OPG
Power Ventures Plc

OPG Power Ventures Plc
Annual Report & Accounts

2018

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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CONTENTS

Strategic Report
01 Highlights
02 Executive Chairman's statement
04 Financial review
07 Key Performance Indicators
08 COO Operational review
10 Business model
11 Group objectives and strategies
12 Market review
16 Sustainability report
20 Principal risks

Corporate Governance
22 Board of Directors
24 Corporate Governance Report
28 Directors' Report
30 Directors' Remuneration Report
34 Statement of Directors' responsibilities

Financial Statements
35 Independent Auditors' report
38 Consolidated Statement of Financial Position
39 Consolidated Statement of Comprehensive Income
40 Consolidated Statement of Changes in Equity
41 Consolidated Statement of Cash Flows
42 Notes to the Consolidated Financial Statements
72 Corporate Directory
73 Definitions and Glossary

HIGHLIGHTS

REVENUES (£m)

Year	Value
FY14	98.8
FY15	100.0
FY16**	128.4
FY17*	136.2
FY18*	140.1

EBITDA[3] (£m)

Year	Value
FY14	30.9
FY15	33.4
FY16**	50.7
FY17*	52.1
FY18*	24.0

PROFIT BEFORE TAX[4] (£m) before impairments and tax

Year	Value
FY14	17.9
FY15	21.7
FY16**	28.6
FY17*	31.8
FY18*	6.2

EPS (£ pence)

Year	Value
FY14	4.14
FY15	4.91
FY16	5.29
FY17	8.43
FY18	(24.7)

NET DEBT / EBITDA (£m)

Year	Value
FY15	7.6
FY16**	5.0
FY17*	5.9
FY18*	3.8

* Note : FY 17 & FY 18 Includes only Chennai Operations
** Includes Gujarat Operations

- Profit from continuing operations before impairments and tax was £6.2m compared with a profit of £31.7m in FY17
- Full year scrip dividend of 1p per share (FY17: 0.98p per share)
- Chennai plant generation up 2% to 2.8[1] billion units from 2.7 billion units in FY17
- Revenue up 3% to £140m from £136m in FY17
- EBITDA margin of 17% compared with 38% in FY17 due to higher coal costs in FY18
- Gross debt of £93.5m[2]; gearing lower at 40% from 57% in FY17
- 62 MW solar project commissioned in FY18
- Following the deconsolidation of the Gujarat plant, loss from discontinued operations, incl. Non-Controlling Interest was £(96.7) million (FY17: £(13.4) million) and the total loss was £(100.9) million (FY17 profit: £23.1m)

(1) 2.8 billion units includes 0.3 billion deemed generation for Chennai Unit 3 (FY17: 0.4 billion)
(2) Gross Debt of Chennai Operations, Gujarat Debt is excluded on account of deconsolidation
(3) Excluding one-off impairment provision of £7.3m in FY18
(4) Profit from continuing operations before impairments and tax in FY17 and FY18

EXECUTIVE CHAIRMAN'S STATEMENT

"This was a year of significant transition for OPG. We have decided to focus on the profitable Chennai SPV and have drawn a line under the Gujarat SPV which continued to experience liquidity stress due to the cascading impact of historic external issues, coupled with high seaborne coal prices. We will utilise the strong cash generation of the Chennai operation to repay remaining debt over the Chennai plants within five years and no further cash will go to Gujarat."

This year we have decided to focus on the profitable Chennai SPV and drawn a line under the Gujarat SPV. We will utilise the strong cash generation of the Chennai operation to repay remaining debt within five years.

Operations – a Focus on Maximising Asset Performance and Deleveraging

The Chennai plants' generation during FY18 was 6 per cent higher than in FY17 at 2,492 million kWh, with average PLF at 77 per cent (FY17: 76 per cent). Post FY18 year-end we have negotiated a 5 per cent increase in sales tariffs for FY19 and, since the year end, most of our group captive customers in Chennai have renewed their three year contracts. We expect to achieve at least 4 per cent increase in sales tariffs for FY20. All scheduled interest and principal repayments at Chennai, amounting in aggregate to Rs2.9 billion (£33.8 million, including £22.3 million principal repayments) were made during the twelve months ended 31 March 2018.

The average landed cost of coal was approximately 32 per cent higher in FY18 than FY17, which clearly had a significant impact on profitability. It is pleasing to report that, following the coal price spike in 2017 and first half of 2018, coal prices have reduced by some 18 per cent in the two months preceding this statement and consensus forecast for Australian steaming coal prices indicates further expected reduction by approximately 20% by March 2020. The Chennai plant is not affected by the distress of distribution companies affecting parts of the Indian power sector. We are therefore optimistic that the lower coal prices will benefit FY19 and FY20 profitability.

As at 31 March 2018, total borrowings were at £93.5 million. The Company looks forward to achieving a major milestone later this year as the term loans with respect to Unit 1 of Chennai plant (77 MW out of 414 MW) will be fully repaid in December 2018. The remainder of Chennai plant term loans are scheduled to be fully repaid in five years, i.e. in FY24.

The Company has invested in four solar projects at Karnataka, which will deliver 62MW, and are being ramped up to full capacity. The Group continues to evaluate both organic and acquisitive growth opportunities in the renewables sector, with return on investment as the primary evaluation criteria.

Gujarat plant strategic review and deconsolidation

As previously announced, the trading difficulties experienced by our Gujarat plant, almost entirely outside the direct control of our operational management, triggered a comprehensive review by the Board of the Group's strategy going forward. The key conclusion was to concentrate on OPG's high quality, profitable plant in Chennai which, by contrast with Gujarat, delivered a robust performance in FY18.

The Board considers that much has been achieved at Gujarat, including building the 300 MW plant from scratch within a disciplined timeframe, increasing production of the plant to reach the target of 80% load factor and securing an attractive tariff from a diverse range of group captive customers. However, it is clear that the cascading effect of the dispute with Gujarat authorities regarding the captive status together with distribution companies ("DISCOMs") withholding Cross Subsidy Surcharges have meant that the outcome has been very disappointing for our Gujarat SPV. As previously reported the financial stress put on the Gujarat SPV led to deferral of scheduled principal and interest loan repayments, resulting in the requirement to implement a lender-assisted Resolution Plan ("RP"). Whilst it had been hoped that this process would be concluded in August 2018, it continues. Management will seek to minimise the time spent on this and no further cash of the Group will be spent on Gujarat SPV.

As previously announced, the Group sold a five per cent equity stake in Gujarat SPV. Whilst the RP may have a number of outcomes, including potential conversion of part of the debt into equity, the Board does not expect any of these outcomes to produce any value for the Group. Due to all the above factors the Group no longer has control or significant influence in the Gujarat SPV and the Gujarat subsidiary was, therefore, deconsolidated as of 31 March 2018. The Group's equity interest in Gujarat plant was accounted for as an investment at fair value as at 31 March 2018.

The Company has no obligations with respect to Gujarat plant's borrowings apart from the parent company guarantee of £5.8 million with respect to a short-term loan, which will

potentially be repaid by the Gujarat SPV from customer refunds.

To account for the uncertainty implicit in the RP, a full provision, amounting to £46.3 million, has been made against the Group's receivable balances from the Gujarat SPV and financial securities pledged with lenders of Gujarat SPV.

The board remains confident that the structural differences between the Gujarat and Chennai markets mean that these issues are restricted to Gujarat.

Overview of the Indian power sector & factors influencing power demand

Despite current stress in parts of the power sector, India remains an attractive area for power generation business with GDP growth at 8.2 per cent for Q1 of 2018-19. The IMF's World Economic Update in July 2018 estimated GDP annual growth rate of 7.5 per cent for 2019. With such strong GDP growth, India is the fastest growing economy in the world and historically, growth in power demand has largely followed GDP growth. We expect power demand to grow at a rate of 6.7 per cent CAGR during the period between 2017 and 2022 and, as Indian power consumption per capita was only 1,075 kWh in 2016, it will catch up with developed economies / countries with similar social economic conditions.

The key drivers for increasing demand are initiatives such as '24x7 Power for All', development of 'smart cities', the 'Housing for All' scheme, the industrial push through 'Make in India' initiative, increasing urbanisation, infrastructure requirements, electric mobility, and overall strong economic growth.

Ujwal DISCOM Assurance Yojana ("UDAY) performance & tariff increase

The UDAY, financial turnaround and revival package for electricity distribution companies of India, has a clear impact on improving operational efficiency and reducing the overall losses of the DISCOMs. A total of 19 States increased their tariffs either in FY16 or FY17. According to the Ministry of Power, tariff hikes have resulted in additional revenue of Rs.100 billion (£1.1 billion) in FY16 and Rs.204.3 billion (£2.3 billion) in FY17. Tariff increases in Tamil Nadu and other UDAY States where tariff rises did not take place are expected to happen in FY20.

Financial results

As mentioned above, the Gujarat subsidiary was deconsolidated as of 31 March 2018 and this deconsolidation is reflected in the separation of the results from Gujarat and Chennai in FY18 and FY17 income statements. Future results of operations of Gujarat plant will not be consolidated in OPG Group's consolidated financial statements.

In FY18, the Group's revenue increased by £4 million to £140 million, 3 per cent higher than FY17. Profit from continuing operations before impairments and tax was £6.2 million (FY17: £31.7 million). Following the deconsolidation of the Gujarat plant and inclusion of the provision, the loss from discontinued operations, incl. Non-Controlling Interest was £(96.7) million (FY17: £(13.4) million) and the total loss was £(100.9) million (FY17 profit: £23.1m). Cash flow from continuing operations was £56.4 million (FY17: £52.1 million). As at 31 March 2018, total borrowings were £93.5 million (31 March 2017: £321 million, including the Gujarat plant's borrowings). All scheduled interest and principal repayments at Chennai, amounting in aggregate to Rs2.9 billion (£33.8 million, including £22.3 million principal repayments) were made during FY18.

The Company will continue to provide trading updates as appropriate but intends to adopt the more traditional half yearly (rather than quarterly) reporting.

Board

In November 2017, we announced the appointment of Dmitri Tsvetkov as Chief Financial Officer of OPG Power Ventures PLC, replacing V. Narayan Swami. Two of our long serving Non-executive directors, Martin Gatto and Ravi Gupta, also stepped down from the Board. All three had been on the Board since our IPO and admission to AIM. We appointed a new Non-executive director, Jeremy Warner Allen, as Independent Non-executive Deputy Chairman. On behalf of the Board, I would like to thank Mr Narayan Swami, Mr Gatto and Mr Gupta for their service and contributions over the years and welcome Mr Tsvetkov and Mr Warner Allen to the Board.

Dividend

In order to conserve cash for the business, the Board has decided to pay a scrip dividend of 1 pence per share to shareholders in respect of FY18 and expect dividends to return to a cash payment (with a scrip alternative) for FY19. The proposed scrip dividend, if approved by shareholders at the AGM, will result in an issuance of new shares which will be credited to shareholders' accounts in December 2018.

Outlook

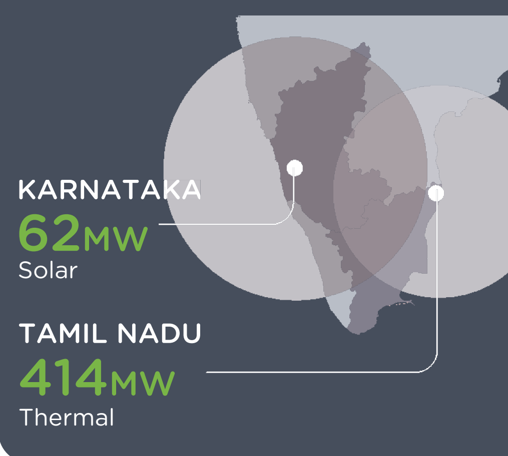
We believe that our skills and experience in the power sector will enable us to maintain long term profitable and sustainable business model. We are already benefitting from reduced coal prices following the FY18 spike and expect to be able to demonstrate a clear path to profitability in FY19. Or focus will remain on repaying the long-term debt on the Chennai plants and look forward to Unit 1 being debt free later this year with the remaining units following within five years.

The Board and I thank the loyal and hardworking team at OPG and believe that the OPG Group is well positioned to take advantage of market opportunities as they arise.

Arvind Gupta
Executive Chairman
22 September 2018

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



FINANCIAL REVIEW

"The Company looks forward to achieving a major milestone later this year as the term loans with respect to Unit 1 of Chennai plant (77 MW out of 414 MW) will be fully repaid in December 2018. Based on term loans repayments schedule Chennai plant will be debt free in five years."

Revenue

The Group's revenue has increased by £4.0m, reflecting a 3% growth year on year. Generation exported to customers and billed for revenue increased by 5% to 2,296 million units in FY18 from 2,182 in FY17.

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

Particulars	FY18	FY17
Generation (million units)	2,493	2,346
PLF (%)	77[2]	76[2]
Average tariff (INR/unit)	5.21[3]	5.46[3]

1 The above figures are only for Chennai power plants as Gujarat power plants are reclassified to discontinued operations
2 Chennai Unit 3: Deemed PLF (%) has been included
3 Average tariff includes effect of deemed offtake tariff for Chennai Unit 3

Gross profit

Gross profit ('GP') in FY18 was 28.5% of revenue (FY17: 50.3%). The reduction in GP is primarily on account of significant increase in fuel cost during FY18 in comparison with FY17.

The cost of revenue represents fuel costs. The average factory gate costs for Indian coal increased by 5.0% and those for imported coal by 33.6%. The table above shows the price and blend of Indian and Indonesian coal consumed in FY18 and FY17.

Price and blend of Indian and Indonesian coal consumed:

	Average factory gate price (INR/mt)		Average factory gate price (INR/mKCal)		Blend %
Financial year	Indian coal	Imported coal	Indian coal	Imported coal	Indian: Imported
FY18	3,467	4,593	963	1,114	6:94
FY17	3,301	3,438	904	799	9:91
Change %	5.0	33.6			

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 £24.0m in FY18 down from £52.2m in FY17 and EBITDA margin was lower at 17.2% in FY18 against 38.3% in FY17 on account of decrease in GP margin.

Profit from continuing Chennai operations before tax and impairments was £6.2m compared with a profit of £31.7m in FY17 while after impairments it became loss before tax of £1.1m (FY17: profit before tax £31.7m).

(Loss)/Profit before tax reconciliation ('PBT') (£m)	FY18
PBT 2017-18	(1.1)
PBT 2016-17	31.7
Decrease in PBT	**(32.8)**
Increase in GP	(28.5)
Increase in other income	1.8
Increase in distribution, general and administrative expenses	(1.5)
Decrease in net finance cost	2.5
Impairment provision for loss on investments and asset under construction*	(7.3)
Others	0.1
Decrease in PBT	**(32.8)**

* £4m being impairment of obsolete assets under construction, as a one off transaction. £3.3m being impairment provision of investments in joint venture Padma Shipping

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

INCOME STATEMENT

YEAR ENDED 31 MARCH	2018 £m	% OF REVENUE	Restated*/** 2017 £m	% OF REVENUE
Revenue	140.1		136.2	
Cost of revenue (excluding depreciation)	(100.2)		(67.7)	
Gross profit	39.9	28.5	68.4	50.3
Other income	2.0		0.1	
Distribution, general and administrative expenses (excluding depreciation)	(17.9)		(16.4)	
EBITDA* **	24.0	17.2	52.2	38.3
Depreciation	(6.5)		(6.6)	
Net finance costs	(11.3)		(13.8)	
Profit from continuing operations before tax and impairments	6.2	4.4	31.8	23.4
Impairment provision for loss on investments and assets under construction	(7.3)		0.0	
(Loss)/Profit before tax from continuing operations	(1.1)	(0.8)	31.7	23.3
Taxation	(3.1)		4.8	
(Loss)/Profit after tax from continuing operations	(4.2)	(3.0)	36.5	26.8
Loss from discontinued operations, incl. Non-Controlling Interest	(96.7)		(13.4)	
(Loss)/Profit for the year	(100.9)		23.1	

* Following deconsolidation of Gujarat SPV (described below) the operating performance of Gujarat power plant has been reclassified to loss from discontinued operations.
** Depreciation was reclassified from cost of revenue and general and administrative to a separate line
*** Excluding one-off impairment provision of £7.3m in FY18

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 expense during the year was £3.0m which includes current tax expense of £0.4m and tax credit reversal of £2.7m.

Details of tax credit during the year (£m)	FY18
Current tax FY2017-18	0.4
Credit for MAT reversal	2.7
Tax expense/(income)	3.0

Profits after tax from continuing operations

Profits after tax have decreased by £40.7m from £36.5m in FY17 to loss of £4.2m in FY18.

Deconsolidation of Gujarat SPV and Loss from discontinued operations

As previously reported, the captive consumers of BVP (formerly known as OPGS Power Gujarat Private Limited) have withheld from the sales invoices an amount of approximately £40m towards Cross Subsidy Surcharge (CSS) levied by the DISCOMs for the financial years 2015-2016, 2016-2017 and 2017-2018 challenging the grounds of fulfilment of required shareholding criteria by BVP to qualify as a captive power generating unit as per Rule 3 of the Electricity Rules, 2005.

Although BVP received confirmation of Group Captive status from the relevant Gujarat authorities and approximately £9m out of £40m of dues were already recovered, the financial stress put on the Gujarat SPV, coupled with high seaborne coal prices led to deferral of scheduled principal and interest loan repayments, resulting in the requirement to implement a lender-assisted Resolution Plan ("RP"). The RP plan was developed and presented to the banks and we had hoped that this process would be concluded in August 2018 but it still continues. No further cash of the Group will be spent on Gujarat SPV.

As previously announced, the Group sold a five per cent equity stake in Gujarat SPV (see note 7 (a) to the FY18 consolidated financial statements). Whilst the RP may have a number of outcomes, including potential conversion of part of the debt into equity, the Board does not expect any of these outcomes to produce any value for the Group.

Due to all above factors the Group no longer has control or significant influence in the Gujarat SPV and the Gujarat subsidiary was, therefore, deconsolidated as of 31 March 2018. The Group's equity interest in Gujarat plant was accounted for as an investment at fair value as at 31 March 2018. Future results of operations of Gujarat plant will not be consolidated in OPG Group's consolidated financial statements.

Accordingly, results of operations of BVP were reclassified to Loss from discontinued operations. Operating loss of BVP increased to £28.0m for FY18 from £13.4m primarily on account of increase in fuel cost. Further, loss on deconsolidation of BVP is £22.3m and the Group has made impairment provision aggregating to £46.3m for investments in debentures, trade receivables and advances and financial securities pledged with lenders of BVP. Below is a summary of loss from discontinued operation recognized upon Gujarat SPV deconsolidation:

FINANCIAL REVIEW
CONTINUED

Particulars	FY18 - £m	FY17-£m
Operating loss of BVP	28.0	13.4
Loss on deconsolidation of BVP	22.3	–
Impairment provision for investments in debentures of BVP	11.0	–
Impairment provision for trade receivables and advances of BVP	22.0	–
Impairment provision for financial securities pledged with lenders of BVP	13.3	
Total Loss from discontinued operations	**96.7**	13.4

Impairment provision of investments in joint venture Padma Shipping

In 2014 the Company entered into a Joint Venture agreement with Noble Chartering Ltd ("Noble"), to secure competitive long term rates for international freight for its imported coal requirements. Under the Arrangement, the Company and Noble agreed to jointly purchase and operate two 64,000 MT cargo vessels through a Joint venture company Padma Shipping Ltd, Hong Kong ('Padma').

During the year, the Joint Venture partner due to a change in their group strategy requested for the Joint Venture to be terminated. As the vessels were still under construction and yet to be delivered during 2018, we agreed and the process for the same will be initiated in FY19.

OPG has invested approximately £3.5m in equity and £1.7m to date as advance and accordingly the joint venture has been reported using equity method as per the requirements of IFRS 11. The Company provided corporate guarantee for 50% of equity portion of the cost of construction of the vessels remaining balance in amount of £2m (equivalent of $2.8m) which was recognised in the FY18 financial statements as part of £3.2m provision as the shipping yard requested payment subsequent to the year end. The Company recognised an impairment provision in the FY18 financial statements of £3.2m against its investment to date on account of the impending dissolution of the JV.

Impairment of Assets under construction

During the year the Company impaired an amount of £4m relating to obsolete assets under construction, as a one off transaction. The plant and machinery under construction of proposed 12 MW power project to be set up on a 120 acre brownfield site in the industrial heartland of Karnataka state at Bellary, has been impaired as the group does not expect any economic benefits out of same. The plant and machinery were purchased along with the land and is of no use hence needs to be scrapped.

Earning per Share (EPS)

The Company's reported EPS from continuing operations decreased to loss of (1.2) pence from 9.5 pence on account of decrease in PAT.

The Company's total reported EPS decreased to loss of (24.7) pence from 8.4 pence earnings on account of decrease in PAT due to loss from discontinued operations.

Dividend

The Board approved FY18 full year scrip dividend at 1 pence per share.

For FY17 full year dividend paid at 0.98 pence per share, including interim dividend of 0.26 pence per share.

Some shareholders elected to receive final FY17 dividend in form of scrip dividend and as a result of this election the Company has issued 4,799,742 shares during the year at par value of £0.000147 (2017: £0.000147) per share amounting to £706. The difference between fair value of shares issued above par value of £1.2m with respect to scrip dividend was credited to share premium.

Foreign exchange loss on translation

The British Pound-to-Indian Rupee exchange rate has moved higher to closing rate on 31 March 2018 of 1£= INR 90.81 as against 1£= INR 80.82 on 31 March 2017 thereby resulting in significant exchange loss of £21.4m on translating foreign operations.

Given Gujarat plant balances were removed from the statement of financial position as at 31 March 2018 as a result of deconsolidation, the comparative balances as at 31 March 2017 were also adjusted for BVP balances for the purposes of variance analysis below. Also comparative balances of assets and liabilities on 31 March 2017 were recalculated based on exchange rate effective on 31 March 2018 to eliminate foreign exchange impact.

Property, plant and equipment

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

Other non-current assets

Other non-current assets (excluding Property, plant and equipment & Intangible assets) have increased primarily due to £9.9m investments in associates (solar power projects and Padma Shipping joint venture).

Current assets

Current assets have decreased by £2.4m from £80.6m to £78.2m year on year primarily as a result of the following:

- Decrease in trade receivables by £4.8m.
- Increase in cash and bank balances (including restricted cash) by £3.0m.
- Decrease in inventory holdings by £1.8m.
- Increase in Net current tax asset by £2.2m.
- Decrease in other current assets by £0.9m

Current liabilities

Current liabilities have increased by £21.4m from £55.6m to £77.0m year on year primarily due to increase in trade payables for coal and creditors for supplies to solar power project.

Other non-current liabilities

Other non-current liabilities have increased by £9.4m from £79.2m to £88.6m year on year primarily on account of increase in trade and other payables of £17.3m and decrease due to repayment of borrowings for balance amount.

Gross debt, gearing and finance costs

As of 31 March 2018, total borrowings were £93.5m. The gearing ratio (borrowings/ (equity plus borrowings) was 40% (31 March 2017: 57%).

Total borrowings (current and non-current portions) decreased by £228m due to repayment of term loans of £22.6m by Chennai plant, deconsolidation of Gujarat (£206m) and foreign exchange impact of depreciation of INR against GBP.

The Company looks forward to achieving a major milestone later this year as the term loans with respect to Unit 1 of Chennai plant (77 MW out of 414 MW) will be fully repaid in December 2018. Based on term loans repayments schedule Chennai plant will be debt free in five years.

KEY PERFORMANCE INDICATORS

Finance costs have decreased by £2.1m from £15m in FY17 to £12.9m in FY18 primarily due to scheduled repayments of term of loans by Chennai plant and respective reduction in interest expense.

Finance income increased from £1.1m in FY17 to £1.6m in FY18 and therefore net finance costs in FY18 amounted to £11.3m (FY17: £13.8m).

The restricted cash balances totalling £25.3m at 31 March 2018 (31 March 2017: £17.8m) is comprised of financial deposits that have been pledged as security against borrowings and Letters of Credit.

Cash flow

Net cash flow from operating activities has increased from £52.2m in FY17 to £56.4m in FY18, an increase of £3.8m, primarily due to changes in working capital exceeding impact of the decrease in gross profit.

Movements (£m)	FY18	FY17
Operating cash flows from continuing operations before changes in working capital	23.8	52.3
Tax paid	(0.8)	(3.9)
Change in working capital assets and liabilities	33.3	3.7
Net cash generated by operating activities from continuing Operations	56.4	52.1
Purchase of property, plant and equipment (net of disposals)	(1.1)	(3.1)
Investments, incl. in solar projects, shipping JV, market securities	(28.8)	(8.6)
Net cash used in continuing investing activities	(29.9)	(11.7)
Net interest paid	(12.9)	(15.0
Dividend paid	(1.6)	(0.9)
Total cash change before net borrowings	11.9	24.5

Dmitri Tsvetkov
Chief Financial Officer
22 September 2018

FINANCIAL

AVERAGE TARIFF REALISATION (INR/kWh)

Year	Value
FY14	5.55
FY15	5.71
FY16**	5.58
FY17*	5.46
FY18*	5.21

COST OF GENERATION PER UNIT (INR/kWh)

Year	Value
FY14	3.10
FY15	3.09
FY16**	2.67
FY17*	2.52
FY18*	3.43

EBITDA (£m)

Year	Value
FY14	30.9
FY15	33.4
FY16**	50.7
FY17*	52.1
FY18*	24.0

GEARING (%)

Year	Value
FY14	52
FY15	59
FY16**	57
FY17*	57
FY18*	40

EPS (£ pence)

Year	Value
FY14	4.14
FY15	4.91
FY16	5.29
FY17	8.4
FY18	(24.7)

NON-FINANCIAL

PLANT LOAD FACTOR (%) (Group)

Year	Value
FY14	96
FY15	91
FY16**	70
FY17*	76
FY18*	77

TOTAL RECORDABLE INJURY RATE (Chennai)

Year	Value
FY14	0.49
FY15	0.40
FY16**	0.28
FY17*	0.00
FY18*	0.09

* Note : FY17 & FY18 Includes only Chennai Operations
** Includes Gujarat Operations

COO OPERATIONAL REVIEW

"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 of any of the units."

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.

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 of any of the units. 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 with the result that OPG's plants use 99% less water than most thermal power plants in the world. As a result, our station 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 one-off disruptions to demand such as due to weather.

Total generation at the 414 MW Chennai plant in FY18, including 'deemed' offtake, was 2.8 bn units which is 2% higher than last year despite seasonal events. The Chennai plant load factor ('PLF') including 'deemed' offtake, in FY18 was 77% versus 76% in FY17 and a national average for thermal plants of approximately 61% and is expected to be at the same level in FY19.

The 300 MW Gujarat plant's generation was up by 23% from FY17 to 2.04 bn units. The Gujarat plant continued to ramp up achieving a PLF of 78% in FY18, up from 63% in FY17.

For FY19, the Company expects load factors to be at around 85% in Chennai.

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

Sales contracts

During FY18, 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 were between one year 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 81% of the plant's installed capacity and nearly half of Group capacity. The remaining 74 MW of Chennai capacity has remained available for supply on the LTVT to the state of Tamil Nadu.

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.

For FY19, the Chennai plant expects to continue with its diversified sales mix, contracting the majority of its generation from 414 MW to captive customers and the balance of 74 MW to the state of Tamil Nadu under the 15 year LTVT Agreement.

Power sales from the 300 MW Gujarat plant have been mainly to 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 operate 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 78% in FY18, compared with 63% in FY17.

The Chennai plant realised an average tariff of Rs 4.92 per unit (*The plant realised an average tariff of Rs5.02 which equates to Rs4.92 net of self-generation tax of Rs 0.1

per unit which is paid directly to the state by group captive customers and will not be included in Company's tariffs and expenses in FY19 which was the case in FY18) in FY18 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 Rs1.47 at Chennai for FY18, 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 4.19 per unit for FY18 and the Clean Dark Spread was Rs 1.03 per unit. The Gujarat Electricity Authorities had been levying Cross Subsidy Surcharge (CSS) and associated charges since FY16 on our captive users. However, finally during FY18, the Gujarat Authorities have confirmed the captive status of Gujarat plant for FY18 and subsequent to year end for F16 and FY17 and have accordingly initiated the process of refund of CSS withheld by them. The amounts withheld aggregated to £40m as at the end of FY18 and we have received approximately £9m of this outstanding dues to date.

For FY19, at Chennai, the Company expects the average tariff to be around Rs 5.18 per unit as against Rs.4.92 in FY18, due to an increase in tariff negotiated with all the captive customers. At Gujarat, the Company expects the average tariff to be around Rs.4.39 as against Rs.4.19 in FY18. We expect to achieve at least 4 per cent increase in sales tariffs for Chennai plant in 2020.

Further, average realised tariffs on multi-year contracts would benefit from any increase in regulated tariff. 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 we have developed long-standing relationships. The Company has purchased coal primarily on short and medium-term contracts during FY18.

The average coal price for Chennai plant was Rs 4,527 per tonne in FY18 (FY17: Rs 3,427 per tonne) which is approximately 32 per cent higher than in FY17. Following the coal price spike in 2017 and first half of 2018, predominantly as a result of policy actions undertaken in China, coal prices have been weakening recently and have reduced by some 18 per cent in the two months preceding this statement. Consensus expectations continue to be for international coal prices to recede in 2019 and 2020 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 0.08 Total Recordable Incident Report (TRIR) in FY18 at the Chennai plant. For the Gujarat plant, the TRIR was targeted at 0.25 for FY18 and we have been able to bring it down from 0.23 in FY17 to 0.13 in FY18.

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. The Indian Government has notified revised compliance standards for emission norms for all thermal power plants across the country with effect from Dec 2022. The Company is well placed to comply with the new standards applicable from 2022 for Sox, Nox and SPM by doing some minor capital expenditure. The Company is evaluating various technologies with a view to be fully compliant by Dec 2022.

62 MW Karnataka

In FY17, the Company had signed long-term 25 year PPAs for 62 MW with Karnataka Discoms at an average tariff of Rs.5.00 across 4 sites. In FY18, the entire 62 MW of solar plant has been commissioned. The Company expects that these 4 sites will get fully ramped this year and will reach their optimal PLF by end of FY19.

124 MW Jharkhand

In FY17, the Company had secured a Letter of Intent for the award of 25 year PPAs for 124 MW. During the course of FY18, the Jharkhand Government did not enter into these PPAs and subsequently in FY19 have returned all the security deposits and guarantees that were provided by the Company. As such, the Company does not expect to go ahead with this Project.

Avantika Gupta
Chief Operating Officer
22 September 2018

AVERAGE TARIFF REALISATION (INR/kWh)

Year	Value
FY14	5.55
FY15	5.71
FY16**	5.58
FY17*	5.46
FY18*,*	**5.21**

COST OF GENERATION PER UNIT (INR/kWh)

Year	Value
FY14	3.10
FY15	3.09
FY16**	2.67
FY17*	2.52
FY18*	**3.43**

GENERATION (million kWh)*

Year	Value
FY14	1,841
FY15	1,816
FY16	3,163
FY17	2,346
FY18	**2,493**

PLANT LOAD FACTOR (%)*

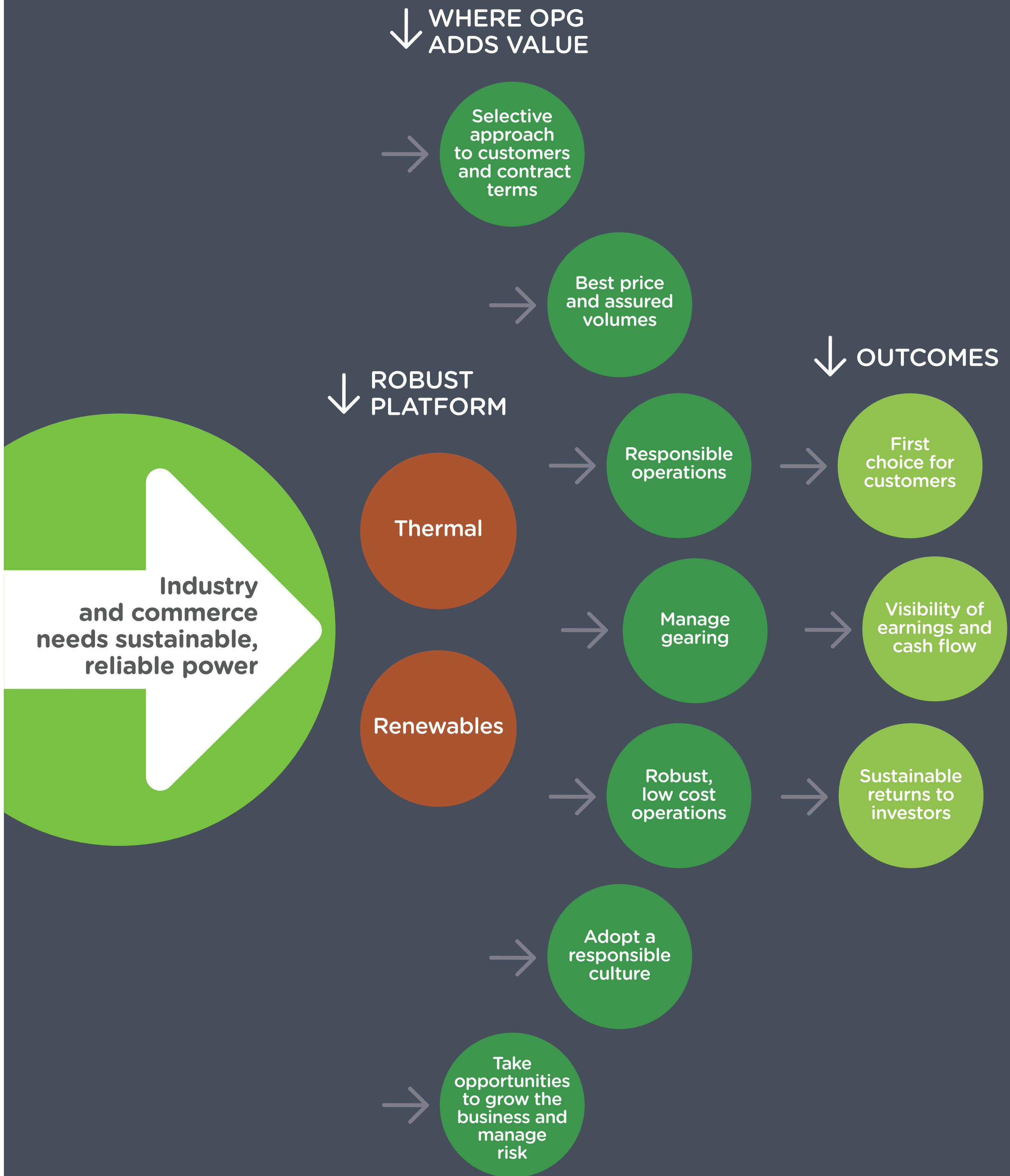
Year	Value
FY14	96
FY15	91
FY16	70
FY17	76
FY18	**77**

PLANT LOAD FACTOR (%)[1] All India (Coal & Lignite based Plants)

Year	Value
FY14	66
FY15	64
FY16	62
FY17	60
FY18	**61**

* Note: FY17 & FY18 Includes only Chennai Operations.
** Note: FY16 Includes 704m units from Gujarat that were capitalised, exlcuding deemed generation for Chennai Unit 3 of 0.4 billion (0.2 billion in FY16).
*** Average tariff includes effect of deemed offtake tariffs for Chennai Unit 3.
(1) Source: powermin.nic.in

BUSINESS MODEL



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

→ Maximising performance of existing power plants

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.

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.

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.

The Group continuously seeks to improve its operational performance and so implements strategies for the optimisation of its power generation assets.

→ Reducing cost of capital and paying dividends

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.

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.

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.

→ Pursuing responsible growth

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.

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.

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.

→ Deleveraging

As of 31 March 2018, total borrowings were £93.5m. The gearing ratio (borrowings/(equity plus borrowings) was 40% (31 March 2017: 57%). Total borrowings (current and non-current portions) decreased by £228m due to repayment of term loans of £22.6m by Chennai plant, deconsolidation of Gujarat (£206m) and foreign exchange impact of depreciation of INR against GBP. The Company looks forward to achieving a major milestone later this year as the term loans with respect to Unit 1 of Chennai plant (77 MW out of 414 MW) will be fully repaid in December 2018. Based on term loans repayments schedule Chennai plant will be debt free in five years.

MARKET REVIEW

Overview of the Indian power sector: Primary energy consumption in India in 2015 was the third highest in the world after China and the USA, with India accounting for 5.3% of global consumption. India was also the third largest producer of electricity in 2015, after China and the United States, with a more than 5% share of global electricity generation.

Despite being among the top three power consumers in the world, per-capita electricity consumption in India was only 1,075 kWh in 2017 which is significantly lower than the world average and the lowest among the BRICS nations (Brazil, Russia, India, China and South Africa). For us, this indicates the strong growth potential of the Indian power sector.

India still has an energy deficit

Demand for energy grew at a CAGR of approximately 4.0% over the period from 2013 to 2018, while energy supply grew even faster at a CAGR of 5.8% over the same period. While India continues to remain a power deficit country, the deficit is reducing and in fiscal 2018, the energy deficit declined to 0.7%.

Key drivers for power demand

As identified in the Chairman's statement, there are a number of factors which will drive power demand in India in the short to medium term, including a number of Government initiatives. These are illustrated in the chart opposite.

Historically, power demand growth has largely followed GDP growth. CRISIL expects the co-relation between GDP and power demand growth to remain high and power demand to grow at 6.7% CAGR during the period between 2017 and 2022.

The key drivers for the demand increase would be initiatives such as '24x7 Power for All', development of 'smart cities', the 'Housing for All' scheme, industrial push through The key drivers for the demand increase would be initiatives such as '24x7 Power for All', development of 'smart cities', the 'Housing for All' scheme, industrial push through 'Make in India', increasing urbanisation, infrastructure requirements, electric mobility, and overall strong economic growth.

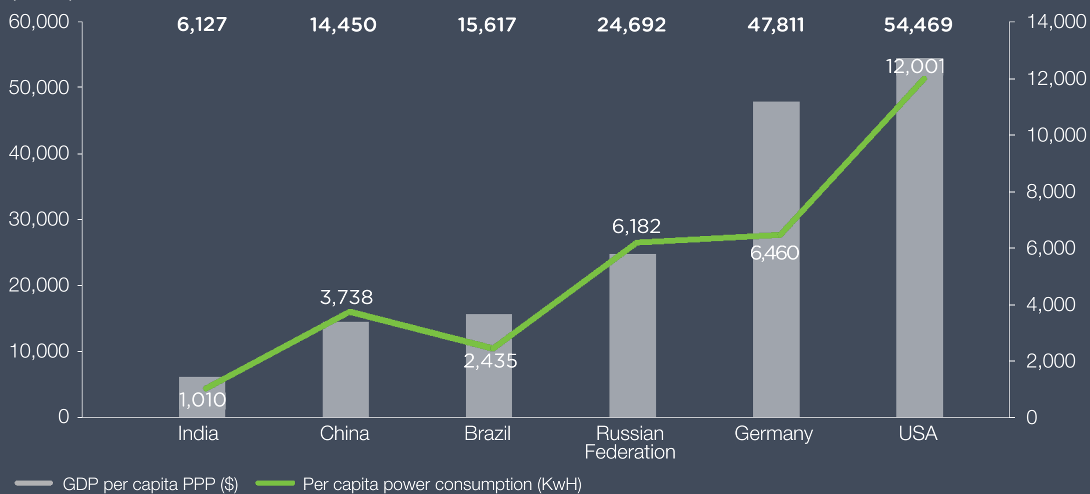
The GoI has announced its goal to produce only electric vehicles ("EVs") from year 2030. With the right policies in place and the GoI's focus on promoting EVs, these are expected to further increase demand.

The demand for energy is expected to rise with a gradual improvement in the financial health of DISCOMs, primarily due to the implementation of the UDAY scheme which aims at improving the financial health of DISCOMs through initiatives such as reduction in interest cost, reduction of cost of power and improvement in operational efficiencies.

Demand for power is also expected to be supported by the increasing availability and supply of power and improving infrastructure, as well as an improvement in economic activity led by higher demand from key infrastructure and manufacturing sectors such as metals, mining, chemicals, cement and automobiles.

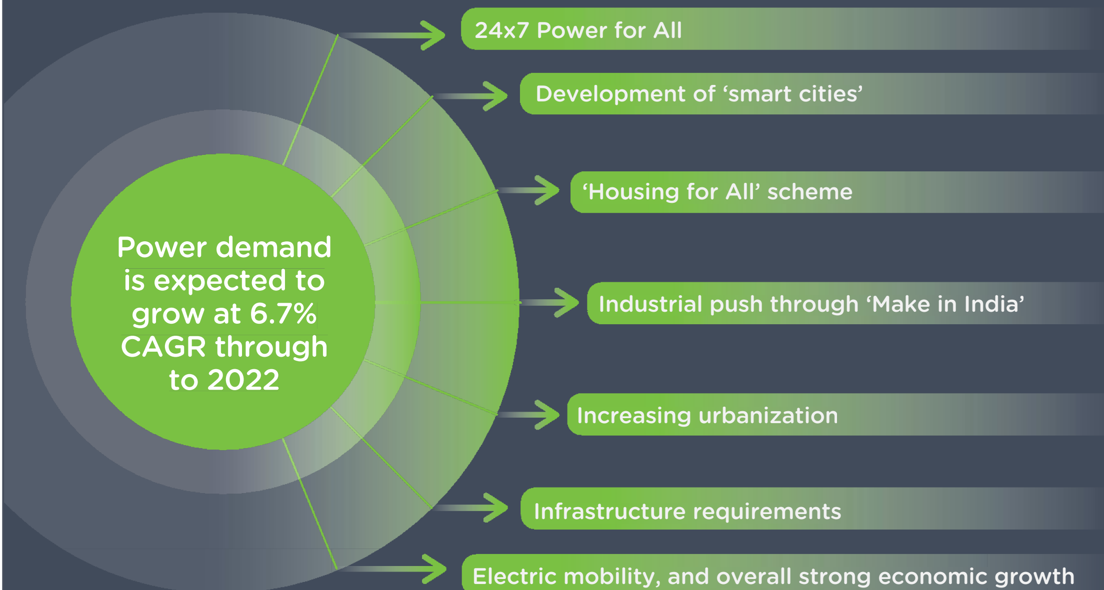
India's GDP increased from Rs 87 trillion in fiscal 2012 to approximately Rs 131 trillion in fiscal 2018, which represented a compound annual growth rate ("CAGR") of approximately 7%.

India's per-capita power consumption was almost half of the world's average in 2015:
World Average Electricity Consumption for 2015 is 2,869 per capita (KwH)



Source: World Bank, CEA, EIA, CRISIL Research

Key drivers for power demand



3rd highest

Primary energy consumption in India in 2015 was the third highest in the world after China and the United States, with India accounting for 5.3% of the global consumption.

MARKET REVIEW
CONTINUED

Coal

Coal Imports increased in FY18 as a result of logistical bottlenecks.

Coal imports were widely anticipated to fall during FY18. The Government has been pushing steam coal consumers, especially power producers, to replace imported coal with Indian domestic coal. However, domestic logistical bottlenecks such as inadequate coal transportation infrastructure – particularly the availability of rakes – has been hampering supply to power producers.

Regulatory changes targeting pollution decreases have also fuelled the higher imports, which are expected to stay firm through the rest of calendar 2018. On a more positive note, in the recent bidding guidelines for commercial private coal mining, the absence of an end-use condition in the guidelines is very helpful for commercial mining, representing a potential market opportunity for private commercial miners.

The price of coal is forecast to reduce materially over the next 18 months.

Overview of the Indian economy

Key macroeconomic indicators

Gross domestic product (GDP) India's GDP increased from Rs 87 trillion in fiscal 2012 to approximately Rs 131 trillion in fiscal 2018, which represented a compound annual growth rate ("CAGR") of approximately 7%. India's GDP growth rate of 6.6% in fiscal 2018 was significantly in excess of the world average of 3.0% in 2017 (estimated) and 3.1% in 2018 (estimated). The Indian economy was negatively impacted in fiscal 2018 by two major policy events, namely, the demonetisation of currency and the introduction of the Goods and Services Tax ("GST") in late 2016 and early 2017, respectively. These initiatives, coupled with weaker agricultural growth, have resulted in a lower estimated real GDP growth rate of 6.6% in fiscal 2018.

Current account deficit

After reaching 4.8% of the GDP during fiscal 2013, India's CAD has declined progressively, reaching 0.7% of GDP in fiscal 2017. This decline was primarily due to lower oil prices since oil imports constitute the largest share of India's import costs.

Inflation

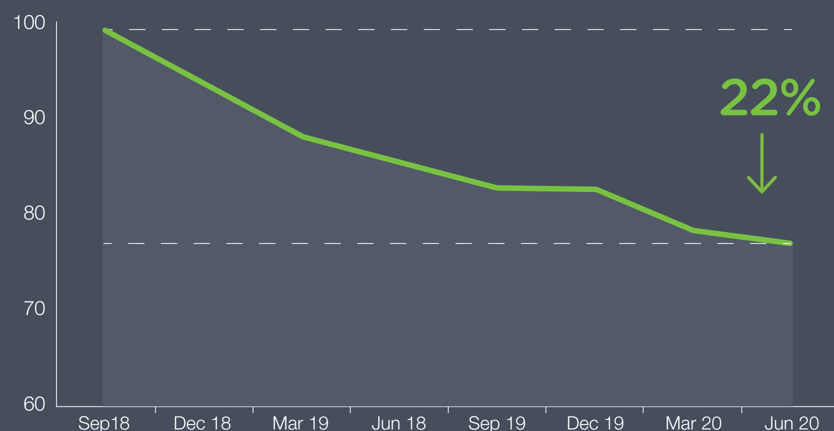
Fiscal consolidation has helped keep inflation under check and brought down the cost of borrowing for both the government and the private sectors. The government, together with the Reserve Bank of India (RBI), has adopted an explicit inflation targeting framework, which is expected to help engender a low and stable inflation regime.

Outlook for the Indian economy

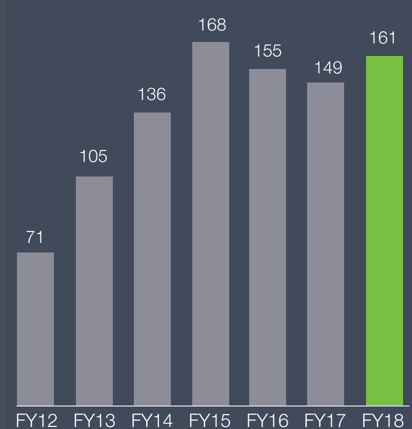
The International Monetary Fund (IMF) and the World Bank have both forecasted higher growth in the Indian economy for 2018. While growth in advanced economies is expected to be moderate as central banks reverse their previously accommodative stance, growth in emerging and developing markets is expected to strengthen. According to the World Bank, growth in China may be moderate in 2018 but other Asian economies are poised for higher growth. Global growth recovery will further help growth in the Indian economy. India's Real GDP growth is expected to be 7.6% in fiscal 2019.

According to the IMF's forecasts, India is likely to overtake China as the fastest-growing economy in the world during the period between 2017 and 2022. Based on its estimates, India will continue to be among the fastest growing major economies with a growth rate of 7.4% to 8.9% during the period between 2017 and 2022. The CAGR over the period is expected to be approximately 8.5%. Moreover India's growth rate is expected to be significantly higher than the global CAGR of approximately 4% and the CAGR for other developing economies, such as Brazil, Russia and sub-Saharan African nations.

The ongoing liberalisation of India's FDI regime has also led to a significant increase in investments, particularly following the launch of the 'Make in India' campaign in October 2014. Cumulative FDI inflows in India rose almost 40% to reach US$ 114.1 billion between fiscal 2016 and fiscal 2017, compared to US$ 81.1 billion between fiscal 2012 and fiscal 2014 (Source: India Brand Equity Foundation (IBEF)).

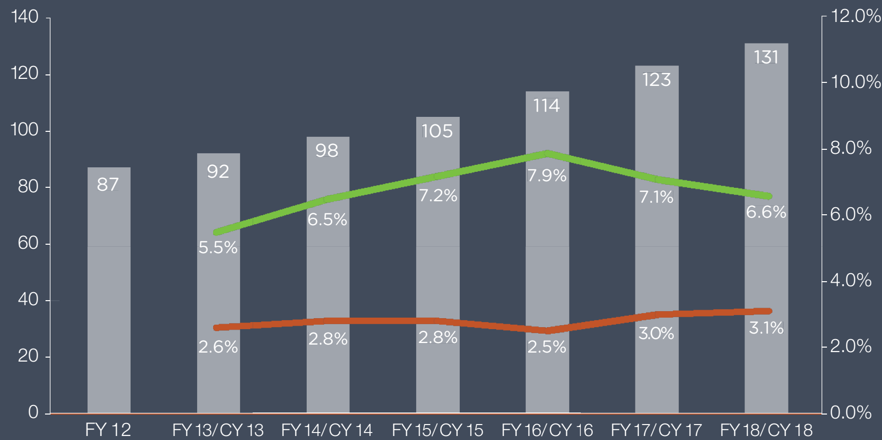


Source: Consensus Economics Analysis, Aug 2017



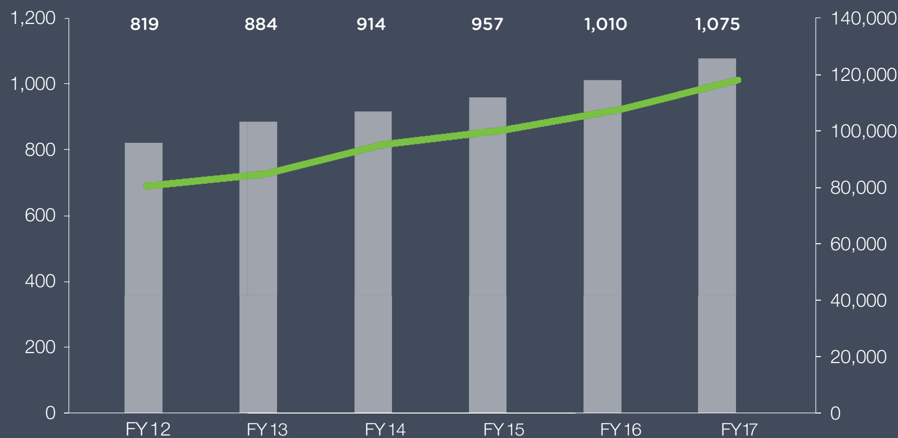
Source: ICRA

Gross Domestic Product (GDP)
(tn)



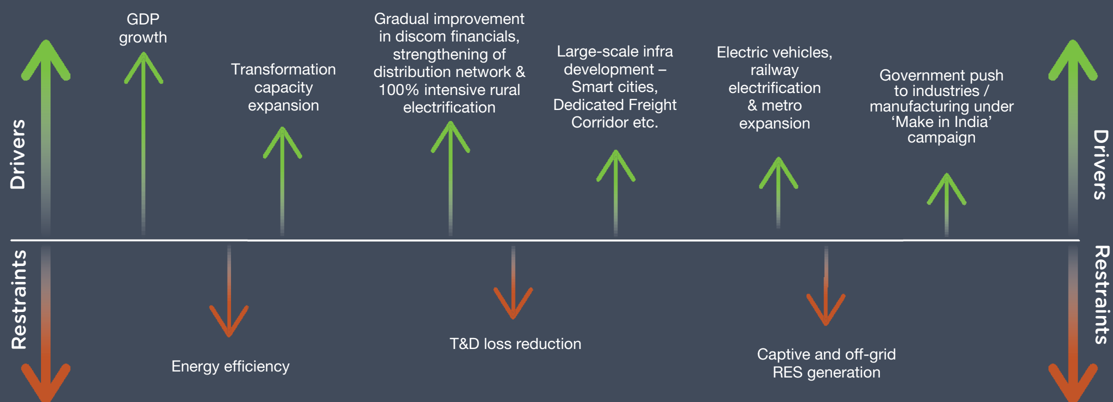
Source: Central Statistics Office (CSO), World Bank Data Indicators, CRISIL Research

Growth in per capita power consumption in India against per capita GDP
(KwH)



Source: International Monetary Fund (IMF), CEA, CRISIL Research

Factors influencing power demand



Source: CRISIL Research

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 focused way in FY18.

- 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. It keeps track of strategic and operational issues.

All the Plants have dedicated Steering Committees, which report to the HSE Committee and are entrusted with the day to day responsibility on Health, Safety and Environment at the individual sites. The responsibilities of the Steering Committees include adhering to HSE compliance, planning trainings and managing incidents. At the plant level these Committees monitor all the necessary action on the ground such as incident and accident data, corrective measures for previous incidents and ensure protocols are implemented to avoid repeats of any incident. They further also review the annual health data and ensure medical check-ups are done for all plant employees.

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 FY18 for the Chennai Plant, we had a Total Recordable Incident Report ('TRIR') of 0.08 and zero fatalities.

For the Gujarat Plant, TRIR was targeted at 0.25 for FY18 and we have been able to bring it down from 0.23 in FY17 to 0.13 in FY18.

The responsibility of safety lies with OPG for all OPG employees and contractors. Annual health check-ups have revealed no occupational

0.08 TRIR

In FY18 for the Chennai Plant, we had a Total Recordable Incident Report ('TRIR') of 0.08 and zero fatalities.

0.13 TRIR

For the Gujarat Plant, TRIR was targeted at 0.25 for FY18 and we have been able to bring it down from 0.23 in FY17 to 0.13 in FY18.

health issue amongst the workforce which is checked by a certified doctor from the Inspectorate of Factories.

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 any hazard or 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 the coal handling plant is measured and monitored twice per month; lux (SI unit of illuminance) monitoring is done during the day and night and Suspended Particulate Matter and Noise monitoring is carried out regularly. Periodic health check-up is carried out for the employees and contractors and that includes CBS, Urine Routine Pulmonary Function Test, Audiogram, Eye Check-up and 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 gear – 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 safety issues. Apart from governance on safety, setting up systems and providing training, it is equally important to promote a safety culture through a mix of educating, disciplining and incentivising practices.

For example:

- Incentivising reporting of 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.

I. 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. 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.

II. Measuring and Improving Environmental Performance

Some of the important indicators that we measure are auxiliary power consumption, water quality and quantity, waste generated

Continual improvement in environmental performance through **responsible operations** is one of the key pillars of our corporate strategy.

SUSTAINABILITY REPORT
CONTINUED

and recycled and emissions (Sox, Nox, SPM, GHG, CO). Whether it is material use or energy or water, we believe in reducing, reusing and recycling and disposing of the hazardous materials in compliance with guidelines.

III. 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 FY18 was 7.55% for the Chennai plant and 8.63% for the Gujarat plant. We continuously strive to optimize the energy consumption of our internal facilities through energy management systems.

IV. 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 since we have taken measures in improving the ground water level through recharge pits across the plants.

The water cycle is a closed loop system at OPG, and water recovered during the process is diverted to an 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 a 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 and the OPG plants qualify as zero discharge plants. The plant processes were set up in a way that water could be recovered and sent back to the source.

To further 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.

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

One of the major reasons for consumption of water at any thermal plant is for cooling through water-cooled condensers, which is the norm for most power stations. However, at OPG, huge water savings result owing to installation air-cooled condensers instead of water-cooled condensers, which effectively reduce the water footprint per unit generated by 99% in comparison to conventional water cooled condensers. Air-cooled condensers with 99.5% recovery of condensate along with air-cooled heat exchange equipment effectively deliver huge water savings.

Rainwater Harvesting Initiatives
- Rainwater harvesting systems at the plants are designed to collect 90% of runout.
- Storm water drains with infiltration wells have been made in the plants 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 rainwater gutter pipes are connected to the water storage tank.

V. 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, which in a thermal power plant is only small quantities of oil soaked cotton waster, batteries etc., have been disposed to authorised vendors.

VI. 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 and outside the premises of our plant including nearby schools, road sides and community areas. We annually plant 2,000 trees at each of the sites and we have a 3-year plan to continue such annual plantations.

VII. Emissions
OPG makes use of good quality coal and technology to reduce its emissions.

Our stack emission monitoring analyser is continuous and has been linked to the respective Pollution Control Board servers to get real-time emissions data. An LED display board has been fixed at the main gates of the plants to display the real-time emission levels.

The Indian Government has notified revised compliance standards for emission norms for all thermal power plants across the country with effect from Dec 2022. The Company is well placed to comply with the new standards applicable from 2022 for Sox, Nox and SPM by doing some minor capital expenditure. The Company is evaluating various technologies with a view to be fully compliant by Dec 2022.

To control dust emissions, we have installed Electrostatic Precipitators before the stack,

90%

Rain water harvesting systems at the plants are designed to collect 90% of runout.

2,000

We annually plant 2,000 trees at each of the sites and we have a 3-year plan to continue such annual plantations.

which works at 99.9% efficiency. The Electrostatic Precipitator helps in controlling the emissions well within the current prescribed limits. Even in coal unloading areas, various dust suppression systems are in place such as, in the coal crushing area, dust filters are installed to avoid dust generation. During the year to further control dust emission from coal movement and unloading, we have erected wind screens and additional water sprinklers in various areas around the coal handling plant and we have procured an automatic heavy duty sweeping machine to clean the roads used for coal movement.

India is a signatory to the Paris Climate Agreement, which has already come into effect. Accordingly, the Indian Government charges a coal cess of INR 400 a tonne of coal which is contributing towards decarbonizing India's economy. This taxation goes to a national corpus that funds green ideas and green projects. The total cess paid by Chennai plant during FY18 was approximately Rs 0.7bn.

Community Support

As a corporate with a 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 carry out a need based assessment study periodically, we are continuing our interaction with them and all the support is continued as per the needs of the communities.

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 guide our engagement with the communities are transparency, accountability and gender inclusiveness.

I. Education

We have tied up with an NGO, Isha Vidya and adopted 10 Government schools near the plant to improve their English language and math skills. Through this initiative, we have impacted 1,057 children.

Through our long lasting association with the schools near our plants, we distributed school uniforms, shoes, bags and stationery to 1,080 underprivileged children. We are continuing to fund salaries of 11 teachers in Government Schools adjacent to our plant, 3 school sponsorships for girls, and 86 college/ school fee funding have been provided to needy students.

We also continuously sponsor school and college fees of children of our contract employees who have shown academic excellence.

II. Health

We have continued our support to health initiatives in nearby villages, where we already renovated and upgraded the dispensaries and the number of patients treated every day is around 50. We continued to provide the doctor's salary, medicines, staff salary, supply of materials and nursing staff salary. We also have an ambulance at the ready in the event of any local emergencies.

We have improved sanitation facilities by constructing toilets in the nearby villages.

III. 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 of the coal transportation route
- Sprinkling water for dust suppression
- Digging of wells in the nearby villages
- Cleaning and maintenance of community water tanks and ponds

IV. Livelihood Generation

To help those who have no means to create a livelihood for themselves, we have donated sewing machines to a group of women who now run a successful stitching center near our Gujarat plant and we continue to assist the center by providing monthly maintenance charges such rent, electricity, repair work etc.

We have conducted local recruitment drives in the nearby villages and have employed educated graduates for technical positions in the plant.

We have indirectly generated job opportunities for 500 families by engaging the villagers across various services in the plants such as gardening, housekeeping etc.,

V. Building Community Spaces:

Many community relationships get strengthened around places of worship. Based on the needs of the communities, we have supported construction of a Church in Chennai and a Community Center in Gujarat. Similarly, we have supported many temple initiatives in the villages around our operations based on the needs of the locals.

As a corporate with a 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.

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 RISK	DESCRIPTION	MONITORING AND MITIGATION
Power sale	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.	→ 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
Availability of fuel supply and costs	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.	→ 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
Reliable transmission infrastructure	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.	→ 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
Government policy and regulations	The Group's operations are subject to complex national and state laws and regulations with respect to numerous matters, including the following: → environmental factors (emissions, waste disposal, storage and handling); → health and safety; and → planning and development. 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. 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.	→ 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.
Ability to retain fiscal and tax incentives	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. A change in policy or the adoption of tax policies and incentives can have an adverse impact on the profitability of the Group.	→ 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
Exchange rate fluctuations	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. 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.	→ 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
Global financial instability	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. Continuing uncertainty and concerns about contagion in the wake of the financial crises could have a negative impact on the availability of funding.	→ The Group continues to monitor changes and developments in the global markets to assess the impact on its financing plans

BOARD OF DIRECTORS

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.

Member
Nomination Committee

Jeremy Warner Allen
Non-executive Deputy Chairman

Background and experience

Mr Warner Allen has over 25 years' experience in capital markets. He is currently a Non-Executive Director of TP Group plc. Prior to that he was an Executive Director, Board Member and Head of the Growth Companies Team at Cenkos Securities plc, where he advised a number of AIM companies over a period of 11 years. Prior to joining Cenkos, he was a founding member of Beeson Gregory Limited and responsible for the UK sales desk, a role he retained when Beeson Gregory merged with Evolution Securities in 2002.

Member
Audit, Remuneration Committee

Dmitri Tsvetkov
Chief Financial Officer

Background and experience

Mr Tsvetkov has over 23 years of financial, accounting and operational experience, including significant experience of working with promoter/founder-led energy sector listed companies in London, Africa, Asia and Canada.

Mr Tsvetkov was Chief Financial Officer of OPG Power Generation Pvt Ltd, the Chennai subsidiary of OPG from July 2017 to October 2017. Prior to that he was Chief Financial Officer of Advance International Exploration, Inc., Interim Chief Executive Officer and Chief Financial Officer of Mart Resources, Inc., a TSX listed oil and gas company, and Chief Financial Controller of Heritage Oil Plc, a FTSE 250 oil and gas company. Mr Tsvetkov was with Pricewaterhouse Coopers in Calgary, Canada and Moscow, Russia from 1994 to 2006.

He has a Chartered Accountant (CA) designation from the Canadian Institute of Chartered Accountants, an FCCA designation from the Association of Chartered and Certified Accountants in the UK and Chartered Financial Analyst (CFA) designation from the CFA Institute in the US.

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, Nomination, 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, Nomination, Remuneration Committee

CORPORATE GOVERNANCE REPORT

FINANCIAL YEAR ENDED 31 MARCH 2018

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 dividend with respect to year ended 31 March 2017 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. **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 Dmitri Tsvetkov, the Company's Chief Financial Officer is responsible for the finance function, including financial controls and funding (V Narayan Swami, the Company's former Finance Director had these responsibilities before his resignation). 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 was a non-Board appointment. Mr T Chandramoulee resigned from the Company and Ms Avantika Gupta, daughter of Mr Arvind Gupta, was appointed as Chief Operating Officer on 1 March 2018. As Chief Operating Officer, Ms Gupta 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.

2. **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.

3. **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. Dmitri Tsvetkov (Chief Financial Officer) (joined on 8 November 2017).
3. V Narayan Swami (Finance Director) (resigned on 8 November 2017).

Non-executive

1. Jeremy Warner Allen (Deputy Chairman) (joined on 8 November 2017);
2. Martin Gatto (Senior Independent Director) (resigned on 8 November 2017);
3. Michael Grasby;
4. Jeremy Beeton; and
5. Ravi Gupta (resigned on 29 May 2018).

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 Grasby and Mr Beeton to be independent in character and judgement notwithstanding their length of service. Mr Allen was appointed in November 2017 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 22 and 23 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 4 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 and Deputy Chairman

The Executive Chairman's key responsibilities were the effective running of the Board, proposing and developing the Group's strategy and 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. In addition to that, the Executive Chairman, as leader of the executive team, is responsible for implementing the decisions of the Board and its Committees.

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

Jeremy Warner Allen, the Deputy Chairman, is available to shareholders who have concerns that cannot be resolved through discussion with the Executive Chairman. The role of the Deputy Chairman is to support and tender advice to the Executive Chairman on all governance matters. Martin Gatto, former Senior Independent Director, played this role before his resignation in November 2017.

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. Pursuant to the Company's Articles, the Board shall have power at any time to appoint Directors to fill a vacancy and any Directors so appointed shall hold office only until the annual general meeting of the Company and shall be eligible for re-election. On this basis, Messrs Jeremy Warner Allen, Dmitri Tsvetkov (both appointed on 8 November 2017) and Michael Grasby, will offer themselves for re-election at the forthcoming AGM.

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. Also all Directors received a briefing on the Market Abuse Regime (MAR) regulation from the Company's Nominated Advisor. 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.

CORPORATE GOVERNANCE REPORT

FINANCIAL YEAR ENDED 31 MARCH 2018

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 meetings		Board Committee meetings					
			Audit		Remuneration		Nomination	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Arvind Gupta	4	3	2	2	NA	NA	1	1
Dmitri Tsvetkov	4	2	2	1	NA	NA	NA	NA
V Narayan Swami	4	2	2	1	NA	NA	NA	NA
Jeremy Warner Allen	4	2	2	1	NA	NA	NA	NA
Martin Gatto	4	2	2	2	1	1	NA	NA
Michael Grasby	4	4	2	2	1	1	1	1
Ravi Gupta	4	1	2	1	1	1	NA	NA
Jeremy Beeton	4	1	2	1	1	1	1	1
Number of meetings held during the year	**4**		**2**		**1**		**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 Jeremy Warner Allen, Michael Grasby and Jeremy Beeton (Martin Gatto and Ravi Gupta were members of the Audit Committee until their resignations in November 2017 and May 2018 respectively). Jeremy Warner Allen is considered to have continuing, relevant financial experience (Martin Gatto was considered to have continuing, relevant financial experience before his resignation). The Executive Chairman and Chief Financial Officer 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 2017; and
- the unaudited results for the half-year FY18 to 30 September 2017.

Remuneration Committee
The Remuneration Committee currently consists of Jeremy Beeton, Jeremy Warner Allen and Michael Grasby (Martin Gatto and Ravi Gupta were members of the Audit Committee until their resignations in November 2017 and May 2018 respectively). Ravi Gupta was not present when any remuneration matter relating to the Executive, Arvind Gupta (his brother) were 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 30 to 33.

Nomination Committee
The members of the Nomination Committee are Arvind Gupta, Jeremy Beeton and Michael Grasby. The primary duty of the Nomination Committee is to lead the process for Board appointments and make recommendations to the Board.

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 20 and 21.

Assurance

BDO LLP was appointed as auditor for the Group for the financial year ended 31 March 2018. 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 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 page 28.

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 Chief Financial Officer together with the Deputy Chairman 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 2018.

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 Group's results for the year ended 31 March 2018 are set out in the Consolidated Statement of Comprehensive Income. The Group loss for the year after tax was £(100.9)m (2017 profit after tax: £23.1m).

A review of the Group's activities is set out in the Executive Chairman's statement.

The Board will be recommending a scrip dividend for the year ended 31 March 2018 in amount of 1 pence per share. 0.98 pence per share dividend was paid for the year ended 31 March 2017.

Directors

The Directors of the Company during the year and up to the date of this report were as follows:

Arvind Gupta	Executive Chairman
Dmitri Tsvetkov	Chief Financial Officer, Executive Director (joined on 8 November 2017)
V Narayan Swami	Finance Director, Executive Director (resigned on 8 November 2017)
Jeremy Warner Allen	Deputy Chairman, Non-Executive Director and Audit Committee Chairman (joined on 8 November 2017)
Michael Grasby	Non-Executive Director
Jeremy Beeton	Non-Executive Director, Remuneration and Nomination Committee Chairman
Martin Gatto	Non-Executive Director (resigned on 8 November 2017)
Ravi Gupta	Non-Executive Director (resigned on 29 May 2018)

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 2018 was £52,378 comprising 356,308,697 ordinary shares of £0.000147 pence each, of which there are no designated treasury shares.

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 23 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. In addition, note 29 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 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 29 June 2018:

	Percentage of voting rights and issued share capital	Number of ordinary shares
Gita Investments Limited and related parties[1]	51.5%	183,600,557
M&G Investment Management Limited	13.0%	46,281,231
River and Mercantile Asset Management LLP	5.3%	18,908,384
British Steel Pension Scheme	3.6%	12,650,000

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

Registered agent

The registered agent of the Company at 31 March 2018 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 29.

Auditor

BDO LLP 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

The Directors serving at the date of approval of the financial statements confirm 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.

This report was approved by the Board of Directors on 22 September 2018 and signed on its behalf by:

Philip Scales
Company Secretary
OPG Power Ventures Plc
IOMA House
Hope Street
Douglas
Isle of Man
IM1 1AP

22 September 2018

DIRECTORS' REMUNERATION REPORT

Introduction

This report sets out information about the remuneration of the Directors of the Company for the year ended 31 March 2018. 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, Jeremy Warner Allen (from November 2017) and Michael Grasby (Martin Gatto and Ravi Gupta were members of the Remuneration Committee until November 2017and May 2018 respectively) who, with the exception of Ravi Gupta, are all independent Non-Executive Directors.

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 26.

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 for of Jeremy Beeton who joined the Board in November 2016, Jeremy Warner Allen and Dmitri Tsvetkov, both joined the Board in November 2017, 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 and in FY18 this Plan expired.

Annual bonus
The Remuneration Committee considered bonuses for Executive Directors and in subsequent discussions Arvind Gupta volunteered to waive his bonus for FY18. Therefore only the bonus for Dmitri Tsvetkov of £50,000 has been provided in the accounts for FY18.

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, Mr V Narayan Swami (until 8 Nov 2017) and Mr. Dmitri Tsvetkov (from 8 Nov 2017) are entitled to medical, insurance and other allowances and received £4,702 (FY17: £52,959), £nil (FY17: £1,984) and £9,200 (FY17: nil) 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
Dmitri Tsvetkov	Chief Financial Officer	26 June 2017	Three months’ prior written notice on either side	240,000

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.

Non-Executive Directors’ contracts for services

Non-Executive Directors were appointed for an initial term of 12 months. Jeremy Warner Allen, 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. £
Jeremy Warner Allen	8 November 2017	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
Martin Gatto (resigned in November 2017)	6 May 2008	Three months’ prior written notice on either side	45,000
Ravi Gupta (resigned in May 2018)	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

DIRECTORS' REMUNERATION REPORT
CONTINUED

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 2018	31 March 2017
Gita Investments Limited[1]	183,600,557	178,886,428
Michael Grasby	10,318	10,041
Jeremy Warner Allen (joined on 8 November 2017)	303,729	n/a
Dmitri Tsvetkov (joined on 8 November 2017)	100,000	n/a
Martin Gatto (resigned on 8 November 2017)	n/a	60,000
Ravi Gupta (resigned on 29 May 2018)	–	–
Jeremy Beeton	–	–
V Narayan Swami (resigned on 8 November 2017)	n/a	10,300
Total	184,014,604	178,966,769

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

There were no changes to Directors' interests between 31 March 2018 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 2018 other than their service contracts, details of which are given on page 31.

Directors' remuneration for the period 31 March 2017 to 31 March 2018.

Salary, annual bonus and benefits

	Salary/fees £	Annual bonus £	Total FY18 £	Total FY17 £
Executive Chairman				
Arvind Gupta (paid in INR equivalent)	750,000*	–*	750,000	1,110,000
Executive Director				
Dmitri Tsvetkov	240,000	50,000***	290,000	
V Narayan Swami (paid in INR equivalent) (until 8 November 2017)	224,824****	–	224,824	109,689
Non-executive Directors				
Jeremy Warner Allen	22,500	–	22,500	–
Martin Gatto (until 8 November 2017)	33,750	–	33,750	45,000
Michael Grasby	45,000	–	45,000	45,000
Ravi Gupta (until 29 May 2018)	22,500**	–	45,000	45,000
Jeremy Beeton	45,000	–	45,000	22,500
Total	1,383,574	50,000	1,433,574	1,405,069

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

** Arvind Gupta's INR equivalent of FY18 salary: INR 64.1m (FY17: INR 64.1m). Arvind Gupta waived his FY18 bonus therefore INR equivalent of FY18 bonus: nil (FY17: INR 31.5m)*

*** Ravi Gupta forgave half of his annual remuneration*

**** Dmitri Tsvetkov's bonus provision made, not paid.*

***** Salary, bonus and final settlement: INR equivalent of FY18 salary INR 4.8m (FY17 salary: INR 7.2m), FY18 bonus: nil (FY17: INR 2.4m paid in FY18) and final settlement of INR 14.4m, incl. FY16 bonus (FY17: nil)*

Directors' share options

				Movements during the period			Options outstanding	
	Option granted	Option price £	Options as at 1 April 2017	Granted	Forfeited/ Cancelled	Exercised	31 March 2018	Latest exercise date
Gita Investments Limited (Arvind Gupta)	16 July 2009	0.60	21,524,234	Nil	Nil	Nil	**21,524,234**	15 Jul 2019
Martin Gatto	16 July 2009	0.60	1,000,000	Nil	1,000,000	Nil	**Nil**	15 Jul 2019
Ravi Gupta	22 December 2015	0.60	250,000	Nil	Nil	Nil	**250,000**	21 Dec 2025
V Narayan Swami	22 December 2015	0.60	250,000	Nil	250,000	Nil	**Nil**	21 Dec 2025
Michael Grasby	22 December 2015	0.60	250,000	Nil	Nil	Nil	**250,000**	21 Dec 2025

All share options have vested.

At 31 March 2018, the closing mid-market price of the Company's shares was 18.12 pence. During the year under review, the Company's closing mid-market share price ranged between a low of 16.5 pence and a high of 49.75 pence.

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

Jeremy Beeton
Chairman, Remuneration Committee

22 September 2018

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 Isle of Man governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

On behalf of the Board by:

Philip Scales
Company Secretary

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

22 September 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OPG POWER VENTURES PLC

Opinion

We have audited the Consolidated Financial Statements of OPG Power Venture plc ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2018, 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 notes to the Consolidated Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the Isle of Man Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	**Accounting for the sale of a subsidiary** The Group had disposed of a 5% shareholding in Bhadreshwar Vidyut Private Limited ("BVP", formerly known as Gujarat Private Limited) to BEE Electric Limited with an effective date of 31 March 2018 and has deconsolidated its share of the net assets and liabilities in BVP (refer to note 7 of the financial statements). IFRSs require an investor to determine if he controls an investee or exercises significant influence and this assessment requires judgement. Management determined that whilst the Group retains a 46% shareholding it has lost control and significant influence as of 31 March 2018 and has deconsolidated the subsidiary. Management has determined that the fair value of the remaining 46% shareholding in BVP at the year end date was £40,000.
How we addressed the key audit matter in the audit	We reviewed the legal documentation to ascertain that the conditions precedent under the share sale agreement had been met and that through the sale of the 5% shareholding control was lost. We consulted legal experts to establish that voting rights related to the remaining 46% shareholding had been transferred to BEE Electric with legal effect of 31 March 2018 and that hence the power to participate in the financial and operating decision of BVP had been lost. We assessed whether BEE Electric is a related party of the Group and have not identified any common shareholders or Directors between the entities. We reviewed the key assumptions and inputs to the valuation, in particular the expected future cash flows and the applied discount rate. We consulted with our internal valuation experts and challenged management's assumptions in determining a value of £40,000 for the remaining interest in BVP.

INDEPENDENT AUDITORS' REPORT
CONTINUED

Key audit matter	**Going concern** As at 31 March 2018 the Group had £2.2m in cash and net current assets of £1.3m. The Directors and management have prepared a cash flow forecast to September 2019, 12 months from the date this report has been approved (refer to note 5a of the financial statements). The Group experiences sensitivity in its cash flow forecasts due to the exposure to settle guarantees provided to the lenders of BVP and the potential increase in USD denominated coal prices and a decrease in the value of the Indian Rupee. Management and the Directors believe that the Group will trade in line with the forecasts which have taken into consideration the sensitivities described above. Given the key judgements applied by the Directors and management in preparing the cash flow forecast and the inherent sensitivities, we assessed going concern as a significant risk.
How we addressed the key audit matter	We agreed the opening cash position used in the cash flow forecast to the position as at 31 August 2018. We challenged the key estimates applied to EBITDA forecasts through to historical past performance, actual results to date for the 2019 financial year and commodity price forecasts. We assessed management's judgement with regards to key sensitivities and reviewed documentation which supports management's conclusion that it is unlikely that a guarantee provided to the lenders of BVP will be called upon. We sensitised the cash flows to evaluate the minimum funding requirements. We reviewed the disclosures regarding going concern in the notes to the financial statements to ensure these are reasonable based on the work performed above.

Our application of materiality

	FY2018
Group materiality	£1,400,000
Basis for determining materiality	1% of revenue from continuing operations
Group performance materiality	£700,000
Basis for performance materiality	50% of Group materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We have determined a revenue based measure is appropriate as the Group's profits have been fluctuating and the result of the year has been heavily impacted by the disposal of BVP.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences identified during the course of our audit in excess of £20,000.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements at the Group level.

BDO UK audited all the material components of the Group, which consist of OPG Power Ventures Plc, OPG Power Generation Limited, Bhadreshwar Vidyut Private Limited (formerly known as OPG Power Gujarat Private Limited) and GITA Power and Infrastructure Private Limited, with the assistance of local staff from the BDO network member firm in India, working under the direction and supervision of the Group audit team. The material components were audited to a component performance materiality of £0.5m.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's Directors, as a body, in accordance with our engagement letter dated 30 April 2018 Our audit work has been undertaken so that we might state to the Company's Directors 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 Directors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
London

23 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

(All amounts in £, unless otherwise stated)	Notes	As at 31 March 2018	As at 31 March 2017
Assets			
Non-current assets			
Intangible assets	*14*	64,170	223,224
Property, plant and equipment	*15*	207,271,135	479,904,726
Investments accounted for using the equity method	*16*	11,219,378	1,342,395
Other long-term assets	*17*	3,000,333	2,665,892
Restricted cash	*20*	4,966,140	3,825,733
		226,521,156	487,961,970
Current assets			
Inventories	*19*	9,716,280	16,853,761
Trade and other receivables	*18*	33,695,545	84,271,986
Other short-term assets	*17*	9,414,971	12,686,018
Current tax assets (net)		2,890,933	826,398
Restricted cash	*20*	20,318,985	14,009,027
Cash and cash equivalents	*20*	2,185,570	13,086,123
		78,222,284	141,733,313
Total assets		304,743,440	629,695,283
Equity and liabilities			
Equity			
Share capital	*21*	52,378	51,672
Share premium	*21*	125,567,473	124,319,142
Other components of equity		1,193,995	22,065,498
Retained earnings		11,461,826	101,491,205
Equity attributable to owners of the Company		138,275,672	247,927,517
Non-controlling interests		854,752	(11,239,914)
Total equity		139,130,424	236,687,603
Liabilities			
Non-current liabilities			
Borrowings	*23*	69,636,532	284,415,451
Trade and other payables	*24*	17,547,733	283,754
Deferred tax liabilities (net)	*13*	1,457,209	1,007,851
		88,641,474	285,707,056
Current liabilities			
Borrowings	*23*	23,829,415	36,576,466
Trade and other payables	*24*	52,331,422	70,706,795
Other liabilities		810,705	17,363
		76,971,542	107,300,624
Total liabilities		165,613,016	393,007,680
Total equity and liabilities		304,743,440	629,695,283

The notes are an integral part of these Consolidated Financial Statements.

The financial statements were authorised for issue by the Board of Directors on 22 September 2018 and were signed on its behalf by

Arvind Gupta Executive Chairman **Dmitri Tsvetkov** Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in £, unless otherwise stated)	Notes	Year ended 31 March 2018	Year ended 31 March 2017 "Restated" (Refer Notes 5(a), 9(a))
Revenue		140,115,336	136,164,683
Cost of revenue	9	(100,195,277)	(67,738,591)
Gross profit		39,920,059	68,426,092
Other income	10	1,979,024	148,429
Distribution cost		(10,293,699)	(9,088,937)
General and administrative expenses		(7,559,711)	(7,377,218)
Depreciation		(6,526,177)	(6,556,582)
Operating profit before impairments		17,519,496	45,551,784
Impairment provision for loss on investments and assets under construction	7(b)	(7,280,793)	–
Operating profit		10,238,703	45,551,784
Share of loss from equity accounted investments	16	(35,296)	(352)
Finance costs	11	(12,931,972)	(14,987,980)
Finance income	12	1,623,500	1,138,565
(Loss)/profit before tax		(1,105,065)	31,702,017
Tax (expense)/income	13	(3,072,731)	4,794,779
(Loss)/profit for the year from continued operations		(4,177,796)	36,496,796
Loss from discontinued operations, including Non-Controlling Interest	7(a)	(96,700,467)	(13,420,892)
(Loss)/profit for the year		(100,878,263)	23,075,904
(Loss)/profit for the year attributable to:			
Owners of the Company		(87,141,023)	29,614,506
Non-controlling interests		(13,737,240)	(6,538,602)
		(100,878,263)	23,075,904
(Loss)/earnings per share from continued operations			
Basic earnings per share (in Pence)	26	(1.18)	9.45
Diluted earnings per share (in Pence)		(1.18)	9.41
Loss per share from discontinued operations			
Basic earnings per share (in Pence)	26	(24.13)	(1.95)
Diluted earnings per share (in Pence)		(24.13)	(1.94)
(Loss)/earnings per share			
– Basic (in pence)	26	(24.68)	8.43
– Diluted (in pence)		(24.68)	8.39
Other comprehensive (loss)/income			
Items that will be reclassified subsequently to profit or loss			
Available for sale financial assets			
– Reclassification to profit or loss		(73,351)	(38,557)
– Current year gains		–	73,351
Exchange differences on translating foreign operations		(20,871,345)	34,890,638
Items that will be not reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(555,331)	(1,166,597)
Total other comprehensive (loss)/income		(21,500,027)	33,758,835
Total comprehensive (loss)/income		(122,378,290)	56,834,739
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(108,085,719)	64,539,938
Non-controlling interest		(14,292,571)	(7,705,199)
		(122,378,290)	56,834,739

The notes are an integral part of these Consolidated Financial Statements.

The financial statements were authorised for issue by the Board of Directors on 22 September 2018 and were signed on its behalf by

Arvind Gupta Executive Chairman **Dmitri Tsvetkov** Chief Financial Officer

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in £, unless otherwise stated)	Issued capital (No. of shares)	Ordinary shares	Share premium	Other reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interests	Total equity
At 1 April 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	3,106,158	3,811,042	(3,811,040)	2
Dividends #	4,160	1	2,618	–	–	(913,910)	(911,291)	–	(911,291)
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
Adjustments on account of deconsolidation subsidiary (Note 7(a))	–	–	–	–	–	–	–	26,353,147	26,353,147
Impact of change in shareholding structure during the year	–	–	–	–	(18,312)	(15,779)	(34,090)	34,090	–
Dividends # (Note 21)	4,799,742	706	1,248,331	–	91,505	(2,872,577)	(1,532,036)	–	(1,532,036)
Transaction with owners	4,799,742	706	1,248,331	–	73,193	(2,888,356)	(1,566,126)	26,387,237	24,821,111
Loss for the year	–	–	–	–	–	(87,141,023)	(87,141,023)	(13,737,240)	(100,878,263)
Other comprehensive income	–	–	–	(73,351)	(20,871,345)	–	(20,944,696)	(555,331)	(21,500,027)
Total comprehensive income	–	–	–	(73,351)	(20,871,345)	(87,141,023)	(108,085,719)	(14,292,571)	(122,378,290)
At 31 March 2018	356,308,697	52,378	125,567,473	6,650,305	(5,456,310)	11,461,826	138,275,672	854,752	139,130,424

During the year, in addition to the cash dividend the Company has paid a scrip dividend of 4,799,742 shares (2017: 4,160 shares)

The notes are an integral part of these Consolidated Financial Statements.

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Arvind Gupta Executive Chairman **Dmitri Tsvetkov** Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

(All amounts in £, unless otherwise stated)	Notes	Year ended 31 March 2018	Year ended 31 March 2017 "Restated" (Refer Notes 5(a), 9(a))
Cash flows from operating activities			
(Loss)/profit before income tax		(97,805,532)	18,281,125
Adjustments for:			
– Loss from discontinued operations, net	7(a)	96,700,467	13,420,892
– Unrealised foreign exchange loss		(64,747)	54,616
– Financial costs		12,931,972	14,987,980
– Financial income		(1,623,500)	(1,138,565)
– Share based compensation costs		–	87,907
– Depreciation and amortisation		6,526,177	6,556,582
– Impairment provision for loss on investments and assets under construction	7(b)	7,280,793	–
– Loss/(gain) on sale of shares in AFS investments		(159,998)	–
– Share of net loss from associates		35,296	352
Changes in working capital			
Trade and other receivables		4,928,335	21,784,640
Inventories		1,943,460	(5,311,412)
Other assets		(668,761)	(4,734,018)
Trade and other payables		26,381,201	(7,835,609)
Other liabilities		807,855	(164,463)
Cash generated from continuing operations		57,213,018	55,990,027
Taxes paid		(823,728)	(3,910,745)
Cash provided by (used for) operating activities of continuing operations		56,389,290	52,079,282
Cash provided by (used for) operating activities of discontinued operations		24,239,702	4,008,164
Net cash from operating activities		80,628,992	56,087,446
Cash flows from investing activities			
Purchase of property, plant and equipment (including capital advances)		(1,090,689)	(3,094,608)
Interest received		1,547,138	974,644
Dividend received		–	163,920
Movement in restricted cash		(16,103,811)	(4,482,838)
Sale of investments		2,676,801	88,415,450
Purchase of investments		(14,972,747)	(93,646,865)
Advances in associates		(1,985,863)	–
Cash provided by (used for) investing activities of continuing operations		(29,929,171)	(11,670,297)
Cash provided by (used for) investing activities of discontinued operations		442,963	(3,495,149)
Net cash used in investing activities		(29,486,208)	(15,165,446)
Cash flows from financing activities			
Proceeds from borrowings (net of costs)		4,099,459	5,575,721
Repayment of borrowings		(25,070,007)	(27,080,680)
Dividend paid		(1,623,539)	(911,293)
Interest paid		(12,931,972)	(14,987,980)
Cash provided by (used for) financing activities of continuing operations		(35,526,059)	(37,404,232)
Cash provided by (used for) financing activities of discontinued operations		(25,127,046)	(140,741)
Net cash from financing activities		(60,653,105)	(37,544,973)
Net (decrease)/increase in cash and cash equivalents from continuing operations		(9,065,940)	3,004,753
Net (decrease)/increase in cash and cash equivalents from discontinued operations		(444,381)	372,274
Net (decrease)/increase in cash and cash equivalents		(9,510,321)	3,377,027
Cash and cash equivalents at the beginning of the year		13,086,123	7,153,455
Exchange differences on cash and cash equivalents		(843,405)	3,303,636
Cash and cash equivalents from the deconsolidation of discontinued operations		(546,827)	(747,995)
Cash and cash equivalents at the end of the year		2,185,570	13,086,123

The notes are an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(ALL AMOUNTS ARE IN £, UNLESS OTHERWISE STATED)

1. Nature of operations

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

2. Statement of compliance

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

3. General information

OPG Power Ventures Plc, a limited liability corporation, is the Group's ultimate parent Company and is incorporated and domiciled in the Isle of Man. The address of the Company's registered Office, which is also the principal place of business, is IOMA House, Hope Street, Douglas, Isle of Man 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 2018 were approved and authorised for issue by the Board of Directors on 22 September 2018.

4. Recent accounting pronouncements

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

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Group. Information on those expected to be relevant to the Group's financial statements is provided below.

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

IFRS 9 'Financial Instruments'

The IASB recently released IFRS 9 'Financial Instruments' 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. 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 18) and investments in debt-type assets currently classified as AFS and HTM (see note 16), 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.

We have assessed the potential impact of adopting the new expected credit loss model and don't believe this to be material.

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

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 IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

4. Recent accounting pronouncements continued

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. Management does not expect any significant impact of IFRS 15.

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

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

5. Summary of significant accounting policies

a) Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets measured at fair value.

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

Results of operations of Bhadreshwar Vidyut Private Limited (herein referred to as BVP and formerly known as OPGS Power Gujarat Private Limited) were reclassified to discontinued operations (note 7(a)).

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

As at 31 March 2018 the Group had £2.2m in cash and net current assets of £1.3m. The Directors and management have prepared a cash flow forecast to September 2019, 12 months from the date this report has been approved.

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

During these periods the Group is exposed to the risk that a guarantee provided to the lenders of BVP of £7.2m is called upon. Based on recent loan repayments made by BVP the exposure risk has reduced to £5.8m. As BVP has been awarded captive status for the years FY16, FY17 and FY18 the DISCOMS will be refunding the Cross Subsidy Charges to the Captive customers of BVP and in return these customers will be settling their debts with BVP and hence it is unlikely that the guarantee will be called upon.

If against our expectation the guarantee is called upon then the Directors and management are confident that the Group can raise additional funds. The Directors and management are confident that the Group will be trading in line with its forecast and that any exposure to a fluctuation in coal prices or the exchange rate INR/USD has been taken into consideration and therefore prepared the financial statements on a going concern basis.

b) Basis of consolidation

The Consolidated Financial Statements include the assets, liabilities, and results of the operation of the Company and all of its subsidiaries as of 31 March 2018. 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.

5. Summary of significant accounting policies continued

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

c) Investments in associates and joint ventures

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

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

d) List of subsidiaries, joint ventures, and associates

Details of the Group's subsidiaries and joint ventures, which are consolidated into the Group's Consolidated Financial Statements, are as follows:

i) Subsidiaries

Subsidiaries	Immediate parent	Country of incorporation	% Voting Right		% Economic interest	
			March 2018	March 2017	March 2018	March 2017
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	72.72	77.07	99.91	99.90
Bhadreshwar Vidyut Private Limited ('BVP') (*)	GPIPL	India	(*)	51.00	(*)	51
Samriddhi Solar Power Private Limited	OPGPG	India	72.72	77.07	99.90	99.90
Samriddhi Surya Vidyut Private Limited	OPGPG	India	72.72	77.07	99.90	99.90
OPG Surya Vidyut Private Limited	OPGPG	India	72.72	77.07	99.90	99.90
Powergen Resources Pte Ltd	OPGPV	Singapore	98.64	98.85	100.00	99.90

(*) During the current financial year end, GPIL sold 5% of its shareholding in BVP (formerly known as OPGS Power Gujarat Private Limited), and thereby reducing its stake to 46% as a result of which the Group lost control over BVP. In addition, the Group also does not have any significant influence in BVP (note 7(a) Loss from discontinued operations and impairment provision), therefore, the investment in BVP was classified as available for sale and BVP financial statements were consequently deconsolidated as on 31st March 2018. During the previous financial year, BVP 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 was accounted as an equity transaction, and accordingly no gain or loss was recognised in consolidated income statement.

ii) Joint ventures (note 7 (b))

Joint venture	Venturer	Country of incorporation	% Voting Right		% Economic interest	
			March 2018	March 2017	March 2018	March 2017
Padma Shipping Limited ("PSL")	OPGPV/OPGPG	Hong Kong	50	50	50	50

5. Summary of significant accounting policies continued

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

Associates	Investor	Country of incorporation	% Voting Right		% Economic interest	
			March 2018	March 2017	March 2018	March 2017
Avanti Solar Energy Private Limited	OPGPG	India	31	31	31	31
Mayfair Renewable Energy Private Limited	OPGPG	India	31	31	31	31
Avanti Renewable Energy Private Limited	OPGPG	India	31	31	31	31
Brics Renewable Energy Private Limited	OPGPG	India	31	31	31	31

e) Foreign currency translation

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

At the reporting date the assets and liabilities of the Group are translated into the presentation currency at the rate of exchange prevailing at the reporting date and the income and expense for each statement of profit or loss are translated at the average exchange rate (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the date of the transactions). Exchange differences are charged/ credited to other comprehensive income and 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 2018: 90.81 (2017: 80.82) and the average rate for the year ended 31 March 2018: 85.40 (2017: 87.52)

f) Revenue recognition

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

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

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

g) Operating expenses

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

h) Taxes

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

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

5. Summary of significant accounting policies continued

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

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

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

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

i) Financial assets

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

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

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

i. loans and receivables

ii. available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

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

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

Reversals of impairment losses are 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'.

5. Summary of significant accounting policies continued

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.

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.

5. Summary of significant accounting policies continued

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 cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

q) Assets held for sale and discontinued operations

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

r) Cash and cash equivalents

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

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

s) Inventories

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

t) Earnings per share

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

5. Summary of significant accounting policies continued

u) Other provisions and contingent liabilities

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

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

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

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

v) Share based payments

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

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

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

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

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

w) Employee benefits

Gratuity

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

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

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

5. Summary of significant accounting policies continued

x) Business combinations

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

6. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

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

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

a) Judgments

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

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

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

b) Estimates and uncertainties:

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

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

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

Trade receivables
The Group ascertains the expected credit losses (ECL) for all receivables and adequate impairment provision are made.

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

6. Significant accounting judgments, estimates and assumptions continued

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 29).

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

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

7. Loss from discontinued operations and impairment provisions

a) Loss from discontinued operations of BVP

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

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

The loss from discontinued operations of BVP consists of:

		£
i	Operating loss of BVP for current year	27,990,427
ii	Loss on deconsolidation of BVP	22,330,728
iii	Impairment provision for investments in debentures of BVP	11,060,890
iv	Impairment provision for trade receivables and trade advances to BVP	21,969,479
v	Impairment provision for financial securities pledged with lenders of BVP	13,348,943
Total loss from discontinued operations of BVP		**96,700,467**

Loss on deconsolidation of BVP:

		£
Consideration received		4,535
Fair value of retained non-controlling investment in BVP		40,453
Total	*(A)*	**44,988**
Total assets		256,056,615
Total liabilities		260,034,046
Net liabilities at date of loss of control	*(B)*	(3,977,431)
Non-controlling interest on date of loss of control	*(C)*	26,353,147
Net loss on disposal affecting the Group	*(A-B-C)*	**(22,330,728)**

7. Loss from discontinued operations and impairment provisions continued

Income statement of BVP

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	91,536,946	68,833,732
Cost of revenue	(69,294,346)	(47,361,949)
Gross profit	22,242,600	21,471,783
Other income	393,243	749,122
Distribution cost	(14,805,606)	(4,604,207)
General and administrative expenses	(1,848,316)	(3,064,388)
Depreciation	(6,143,974)	(5,379,781)
Operating profit	(162,053)	9,172,529
Finance costs	(28,343,101)	(23,829,929)
Finance income	514,727	439,137
Loss before tax	(27,990,427)	(14,218,263)
Tax income/(expense)	–	797,371
Loss after tax	(27,990,427)	(13,420,892)

b) Impairment provision for loss on investments and assets under construction – £7,280,793:

(i) Impairment provision of investments in joint venture Padma Shipping Limited – £3,247,668
In 2014 the Company entered into a Joint Venture agreement with Noble Chartering Ltd ("Noble"), to secure competitive long term rates for international freight for its imported coal requirements. Under the Arrangement, the Company and Noble agreed to jointly purchase and operate two 64,000 MT cargo vessels through a Joint venture company Padma Shipping Ltd, Hong Kong ('Padma').

During the year, the Joint Venture partner due to a change in their Group strategy requested for the Joint Venture to be terminated. As the vessels were still under construction and yet to be delivered during 2018, we agreed and the process for the same will be initiated in FY19.

OPG has invested approximately £3,484,178 in equity and £1,727,418 to date as advance and accordingly the joint venture has been reported using equity method as per the requirements of IFRS 11. The Company provided corporate guarantee for 50% of equity portion of the cost of construction of the vessels remaining balance in amount of £2,006,035 (equivalent of $2,800,000) which was recognised in these financial statements as part of GBP 3,247,668 million provision as the shipping yard requested payment subsequent to the year end. The Company recognised an impairment provision in these financial statements of £3,247,668 against its investment to date on account of the impending dissolution of the JV.

(ii) Impairment of assets under construction – £4,033,125
During the year the Company impaired an amount of £4,033,125 relating to obsolete assets under construction, as a one off transaction. The plant and machinery under construction of proposed 12 MW power project to be set up on a 120 acre brownfield site in the industrial heartland of Karnataka state at Bellary, has been impaired as the Group does not expect any economic benefits out of same. The plant and machinery were purchased along with the land and is of no use hence needs to be scrapped.

8. Segment Reporting

The Group has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8 – Operating segments. Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operating segment level. Accordingly, there is only a single operating segment "generation and sale of electricity". The accounting policies used by the Group for segment reporting are the same as those used for Consolidated Financial Statements. There are no geographical segments as all revenues arise from India.

Revenue on account of sale of power to one party amounts to £18,894,360 (2017: £18,489,011).

9. Costs of inventories and employee benefit expenses included in the consolidated statements of comprehensive income

a) Cost of fuel

	31 March 2018	Restated [1] 31 March 2017
Included in cost of revenue:		
Cost of fuel consumed	95,465,961	64,455,177
Other direct costs	4,729,316	3,283,414
Total	100,195,277	67,738,591

(1) Till previous year 2017 depreciation of £6,556,582 was included in cost of revenue £6,063,132 and General and Administrative expenses £493,450. From current year total depreciation £6,526,177 is reclassified to a separate line in the Consolidated Statement of Comprehensive Income.

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

	31 March 2018	31 March 2017
Salaries and wages	3,221,663	2,792,417
Employee benefit costs *	702,020	373,725
Employee stock option	–	87,907
Total	3,923,683	3,254,049

** includes £23,994 (2017: 34,590) being expenses towards gratuity which is a defined benefit plan (note 5(w)).*

c) Auditor's remuneration for audit services amounting to £90,000 (2017: £90,000) 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 2018	31 March 2017
Foreign exchange realised – gain/(loss)	624,196	(115,033)
Foreign exchange unrealised – gain/(loss)	64,747	(54,616)
Total	688,943	(169,649)

10. Other income and expenses

Other income

	31 March 2018	31 March 2017
Sale of coal	162,394	65,968
Sale of fly ash	53,198	18,160
Power trading commission and other services	558,657	–
Sale of Solar power plant system to associates (Net of cost) (note 25)	44,505	–
Others	1,160,270	64,301
Total	1,979,024	148,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

11. Finance costs

Finance costs are comprised of:

	31 March 2018	31 March 2017
Interest expenses on borrowings	12,237,962	12,482,371
Other finance costs	694,010	2,505,609
Total	12,931,972	14,987,980

12. Finance income

Finance income is comprised of:

	31 March 2018	31 March 2017
Interest income on bank deposits	1,519,407	689,782
Profit on disposal of financial instruments*	104,093	448,783
Total	1,623,500	1,138,565

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

13. 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 2018 and 2017 is as follows:

	31 March 2018	31 March 2017
Accounting (loss)/profit before taxes	(1,105,065)	31,702,017
Enacted tax rates	34.61%	34.61%
Tax (benefit)/expense on (loss)/profit at enacted tax rate	(382,441)	10,971,434
Exempt Income due to tax holiday	(4,921,430)	(2,843,959)
Foreign tax rate differential	(616,602)	–
Deferred tax assets on losses not recognised	7,709,658	–
Non-taxable items	(1,447,546)	–
MAT credit entitlement	2,731,117	(12,919,177)
Others	(25)	(3,077)
Actual tax for the period	3,072,731	(4,794,779)

	31 March 2018	31 March 2017
Current tax	341,614	(3,321,205)
Deferred tax	2,731,117	(5,576,609)
Less: reclassified to loss from discontinuing operations	–	4,103,035
Tax reported in the statement of comprehensive income	3,072,731	(4,794,779)

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 2017: 21.34%).

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.

13. Tax expenses continued

Deferred income tax for the Group at 31 March 2018 and 2017 relates to the following:

	31 March 2018	31 March 2017
Deferred income tax assets		
MAT credit entitlement	11,396,590	15,691,186
	11,396,590	15,691,186
Deferred income tax liabilities		
Property, plant and equipment	12,853,798	16,684,770
Mark to market on available-for-sale financial assets	–	14,267
	12,853,798	16,699,037
Deferred income tax liabilities, net	1,457,209	1,007,851

Movement in temporary differences during the year

Particulars	As at 1 April 2017	Recognised in income statement	Recognised in other comprehensive income	Translation adjustment	Impact of deconsolidation	As at 31 March 2018
Property, plant and equipment	(16,684,770)	(1,844)	–	3,832,816	–	(12,853,798)
MAT credit entitlement	15,691,186	(2,731,117)	–	(1,563,479)	–	11,396,590
Mark to market gain/(loss) on available for sale financial assets	(14,267)	–	14,267	–	–	–
Deferred income tax asset/(liabilities), net	(1,007,851)	(2,732,961)	14,267	2,269,337	–	(1,457,209)

Particulars	As at 1 April 2016	Recognised in income statement	Recognised in other comprehensive income	Translation adjustment	Impact of deconsolidation	As at 31 March 2017
Property, plant and equipment	(9,287,307)	(5,576,609)	–	(1,820,854)	–	(16,684,770)
Lease transactions	–	–	–	–	–	–
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)
Deferred income tax asset/(liabilities), net	(9,310,429)	8,913,355	8,855	(619,632)	–	(1,007,851)

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of 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.

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 2018 and 2017, 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.

14. Intangible assets

	Acquired software licences £
Cost	
At 1 April 2016	772,127
Additions	27,298
Exchange adjustments	138,577
At 31 March 2017	938,002
Additions	26,304
Exchange adjustments	(103,189)
Adjustments on account of deconsolidation of a subsidiary	(13,468)
At 31 March 2018	**847,648**
Accumulated depreciation and impairment	
At 1 April 2016	407,623
Charge for the year	215,462
Exchange adjustments	91,693
At 31 March 2017	714,778
Charge for the year	162,653
Exchange adjustments	(88,322)
Adjustments on account of deconsolidation of a subsidiary	(5,631)
At 31 March 2018	**783,478**
Net book value	
At 31 March 2018	**64,170**
At 31 March 2017	223,224

15. 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 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)
Transfers on capitalisation	–	–	–	–	–	–
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
Additions	(495,514)	9,725,079	53,476	3,813	–	9,286,854
Deletions	–	–	(4,610)	–	–	(4,610)
Transfers on capitalisation	58,937	–	–	–	(2,998,381)	(2,939,444)
Exchange adjustments	(1,692,549)	(53,062,680)	(106,946)	(303,001)	(951,735)	(56,116,911)
Adjustments on account of deconsolidation of a subsidiary	(8,742,160)	(217,803,207)	(302,502)	(115,679.00)	–	(226,963,548)
At 31 March 2018	**4,744,093**	**221,066,874**	**614,925**	**2,394,639**	**4,530,760**	**233,351,291**
Accumulated depreciation and impairment						
At 1 April 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
Charge for the year*	21,566	11,953,076	69,209	463,647	–	12,507,498
Exchange adjustments	(17,066)	(3,802,766)	(95,031)	(119,348)	–	(4,034,211)
Adjustments on account of deconsolidation of a subsidiary	(115,723)	(12,067,207)	(280,475)	(113,950)	–	(12,577,355)
At 31 March 2018	**32,174**	**24,456,188**	**526,100**	**1,065,694**	**–**	**26,080,156**
Net book value						
At 31 March 2018	**4,711,919**	**196,610,686**	**88,825**	**1,328,945**	**4,530,760**	**207,271,135**
At 31 March 2017	15,471,982	453,834,597	138,500	1,978,771	8,480,876	479,904,726

** Depreciation charge for the year above includes £6,143,974 (2017: £5,379,781) pertaining to deconsolidated subsidiary BVP (note 7 (a))*

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

	31 March 2018	31 March 2017
Freehold land	4,292,608	15,341,763
Buildings	419,311	130,219
	4,711,919	15,471,982

Property, plant and equipment with a carrying amount of £198,699,226 (2017: £477,787,455) is subject to security restrictions (refer note 23).

16. Investments accounted for using the equity method

The carrying amount of investments accounted for using the equity method is as follows:

	31 March 2018	31 March 2017
Investments in joint venture	3,484,178	1,339,635
Investments in associates	11,037,659	3,112
Share of loss from equity accounted investments	(35,296)	(352)
Impairment provision for investments in joint venture (note 7(b))	(3,247,668)	–
Elimination of intra-group margin	(19,495)	–
Investments accounted for using the equity method	11,219,378	1,342,395

The Group's share of profit/(loss) from equity accounted investments is as follows:

	31 March 2018	31 March 2017
Investment in joint venture	(34,638)	–
Investments in associates	(658)	(352)
	(35,296)	(352)

a) Investment in joint venture (note 5(d) and note 7(b))

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 2018	31 March 2017
Non-current assets	11,344,541	5,802,605
Current assets (a)	55,502	317,646
Total assets	11,400,043	6,120,251
Current liabilities (b)	4,500,962	3,440,982
Total liabilities	4,500,962	3,440,982
Net assets	6,899,081	2,679,269
(a) Includes cash and cash equivalents	60,301	10,540
(b) Includes financial liabilities (excluding trade and other payables and provisions)	4,495,297	3,440,982

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

	31 March 2018	31 March 2017
Total net assets of PSL	6,899,081	2,679,269
Proportion of ownership interests held by the Group	50%	50%
Carrying amount of the investment in PSL	3,449,540	1,339,635

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

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

	31 March 2018	31 March 2017
Loss from continuing operations	(658)	(352)
Other comprehensive income	–	–
Total comprehensive income	(658)	(352)
Aggregate carrying amount of the Group's interests in these associates	11,017,506	2,760

17. Other assets

	31 March 2018	31 March 2017
A. Short-term		
Capital advances	278,857	1,724,432
Available for sale financial assets	65,706	2,757,272
Bank deposits	–	2,903,273
Advances and other receivables	9,070,408	5,301,041
Total	9,414,971	12,686,018
B. Long-term		
Advances to related parties (Refer note 25 and note 7(b))	1,727,418	1,575,484
Investment in Debentures	785,222	–
Lease deposits	477,959	–
Bank deposits	–	681,746
Other advances	9,734	408,662
Total	3,000,333	2,665,892

Available-for-sale financial assets are comprised of:

Fair value of retained investment in former subsidiary BVP (note 7 (a)). Fair Valuation of retained investments in BVP is on basis of the recent transaction.

Quoted short-term mutual fund units
The fair value of the mutual fund instruments are determined by reference to published data. These mutual fund investments are redeemable on demand.

Advances and other receivables (current)
Advances to suppliers include trade advance paid to BVP, amounts paid as advance to vendors for supply of fuel. Impairment provision is made for trade advances to BVP aggregating to £20,660,649 translated at closing FX exchange rate. 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.

18. Trade and other receivables

	31 March 2018	31 March 2017
Current		
Trade receivables	33,644,282	80,546,225
Unbilled revenues	–	3,716,051
Other receivables	51,263	9,710
	33,695,545	84,271,986

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 £24,594,934 (2017: £38,571,535) has been pledged as security for borrowings. As at 31 March 2018, trade receivables of £271,116 (2017: £1,177,967) were collectively impaired and provided for. Trade receivables that are neither past due nor impaired represents billings for the month of March. The Group has been supplying power to Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) as per terms of relevant power purchase agreements. The Group are due a sum of £12,926,948 from TANGEDCO for the surcharge on delayed payments made by TANGEDCO towards power supplies. A receivable has not been recognised at this point due to the uncertainty of its collectability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

18. Trade and other receivables

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
2018	**33,644,282**	**25,619,510**	**5,048,431**	**696,534**	**7,279,807**
2017	80,546,225	19,867,879	11,203,698	7,499,958	41,974,690

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

Year	Opening balance	Provision for the year	Adjustment on account of deconsolidation	Closing balance
2018	**1,177,967**	**271,116**	**(1,177,967)**	**271,116**
2017	–	1,177,967	–	1,177,967

The creation of provision for impaired receivables of £271,116 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.

Recognition of revenue and collectability of receivables

The captive consumers of BVP (a subsidiary until 31 March 2018) have withheld from the sales invoices an amount of approximately £40,577,928 towards Cross Subsidy Surcharge (CSS) levied by GUVNL through their DISCOMs for the financial years 2015-2016, 2016-2017 and 2017-2018 challenging the grounds of fulfilment of required shareholding criteria by BVP to qualify as a captive power generating unit as per Rule 3 of the Electricity Rules, 2005. In December 2017 BVP received confirmation from the relevant Gujarat authorities as to the plant's Group Captive status for 2017-2018 and in February 2018 the Gujarat DISCOMs stopped withholding CSS from BVP's sales invoices to its customers. In June 2018 BVP received confirmation from the relevant Gujarat authorities as to the plant's Group Captive status for 2016-2017 and for 2015-2016 in July 2018. DISCOMs have stopped levying cross-subsidies and have now released approximately £13,977,563 of 2017-18 CSS receivables to the captive consumers and approximately £9,009,207 of dues were already recovered from the captive consumers by BVP.

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.

19. Inventories

	31 March 2018	31 March 2017
Coal and fuel	8,382,022	14,947,860
Stores and spares	1,334,258	1,905,901
Total	**9,716,280**	16,853,761

The entire amount of above inventories has been pledged as security for borrowings (refer to note 23)

20. Cash and cash equivalents and Restricted cash

a) Cash and short term deposits comprise of the following:

	31 March 2018	31 March 2017
Cash at banks and on hand	2,185,570	13,049,622
Short-term deposits	–	36,501
Total	2,185,570	13,086,123

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

b) Restricted cash

Restricted cash represents deposits maturing between three to twelve months amounting to £20,318,985 (2017: £14,009,027) and maturing after twelve months amounting to £4,966,140 (2017: £3,825,733) which have been pledged by the Group in order to secure borrowing limits with banks. The Group has made impairment provision for £12,553,684 translated at closing FX exchange rate for bank deposits pledged in favour of lenders of BVP (note 7(a) and note 24).

21. 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 issued 4,799,742 shares during the year with respect to scrip dividend at par value of £0.000147 (2017: £0.000147) per share amounting to £706. The difference between fair value of shares issued above par value of £1,248,331 with respect to scrip dividend was credited to share premium.

As at 31 March 2018, the Company has an authorised and issued share capital of 356,308,697 equity shares (2017: 351,508,955) at par value of £0.000147 (2017: £0.000147) per share amounting to £52,378 (2017: £51,672) in total.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

22. 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 £nil (2017: £87,907) 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 2018	31 March 2017
At 1 April	23,274,234	23,524,234
Forfeited	(1,250,000)	(250,000)
At 31 March	22,024,234	23,274,234

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

23. Borrowings

The borrowings comprise of the following:

	Interest rate (range %)	Final maturity	31 March 2018	31 March 2017
Borrowings at amortised cost	10.35-10.99	September 2023	93,465,947	320,991,917
Total			93,465,947	320,991,917

Total debt of £93,465,947 (2017: £320,991,917) is secured as follows:

- The term loans of £90,039,325 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.
- 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. All the loans are personally guaranteed by a Director. In addition a Director personally guaranteed £28,470,433 of BVP's loan and £10,885,365 of loans of an associate.
- 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 2018, the Group has met all the relevant covenants.

The fair value of borrowings at 31 March 2018 was £93,465,947 (2017: £320,991,917). The fair values have been calculated by discounting cash flows at prevailing interest rates.

23. Borrowings continued

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

	31 March 2018	31 March 2017
Current liabilities		
Amounts falling due within one year	23,829,415	36,576,466
Non-current liabilities		
Amounts falling due after 1 year but not more than 5 years	69,636,532	104,970,101
Amounts falling due in more than five years	–	179,445,350
Total non-current	69,636,532	284,415,451
Total	93,465,947	320,991,917

24. Trade and other payables

	31 March 2018	31 March 2017
Current		
Trade payables	52,015,069	52,526,424
Creditors for capital goods	162,261	8,547,998
Bank overdraft	–	5,609,229
Other payables	154,092	4,023,144
Total	52,331,422	70,706,795
Non-current		
Provision for fair valuation of securities provided to lenders of BVP (note 7(a) and 20) [1]	12,553,684	–
Security deposit from customers	4,813,303	54,321
Other payables	180,746	229,433
Total	17,547,733	283,754

(1) translated at closing FX exchange rate.

With the exception of security deposits from customers 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.

25. Related party transactions of key management personnel

Name of the party	Nature of relationship
Arvind Gupta	Executive Chairman
Dmitri Tsvetkov (from November 2017)	Chief Financial Officer
Jeremy Warner Allen (from November 2017)	Deputy Chairman
V Narayan Swami (until November 2017)	Finance Director
Martin Gatto (until November 2017)	Director
Mike Grasby	Director
Ravi Gupta (resigned in May 2018)	Director
Jeremy Beeton (from November 2016)	Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

25. Related party transactions of key management personnel continued

Related parties with whom the Group had transactions during the period

Name of the party	Nature of relationship
Chennai Ferrous Industries Ltd	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

Summary of transactions with related parties

Name of the party	31 March 2018	31 March 2017
Padma Shipping Limited		
a) Investment	2,077,588	746,268
b) Advances	627,205	–
Chennai Ferrous Industries Ltd		
a) Purchase of coal	–	10,322
Avanti Solar Energy Private Limited		
a) Investment	3,336,637	124,422
b) Sale of Solar power plant system	4,586,802	–
c) Advance	56,225	–
Mayfair Renewable Energy Private Limited		
a) Investment	3,595,419	124,422
b) Sale of Solar power plant system	4,024,349	–
c) Advance	87,154	–
Avanti Renewable Energy Private Limited		
a) Investment	3,369,673	124,422
b) Sale of Solar power plant system	4,822,458	–
c) Advance	56,284	–
Brics Renewable Energy Private Limited		
a) Investment	324,854	37,810
b) Sale of Solar power plant system	1,188,788	–
c) Advance	5,628	–
Avantika Gupta		
a) Remuneration	112,412	68,556

25. Related party transactions of key management personnel continued

Summary of balance with related parties

Name of the party	Nature of balance	31 March 2018	31 March 2017
Padma Shipping Limited	Investment	3,484,178	1,339,635
Padma Shipping Limited	Advances	1,727,418	1,167,169
Chennai Ferrous Industries Ltd	Trade Payable	–	10,322
Avanti Solar Energy Private Limited	Investment	3,461,059	124,422
Avanti Solar Energy Private Limited	Trade receivable	583,750	–
Avanti Solar Energy Private Limited	Advance	56,225	–
Mayfair Renewable Energy Private Limited	Investment	3,719,841	124,422
Mayfair Renewable Energy Private Limited	Trade payable	(236,467)	–
Mayfair Renewable Energy Private Limited	Advance	87,154	–
Avanti Renewable Energy Private Limited	Investment	3,494,095	124,422
Avanti Renewable Energy Private Limited	Trade receivable	185,569	–
Avanti Renewable Energy Private Limited	Advance	56,284	–
Brics Renewable Energy Private Limited	Investment	362,664	37,810
Brics Renewable Energy Private Limited	Trade receivable	1,238,446	–
Brics Renewable Energy Private Limited	Advance	5,628	–
Arvind Gupta	Land Lease Deposit	477,959	537,039

Outstanding balances at the year-end are unsecured. There have been no guarantees provided or received for any related party receivables or payables, except for £2,006,035 (equivalent of $2,800,000) corporate guarantee for 50% of equity portion of the cost of construction of the vessels being built by Padma Shipping Limited. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties £nil (2017: £nil). However, the Group has made impairment provision for investments in joint venture £3,247,668 (2017: £nil) (note 7(b)). 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.

Executive Chairman Mr. Arvind Gupta personally guaranteed £10,885,365 of loans of an associate.

26. 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 2018 or 2017).

The Company has issued options over ordinary shares which could potentially dilute basic loss per share in the future. There is no difference between basic loss per share and diluted loss per share as the potential ordinary shares are anti-dilutive.

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 2018	31 March 2017
Weighted average number of shares used in basic earnings per share	353,108,869	351,505,142
Shares deemed to be issued for no consideration in respect of share based payments	–	1,264,567
Weighted average number of shares used in diluted earnings per share	353,108,869	352,769,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
CONTINUED

27. Directors remuneration

Name of Directors	31 March 2018	31 March 2017
Arvind Gupta	750,000	1,110,000
Dmitri Tsvetkov	290,000	–
Jeremy Warner Allen	22,500	–
V Narayan Swami	224,824	109,689
Martin Gatto	33,750	45,000
Mike Grasby	45,000	45,000
MC Gupta	–	27,880
Ravi Gupta	22,500	45,000
Jeremy Beeton	45,000	22,500
Total	1,433,574	1,405,069

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.

28. Commitments and contingencies

Operating lease commitments

The Group leases office premises under operating leases. The leases typically run for a period up to 5 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 2018	31 March 2017
Not later than one year	44,771	43,226
Later than one year and not later than five years	117,898	157,056
Later than five years	–	–
Total	162,669	200,282

During the year ended 31 March 2018, £43,226 (2017: £41,204) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

Capital commitments

During the year ended 31 March 2019, in respect of its interest in joint ventures the Group is committed to incur capital expenditure of $2,800,000 i.e. approximately £2,000,000 (2017: £18,630,157) of their share of interest (note 5(d)(ii)).

Contingent liabilities

Disputed income tax demand £549,789.

Guarantees and letter of credit

The Group has provided bank guarantees and letters of credit (LC) to customers and vendors in the normal course of business. The LC provided as at 31 March 2018: £44,901,443 (2017: £40,497,741) and Bank Guarantee (BG) as at 31 March 2018: £10,168,184 (2017: £23,425,291). LC are supporting accounts payables already recognised in statement of financial position. BG are treated as contingent liabilities until such time it becomes probable that the Company will be required to make a payment under the guarantee.

29. 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 2018 and 31 March 2017. 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 2018, 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 2018 and 31 March 2017, 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 2018 would decrease or increase by £934,659 (2017: £2,865,102).

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:

	As at 31 March 2018		As at 31 March 2017	
Currency	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	3,711,568	62,663,286	3,000,000	19,852,758

29. 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 revaluation of the Group's foreign currency financial instruments:

	As at 31 March 2018		As at 31 March 2017	
Currency	Closing rate (INR/USD)	Effect of 10% strengthening in USD against INR – Translated to GBP	Closing Rate (INR/USD)	Effect of 10% strengthening in USD against INR – Translated to GBP
United States Dollar (USD)	65.07	3,840,174	64.75	1,226,728

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 £33,761,251 (2017: £87,029,258).

The Group has exposure to credit risk from accounts receivable balances on sale of electricity. The operating entities of the Group have entered into power purchase agreements with transmission companies incorporated by the Indian state government (TANGEDCO) to sell the electricity generated therefore the Group is committed 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 18 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 ongoing 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.

The following is an analysis of the Group contractual undiscounted cash flows payable under financial liabilities at 31 March 2018 and 31 March 2017:

	Current		Non-Current	
As at March 2018	Within 12 months	1-5 years	Later than 5 years	Total
Borrowings	23,829,415	69,636,532	–	93,465,947
Interest on borrowings	10,532,258	25,372,157	–	35,904,415
Trade and other payables	52,331,422	17,547,733	–	69,879,155
Other current liabilities	810,705	–	–	810,705
Total	87,503,800	112,556,442	–	200,060,222

29. Financial risk management objectives and policies continued

As at 31 March 2017	Current		Non-current	
	Within 12 Months	1-5 Years	Later than 5 years	Total
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

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 2018 and 2017.

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 2018	31 March 2017
Total equity	139,130,424	236,687,603
Less: Cash and cash equivalents	(2,185,570)	(13,086,123)
Capital	136,944,854	223,601,480
Total equity	139,130,424	236,687,603
Add: Borrowings (including buyer's credit)	93,465,947	320,991,917
Overall financing	232,596,371	557,679,520
Capital to overall financing ratio	0.59	0.40

30. Summary of financial assets and liabilities by category and their fair values

	Carrying amount		Fair value	
	March 2018	March 2017	March 2018	March 2017
Financial assets				
Loans and receivables				
– Cash and cash equivalents [1]	2,185,570	13,086,123	2,185,570	13,086,123
– Restricted cash [1]	25,285,125	17,834,760	25,285,125	17,834,760
– Current trade receivables [1]	33,695,545	84,271,986	33,695,545	84,271,986
Available-for-sale instruments [3]	65,706	2,757,272	65,706	2,757,272
	61,231,946	117,950,141	61,231,946	117,950,141
Financial liabilities				
Term loans	93,465,947	320,991,917	93,465,947	320,991,917
Current trade and other payables [1]	52,331,422	70,706,795	52,331,422	70,706,795
Non-current trade and other payables [2]	17,547,733	283,754	17,547,733	283,754
	163,345,102	391,982,466	163,345,102	391,982,466

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 Valuation of retained investments in BVP is on basis of recent transaction.

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 Level1 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).

30. Summary of financial assets and liabilities by category and their fair values continued

2018	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Unquoted securities	–	–	40,453	40,453
Quoted securities	25,253	–	–	25,253
Total	25,253	–	40,453	65,706

2017	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 periods.

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 (CFO).

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.

31. Post – reporting date events

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

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DEFINITIONS AND GLOSSARY

Act: Isle of Man Companies Act 2006

AGM: Annual General Meeting

Board: Board of Directors of OPG Power Ventures Plc

bps: Basis points

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

CAGR: Compound Average Growth Rate

CEA: Central Electricity Authority

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

EPS: Earnings per share

ESOP: Employee Stock Options

FDI: Foreign Direct Investment

FY: Financial year commencing from 1 April to 31 March

GCPP: Group Captive Power 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

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

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

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

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

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