as Received (coal)

GCP: Group Captive Plant

GDP: Gross Domestic Product

GHG: Green House Gas

Government or GOI: Government of India

Great Britain Pound Sterling or £/pence: Pounds sterling or pence, the lawful currency of the UK

Group Captive: Group Captive power plant as defined under Electricity Act 2003, India

Group or OPG: the Company and its subsidiaries

GW: Gigawatt is 1,000 megawatts

IAS: International Accounting Standards

IEA: International Energy Agency

IFRS: International Financial Reporting Standards

Indian Companies Act: the Companies Act, 1956 and amendments thereto

INDC: Intended Nationally Determined Contribution

kWh: Kilowatt hour is one unit of electricity

LOI: Letter of Intent

LSE: London Stock Exchange plc

LTOA: Long Term Open Access

LTVT: Long Term Variable Tariff

MoU: Memorandum of Understanding

mt: Million tonnes

MW: Megawatt is 1,000 kilowatts

MWh: Megawatt hour

NITI Aayog: National Institution for Transforming India

Nox: Nitrogen Oxides

O&M: Operating and Management

OPG E: OPG Energy Private Limited

OPG RE: OPG Renewable Energy Limited

PLF: Plant Load Factor

PPA: Power Purchase Agreement

PSA: Power Supply Agreement

DEFINITIONS AND GLOSSARY

CONTINUED

ROE: Return on Equity

Rupees/INR or Rs: Indian Rupee, the lawful currency of India

SEB: State Electricity Board

SEBI: Securities Exchange Board of India

Sox: Sulphur Oxides

SPM: Suspended Particular Matter

SPV: Special Purpose Vehicle

State: State of India

TANGEDCO: Tamil Nadu Generation and Distribution Corporation Limited

The Code: the UK Corporate Governance code, issued by the Financial Reporting Council

TNWMS: Tamil Nadu Waste Management Services

UK/United Kingdom: United Kingdom of Great Britain and Northern Ireland

UMPPS: Ultra Mega Power Projects

US\$/USD or \$: US Dollars, the lawful currency of the US



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OPG Power Ventures Plc
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

T: +44 (0)1624 681200

www.opgpower.com