14 December 2011

OPG Power Ventures PLC
("OPG" or the "Company")

Unaudited Results for the Six Months ended 30th September, 2011

Higher output from flagship asset, growth projects remain on track

OPG Power Ventures PLC, the developer and operator of group captive power plants in India announces its unaudited results for the six months ended 30th September 2011.

Financial Highlights

- Revenue £23.85m up 166%
- EBITDA £6.34m up 34%
- Profit attributable to shareholders up 35% and EPS up 11% (on a higher capital base)
- Average tariff achieved in the period of Rs 4.72/KWh (30 Sep 2010: Rs 4.80/KWh)
- Contract signed for 53 MW at Rs 5.05/Kwh for period October 2011 to May 2012
- Cash & cash equivalents of £66.84m; long- term borrowings of £62.78m

Operational Highlights

- No coal shortages experienced during the period
- Delivered power up 190% on comparative period in 2011 and 8.5% on preceding six months
- 77 MW Chennai I at average 91% PLF delivering 15% more units than preceding six months
- Accelerated delivery of 77 MW Chennai II project - expected in Q2 2012
- 80 MW Chennai IV brownfield project - construction and equipment delivery commenced
- Coastal Regulatory Zone (CRZ) environmental clearance for 300 MW Gujarat project

Commenting on the results, Mr M C Gupta, Chairman said: "I'm pleased to report that OPG has continued its expansion programme and announced further growth during this period that keeps us on track to achieve our targeted capacity of 1,250 MW by 2015. Our current trading environment remains challenging but during the half year OPG demonstrated the resilience and flexibility of our assets and our operating model, both of which I referred to in the 2011 Annual Report. I commend the strength of our management team in optimising the performance of our flagship asset, 77 MW Chennai I, and in doing so, working hard to restrict the impact of current external headwinds. Concurrently, the focus has been maintained on our goal of delivering 1,250 MW of profitable generation capacity and as much of these growth projects are planned to be replicas of Chennai I, the optimisation of that plant strengthens OPG's long term prospects further.

"We are confident about our ability to maintain our operating margins through the remainder of the year. Most importantly, with our growth projects on track and the fundamentals of the power sector in India remaining intact, I believe we continue to be well placed for the longer term. This is particularly so given the positive structural developments now taking place in our sector such as those relating to a move to more realistic utility power tariffs."

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Disclaimer

Chief Executive's Review

During the period, OPG continued to make significant progress towards achieving its targeted capacity of 1,250 MW by 2015. The company announced an additional 80 MW brownfield project, accelerated the delivery of the 77 MW Chennai II and identified development efficiencies achievable through the combination of other projects at Chennai. Furthermore, construction at the 300 MW Gujarat was commenced. All growth projects remain on track.

In the period under review, OPG has demonstrated the merits of a flexible group captive/short term sales model which secure for the company the best prices available in the market. This is particularly important as it has helped to weather the impact of external factors upon our business. In addition, we have a stronger expectation of higher tariffs both in the group captive and short term markets following structural changes in our industry that are now under way and to which I refer in more detail below.

Our flagship asset, 77 MW Chennai I, the design and construction of which is being replicated in our other projects, performed particularly strongly delivering 15% higher output of power compared with the immediately preceding six month period.

Increased revenues across operations in the period compared to the corresponding period of the prior year reflected the operation of Chennai I for the whole of the period. Average tariffs achieved per kWh of Rs 4.72 were similar to the corresponding period in the prior year, re-affirming the advantages of our flexible business model. This notwithstanding that the average tariff was lowered as a result of sales to TNEB between June and September 2011, currently being booked at a tariff of Rs 3.80, a rate that the Company continues to challenge.

Gross margins remained healthy at 34% and the fuel-flexibility of Chennai I in particular enabled us to maintain a high level of production and gross margins in the wake of increased average international coal prices and the imposition of a 5 per cent import duty by the Indian government.

Rising interest rates and a sharply appreciating US dollar against the Indian Rupee also impacted power producers including ourselves. Our current expectation, based on certain market data, is for present interest rates to prevail for the remainder of the financial year trending downwards thereafter and for the Indian Rupee to remain close to prevailing levels for the remainder of the year. Notably, capital equipment purchases are principally denominated in Indian Rupees and accordingly projects remain within budget.

Overall, the strong operating performance of Chennai I eclipsed that of our smaller, legacy plants in which the group's economic interest is also much smaller**.** Accordingly, despite a challenging trading environment, OPG delivered earnings per share of 0.61p in the period, on an enlarged equity base of 351 million ordinary shares.

Most importantly, we remain confident in our ability to bring development projects on-line within our stated timeline and budget, leveraging our significant in-house capabilities and experience. OPG remains on track to achieve its target of 742 MW of capacity by 2013 and a total 1,250 MW of capacity by 2015.

Structural change on the horizon – expected tariff changes are good for OPG

State utilities, constituting the country's dominant power producers and distributors, have held their price lines for the sale of power virtually static in the last several years notwithstanding cost and supply pressures. This has had the effect of affecting margins for all producers especially private players with long term PPA's with fixed pricing over a 20-25 year period.

Looking ahead, however, there are clear signs that the long awaited structural changes in the sector, primarily in the form of realistic tariffs and pricing by the utilities, are under way. Given the stretched financial position of the state utilities, the central regulator has directed state regulators to ensure that tariffs are reviewed annually. Several state utilities have already, in the last few weeks, filed applications with their state regulators for significant tariff increases.

In Tamil Nadu, where the State Electricity Board's ("SEB") financial position is considered to be particularly acute, the SEB has acknowledged the position and in seeking to achieve partial redress for accumulated losses has filed an application with the state regulator for a minimum tariff increase of 25 % over current levels for industry. In addition, the SEB has asked that the regulator permit it to pass on fuel price increases to its customers by means of a monthly surcharge. If adopted in the requested form, we expect short term tariffs including tariffs contracted with the SEB to move upwards correspondingly and for OPG to see the benefit of this. Tariffs charged to industrial customers under the group captive model are correlated to SEB rates and should therefore also rise.

We expect that any new pricing will apply, following regulatory decisions, by April 2012. OPG welcomes the initiatives under way as a realistic tariff regime is one that will lead to a healthier utility sector.

India's power current power balance remains unchanged
The period under review saw no substantive improvement in the country's power supply position with peak deficits of some 10.6 % at the end of September, 2011. Addition of new capacity during the current Five year Plan (April 2007 – March 2012) up to the end of September 2011 was 50 GW, indicating that no more than 65 % of the target capacity of 78 GW could be achieved by the end of the Plan period. Power deficits are expected to remain at 10-12% in the medium term due to delays in the scheduled capacity to be commissioned and OPG is well positioned to benefit by bringing additional capacity in the next 24 months.

Operational Review

Total power delivered ahead of prior periods as our flagship asset performed well
The Group delivered a record 405.2 GWh of power to its customers compared with 139.6 GWh in the corresponding period of the prior year and 373.5 GWh in the six months ended 31 March 2011. This represents an increase of 190% on the prior year and 8.5% on the immediately preceding six month period. This increased level of output and the resulting increased contributions partly mitigated the impact of cost increases such as coal, exchange rates and interest rates.

77 MW Chennai I
Following its stabilisation in August 2010, this plant has operated at consistent output levels averaging 85%. During the period under review the plant operated at an average load factor of 91%. About 50 MW of the output from this plant, now in its second year of operations, is being sold to the Tamil Nadu Electricity Board with the remainder being sold to industrial customers under short term contracts. The current financial year, to 31 March 2012, is expected to see the first full year contribution from this plant.

Since the commencement of operating at the 77 MW plant, supplies of linkage coal are being received as committed. Unlike other producers OPG is not affected by any shortages as the proximity of our plants to ports and the capability of our boilers means we are able to import coal. Since OPG boilers can burn either exclusively imported high moisture coal or Indian coal or a blend of the two coals in any proportion, our new plants coming on stream in 2012 and 2013 are also expected to be insulated from in this way. Accordingly, we have not experienced and currently do not anticipate any coal supply shortages at our presently slated operations and developments.

25.4 MW Natural gas plant, Mayavaram

The Mayavaram gas fired plant, in which the Company has a 44% economic interest, whilst remaining profitable, generated lower output during the period due to limited availability of gas. We expect the operations of this plant to continue to at current levels for the remainder of the year and for margins to be affected by a 15-20% rise in input gas prices going forward.

10 MW Waste heat plant, Chennai

Output levels at the 10 MW plant, in which the Company has a 33% economic interest, were lower at about 55 % of capacity during the period due to limited availability of quality iron ore for the supplying sponge iron (waste heat) furnaces during the greater part of the first half. The lower quality ore resulted in reduced heat output and hence power production. We expect the average to remain at this level until normalisation of waste energy supplies from the sponge iron plant (not owned by the Company).

Whilst their performance is currently consolidated as part of the Group's results, due to the Group's low economic interest, the impact of the natural gas and waste heat units on Group earnings per share has become less material now than previously and this trend is expected to continue as each of our projects is commissioned.

Funded development projects of 629 MW are progressing on schedule to achieve 1,250 MW by 2015

In all of the projects below, land and environmental approvals have been received and equipment ordered. Equity and fuel supply arrangements are in place for all the projects except Chennai Phase IV, for which a coal linkage is being progressed. With the principal risks mitigated, the Group's priority is to deliver 742 MW on–time and budget by 2013 and to increase its generation portfolio to 1,250 MW by 2015.

Chennai

OPG is implementing development plans to expand generation capacity at its Chennai site from the present 77 MW level to a total of 394 MW by 2013.

77 MW Chennai II: The construction of this 77 MW unit, a twin of the existing operational unit, has made further appreciable progress and, as announced previously, is expected to see accelerated commissioning during the second quarter of calendar 2012.

160 MW Chennai III: This relates to the projects (originally conceived as two separate modules of 80 MW each) which will now be developed as an upgraded single unit of 160 MW. Construction work relating to this unit will commence shortly. Environmental approvals are already held for this development for which the necessary equipment has also been ordered. The unit is on course for commissioning in 2013.

80 MW Chennai IV: Construction of this additional 80 MW unit, announced in July 2011, has commenced and commissioning is anticipated in calendar year 2013. Environmental approvals have been received, construction work at site has commenced and equipment delivery commenced for this additional unit on the present site. The equity component of the capex for this project will be met through internal cashflows.

300 MW (2 x 150) Gujarat
Formal CRZ approval was received in September 2011 from the Ministry of Environment and Forests ("MoEF") for proposals in connection with sea water intake and outfall for this 300MW (2 x150) power project in Gujarat. Construction at the site has commenced and deliveries of equipment are expected to start shortly. Some local objections relating to the environmental clearances already obtained are in the process of being resolved and have not impacted our construction schedule. Accordingly, the project is still expected to be commissioned in calendar 2013.

Financial Review

OPG's revenue increased by 166 % to £23.85 million (£8.95 million Sep 2010) in the six months ended 30 September 2011. Gross Profit increased by 86% to £8.04 million (£4.31 million Sep 2010). This reflected the operation of Chennai I for the whole of the period ended 30 September 2011.

Average tariffs comparable with prior period and expected to improve in second half
The average tariff achieved on all sales in the first six months of the year was Indian Rupees (Rs) 4.72 per kWh. The average tariff in the period has been lowered as a result of sales to TNEB between June and September 2011 currently being booked at a tariff of Rs 3.80, a rate that continues to be challenged by the Company.

Following a recently announced order issued by the Tamil Nadu Electricity Regulator to the Tamil Nadu Electricity Board ("TNEB"), the Company has now signed an agreement with TNEB for the supply by the Company of 53 MW between October 2011 and May 2012 at a price of Rs 5.05 per kWh. On this basis and taking into account recent sales to industrial and commercial customers, the Company currently expects average tariffs across all power sales for the year ending 31 March 2012 to be approximately Rs 4.90 comparable with last year's average tariff of Rs 4.95 per kWh.

Flexible revenue model - Resilient gross margins expected to be maintained
Gross margins were 34%, notably taking into account increased coal prices and adverse exchange rate movements which also have an impact on the cost of coal. The fuel-flexibility of Chennai I in particular enabled us to optimize our coal purchases even with some additional cost resulting from the imposition of a 5 per cent import duty by the Indian government.

The period since July 2010 has witnessed a steep and persistent depreciation of the Rupee relative to the US Dollar and this has had the effect of increasing fuel costs by about 15 % to 20 % for the rest of the year. Given that OPG revenues are based on short-term contracts ranging around 5 per Kwh, the Company has been able to absorb this increase better than other producers most of whom have a lower average revenue base under the long term PPA model.

Interest cost
Interest rates have increased from c.13% to c.15.5% in the last 12 months, in response to rising inflation rates, and have impacted businesses and in particular the infrastructure sector across India. There is a widely publicized expectation that interest rates may start to come down in the next fiscal year. Due to the capitalization of project related interest costs, the impact on our earnings is deferred until the amortization of such projects commences.

Translation effect
Results for the period have also been affected by the impact of an appreciation in GBP versus Indian Rupee, the group's functional currency, from Rs 69 to Rs 73.5.

Outlook

Our trading environment remains a challenging one with many of the macro features described above still in existence. However, we believe some of the structural changes that are appearing on the horizon, such as those potentially relating to tariffs, are likely to be helpful to our industry. Most importantly, our projects remain on track and accordingly we remain positive about the Company's long term prospects. Having taken steps to optimize the performance of our key "model" asset and having established a significant contract for sale of power during the remainder of this year we remain confident about our ability to maintain our operating margins during the rest of the year.

We are proud of the in-house capabilities built through the Chennai I project in both project execution and plant operations and thank our team in their unremitting efforts.

We would also like to thank our shareholders for their support and I look forward to the reporting the Company's continuing progress upon completion of the second half of the financial year.

Arvind Gupta
Chief Executive

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2011
(All amounts in £, unless otherwise stated)

	Consolidated		
	30/09/2011 (Unaudited)	**30/09/2010 (Unaudited)**	**31/03/2011 (Audited)**
Revenue	23,855,762	8,952,068	33,147,184
Cost of revenue	(15,811,704)	(4,634,263)	(18,669,898)
Gross profit	8,044,058	4,317,805	14,477,286
Other income	373,566	907,928	2,537,869
Distribution Cost	(1,199,051)	(428,854)	(865,832)
General and administrative expenses	(1,764,473)	(460,821)	(1,808,943)
Operating profit	5,454,101	4,336,058	14,340,379
Financial costs	(3,213,932)	(543,927)	(2,647,296)
Financial income	1,736,596	441,538	1,326,695
Income from continuing operations (before tax, non operational and / or exceptional items)	3,976,764	4,233,670	13,019,778
Employee Share Option expenses	(727,124)	(727,124)	(1,454,247)
Pre-Operative expenses (relating to projects under construction)	(217,032)	(171,073)	(403,200)
Profit/(loss) before tax	3,032,609	3,335,474	11,162,332
Tax Expense	(881,643)	(661,007)	(2,408,443)
Profit/(loss) for the year	2,150,966	2,674,467	8,753,889
Profit/(loss) for the year attributable to:			
Owners of the parent	2,148,050	1,591,462	6,227,842
Non controlling interests	2,915	1,083,004	2,526,047
Earnings per share			
Basic earnings per share (in Pence)	0.611	0.555	2.129
Diluted earnings per share (in Pence)	0.602	0.549	2.093
Other Comprehensive Income			
Available for Sale Financial Assets			
- Reclassification to profit and loss	169,288	50,621	185,459
- Current year losses on re-measurement	(117,644)	(19,812)	(255,542)
Currency translation differences on translation of foreign operations	(4,803,747)	(4,948,972)	(5,076,545)
Other comprehensive income	(4,752,103)	(4,918,163)	(5,146,628)
Total comprehensive income for the year	(2,601,137)	(1,516,573)	3,607,261
Total comprehensive income for the year attributable to:			
Owners of the parent	(1,980,544)	(2,284,757)	1,627,114
Non controlling interests	(620,592)	768,185	1,980,147
	(2,601,137)	(1,516,573)	3,607,261

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

(All amounts in £, unless otherwise stated)

	Consolidated		
	30/09/2011 (Unaudited)	**30/09/2010 (Unaudited)**	**31/03/2011 (Audited)**
ASSETS			
Non Current			
Property, plant and equipment	79,740,424	64,694,151	73,995,296
Investments and other financial assets	11,895,047	4,958,451	6,941,814
Deferred tax asset	156,883	39,576	155,512
Restricted cash	1,063,800	422,377	1,214,699
Total Non Current assets	**92,856,155**	**70,114,554**	**82,307,321**
Current			
Inventories	7,841,872	4,050,953	5,605,523
Trade and other receivables	12,062,870	8,805,564	8,576,366
Cash and Cash Equivalents	62,529,002	17,012,201	71,104,280
Restricted Cash	2,775,913	985,545	1,080,877
Current tax assets	323,100	348,144	272,105
Investments and other financial assets	53,768,764	30,449,488	45,486,243
Total Current assets	**139,301,521**	**61,651,895**	**132,125,394**
Total Assets	**232,157,676**	**131,766,449**	**214,432,715**
EQUITY AND LIABILITIES			
Equity:			
Equity attributable to owners of the parent:			
Share Capital	51,671	42,187	51,671
Share Premium	124,316,524	66,943,323	124,316,524
Other components of Equity	4,402,373	7,074,105	7,803,844
Retained earnings/ (accumulated deficit)	11,198,076	4,413,647	9,050,027
Total	139,968,645	78,473,262	141,222,066
Non-Controlling Interests	9,187,217	8,595,847	9,807,809
Total Equity	**149,155,862**	**87,069,109**	**151,029,876**
Liabilities			
Non current			
Borrowings	54,862,631	28,507,146	45,254,399
Trade and other payables	1,153,224	2,129,252	1,231,509
Deferred tax liability	1,472,509	568,654	849,446
Total Non Current liabilities	57,488,365	31,205,052	47,335,354
Current			
Borrowings	7,926,680	2,576,129	5,064,797
Trade and other payables	12,472,948	10,721,346	10,716,961
Other liabilities	5,051,158	194,664	241,113
Current Tax Liabilities	62,664	148	44,615
Total Current liabilities	25,513,450	13,492,288	16,067,486
Total Liabilities	**83,001,815**	**44,697,340**	**63,402,840**
Total Equity and Liabilities	**232,157,676**	**131,766,449**	**214,432,715**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2011
(All amounts in £, unless otherwise stated)

GROUP	Share capital	Share Premium	Other Reserves	Forign Currency Translation reserve	Retained earnings	Total of Parent equity	Non-Controlling Interests	Total Equity
Balance at 1 April, 2011	51,671	124,316,524	4,614,203	3,189,641	9,050,027	141,222,066	9,807,809	151,029,876
Issue of Equity Shares	-	-	-	-	-	-	-	-
Employee Share based payment options	-	-	727,124	-	-	727,124	-	727,124
Transactions with owners	51,671	124,316,524	5,341,327	3,189,641	9,050,027	141,949,190	9,807,809	151,757,000
Profit for the year	-	-	-	-	2,148,049	2,148,049	2,915	2,150,965
Currency translation differences	-	-	-	(4,118,521)	-	(4,118,521)	(685,226)	(4,803,747)
Gains/(losses) on sale / re-measurement of available-for-sale financial assets	-	-	(10,074)	-	-	(10,074)	61,718	51,644
Total comprehensive income for the year	-	-	(10,074)	(4,118,521)	2,148,049	(1,980,546)	(620,592)	(2,601,138)
Balance at 30 September 2011	51,671	124,316,524	5,331,253	(928,879)	11,198,076	139,968,645	9,187,217	149,155,862
Balance at 1 April, 2010	42,187	66,943,323	3,228,892	7,721,432	2,822,186	80,758,020	7,827,662	88,585,682
Issue of Equity Shares	9,484	57,373,201	-	-	-	57,382,685	-	57,382,685
Employee Share based payment options	-	-	1,454,247	-	-	1,454,247	-	1,454,247
Transactions with owners	51,671	124,316,524	4,683,139	-	-	139,594,952	7,827,662	147,422,614
Profit for the year	-	-	-	-	6,227,842	6,227,842	2,526,048	8,753,889
Currency translation differences	-	-	-	(4,531,791)	-	(4,531,791)	(544,754)	(5,076,545)
Gains/(losses) on sale / re-measurement of available-for-sale financial assets	-	-	(68,936)	-	-	(68,936)	(1,147)	(70,083)
Total comprehensive income for the year	-	-	(68,936)	3,189,641	9,050,027	1,627,114	1,980,147	3,607,262
Balance at 31 March, 2011	51,671	124,316,524	4,614,203	3,189,641	9,050,027	141,222,066	9,807,809	151,029,876
Balance at 1 April, 2010	42,187	66,943,323	3,228,892	7,721,432	2,822,186	80,758,020	7,827,662	88,585,682
Employee Share based payment options	-	-	727,124	-	-	727,124	-	727,124
Transactions with owners	42,187	66,943,323	3,956,016	-	-	81,485,144	7,827,662	89,312,806
Profit for the year	-	-	-	-	1,591,462	1,591,462	1,083,005	2,674,466
Currency translation differences	-	-	-	(4,634,153)	-	(4,634,153)	(314,819)	(4,948,972)
Gains/(losses) on sale / re-measurement of available-for-sale financial assets	-	-	30,809	-	-	30,809	-	30,809
Total comprehensive income for the year	-	-	30,809	3,087,279	4,413,647	(3,011,882)	768,186	(2,243,696)
Balance at 30 September 2010	42,187	66,943,323	3,986,825	3,087,279	4,413,647	78,473,262	8,595,848	87,069,110

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 September 2011
(All amounts in £, unless otherwise stated)

	For the period ended 30th September 2011 (Unaudited)	For the period ended 30th September 2010 (Unaudited)	For the year ended 31st March 2011 (Audited)
Cash flows from operating activities			
Profit / (Loss) for the year after Tax	2,150,966	2,674,467	8,753,889
Income tax expense	881,643	661,007	2,408,443
Financial Expenses	3,213,932	27,275	2,647,296
Financial Income	(1,349,816)	(885,846)	(1,326,695)
Share based compensation costs	727,124	727,124	1,454,247
Depreciation	776,487	410,040	1,208,461
	6,400,337	**3,614,066**	**15,145,641**
Movements in Working Capital			
(Increase) / Decrease in trade and other receivables	(4,233,803)	(5,891,265)	(5,706,441)
(Increase) / Decrease in inventories	(2,734,874)	(2,284,095)	(3,948,601)
(Increase) / Decrease in other current assets	421,343	449,240	(2,048,059)
Increase / (Decrease) in trade and other payables	1,149,816	3,012,854	5,258,094
Increase / (Decrease) in Other liabilities	106,079	29,492	(2,981,158)
Cash (used in) / generated from operations	**1,108,896**	**(1,069,707)**	**5,719,476**
Interest paid	(3,148,586)	(27,275)	(2,647,296)
Income Taxes paid, net of refunds	(218,473)	(545,643)	(1,964,628)
Net Cash Generated by / (used in) operating activities	**(2,258,163)**	**(1,642,625)**	**1,107,552**
Cash flow from investing activities			
Acquisition of property, plant and equipment	(25,213,585)	(12,624,171)	(19,758,114)
Sale of property, plant and equipment	-	-	-
(Increase) / Decrease in Advances	2,400,464	15,441,450	-
Finance Income	1,254,927	409,228	782,508
Dividend income	119,057	207,258	544,187
Movement in restricted cash	(1,782,752)	(129,575)	(931,303)
Net cash outflow on acquisition of subsidiaries	-	(2,057,447)	-
Sale / (Purchase) of Investments, net	798,709	6,602,651	3,124,948
Refund of Share Application Money	-	-	-
(Increase) / Decrease in land lease Deposits	(680,302)	-	(2,115,283)
Net cash (used) / generated by investing activities	**(23,103,482)**	**7,849,393**	**(18,353,056)**
Cash flows from financing activities			
Proceeds from issue of Ordinary Shares	-	-	57,382,685
Proceeds from borrowings	15,449,115	-	16,985,286
Repayment of borrowings	-	(2,131,685)	-
Net cash provided by financing activities	**15,449,115**	**(2,131,685)**	**74,367,971**
Net increase / (decrease) in cash and cash equivalents	**(9,912,530)**	**4,075,083**	**57,122,466**
Cash and cash equivalents at the beginning of the year / period	71,104,280	14,168,453	14,168,453
Effect of Exchange rate changes on the balance of cash held in foreign currencies	1,337,253	(1,231,334)	(186,639)
Cash and cash equivalents at the end of the year / period	**62,529,003**	**17,012,202**	**71,104,280**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
For the period ended 30 September 2011
(All amount in £, unless otherwise stated)

1. Corporate information

1.1 Nature of operations

OPG Power Ventures plc ('the Company' or 'OPGPV'), 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 these 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.

1.2 General information

OPG Power Ventures plc, a limited liability corporation, is the Group's ultimate parent Company and is incorporated and domiciled in the Isle of Man. The address of the Company's registered Office, which is also the principal place of business, is IOMA House, Hope Street, Douglas, Isle of Man 1M1 1JA. The Company's equity shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements 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 (Revised 2007) and have been presented in Great Britain Pound ('£'), which is the functional and presentation currency of the Company.

Comparative results for a corresponding period 30th Sept.2010 and for the year ended 31st March 2011 have been re-categorised for consistent presentation.

The consolidated, unaudited, interim financial statements of the Group for the six months ended 30th Sept.2011 were approved by the Board of Directors.

2.2 Basis of consolidation

These consolidated financial statements incorporate the financial information of OPG Power Ventures Plc and its subsidiaries for the year ended 30 September 2011.

A subsidiary is defined as an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which control is acquired by the Group, and continue to be consolidated until the date that such control ceases. All subsidiaries have a reporting date of 30th September and use consistent accounting policies adopted by the group.

All intra-group balances, income and expenses and any resulting unrealized gains arising from intra-group transactions are eliminated in full on consolidation.

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 minority interests/ other venturer in the Group where there is no loss of control are accounted for using the equity method, 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.

2.3 List of subsidiaries

Details of the Group's subsidiary which are consolidated into the Group's consolidated financial statement, are as follows:

Subsidiaries	Immediate parent	Country of incorporation	% Voting Right 2011	% Economic Interest 2011
Caromia Holdings limited ('CHL')	OPGPV	Cyprus	100	100
Gita Energy Private Limited ('GEPL') (refer note below)	CHL	Cyprus	100	100
Gita Holdings Private Limited ('GHPL') [1]	CHL	Cyprus	100	100
OPG Power Generation Private Limited ('OPGPG')	GEPL and GHPL	India	71.76	99
OPG Power Gujarat Private Limited ('OPGG')	GEPL and GHPL	India	65.90	99
OPG Renewable Energy Private Limited ('OPGRE')[2]	GEPL and GHPL	India	22	33
OPG Energy Private Limited ('OPGE') [3]	OPGPG	India	29.78	44.22
Gita Power and Infrastructure Private Limited, ('GPIPL')	GHPL	India	100	97.91

1. As of 10 February, 2011 pursuant to agreement for assignment of debt between CHL and OPGPV the entire shares held in GEPL and GHPL have been transferred by "OPGPV" to "CHL".

2 Pursuant to the voting rights agreement entered by GEPL with Tamil Nadu Properties and Salem Food Products Limited (hereinafter collectively referred as "investors'), the investors agreed that in consideration of GEPL agreeing to subscribe for shares in OPGRE, the investors will exercise all voting rights in accordance of the directions of GEPL. The total voting rights held by the investors amount to 56.35 percent. Further the investors have also appointed GEPL as the lawful attorney to exercise their voting rights. Therefore the combination of the directly held interests together with the voting rights of the investors controlled by the group via contracts, have the effect that the group controls a majority of voting rights in OPGE. Accordingly this is considered to be a subsidiary of the group.

3 Pursuant to the voting rights agreement entered by OPGPG with Tamil Nadu Properties and Salem Food Products Limited (hereinafter collectively referred as "investors'), the investors agreed that in consideration of OPGPG agreeing to subscribe for shares in OPGE, all voting rights in OPGE will be exercised in accordance with the directions of OPGPG. The total voting rights held by the investors amount to 36.88 percent. Further the investors also appointed OPGPG as the lawful attorney to exercise their voting rights. Therefore the combination of the directly held interests together with the voting rights of the investors controlled by the group via contracts, have the effect that the group controls a majority of voting rights in OPGE. Accordingly this is considered to be a subsidiary of the group.

2.4 Foreign currency translation

The functional currency of the Company is the Great Britain Pound Sterling (£). The Cypriot entities are an extension of the parent and pass through investment entities. Accordingly the functional currency of the subsidiaries 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. The presentation currency of the Group is the Great Britain Pound (£) as submitted to the AIM market 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 which is Great Britain Pound Sterling (£) at the rate of exchange ruling at the Statement of financial position date and the statement of comprehensive income is translated at the average exchange rate for the year. Exchange differences are charged/ credited to other comprehensive income and recognized in the currency translation reserve in equity.

Transactions in foreign currencies are translated at the foreign exchange rate ruling 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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Particulars	**30 September 2011**	**30 September 2010**	**31 March 2011**
Closing rate	77.53	70.91	72.60
Average rate	73.50	70.26	70.96

2.5 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 comprises revenue from 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 accrues (using the effective interest rate method). Revenue from dividends is recognised when the right to receive the payment is established.

2.6 Taxes

Current tax provision in these statements represents amounts of tax payable based on applicable taxation Law in the Group's country of operations. 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.

Deferred income tax is determined based on timing differences as at reporting date between the amounts of assets and liabilities carried in these financial reports and their tax bases

2.7 Use of Estimates

The preparation of financial statements necessarily involves the making of assumptions and estimations by the Management which impact on amounts of assets and liabilities as well as on contingent assets/liabilities reported in these statements. Similar estimations and assumptions by the Management are involved in the compilation of revenues and expenses for the period.

Management formulates its estimates and assumptions based on past experience and current developments as well as other factors to reach what it considers to be reasonable judgment in the total circumstances. Actual results may differ from the estimates depending on the assumptions used and conditions prevailed prevailing at the relevant point in time.

2.8 Segment Reporting:

The Group has adopted the “management approach” in identifying the operating segments as outlined in IFRS 8. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment has been identified as the steering committee that makes strategic decisions. Management has analysed the information that the chief operating decision maker reviews and concluded on the segment disclosure. In identifying its operating segments, management generally follows the Group’s service lines, which represent the generation of the power and other related services provided by the Group. The activities undertaken by the Power generation segment includes sale of power and other related services. The accounting policies used by the Group for segment reporting are the same as those used for Consolidated financial statements.

For management purposes, the Group is organised into only a single business unit of power generation and distribution of the same to customers. There are no geographical segments as all revenues arise from India.

3. Cash and cash equivalents

Cash and short term deposits comprise of the following:

	Consolidated		
	September 2011	**September 2010**	**March 2011**
Cash at banks and on hand	61,751,764	11,426,347	69,884,386
Short-term deposits	777,238	5,585,853	1,219,894
Total	**62,529,002**	**17,012,200**	**71,104,280**

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

4. Other income

	Consolidated		
	September 2011	**September 2010**	**March 2011**
Sale of Coal/fly ash	352,516	120,412	206,203
Compensation for loss of profit	-	-	1,888,294
Miscellaneous income/expense	21,050	787,516	443,372
Total	**373,566**	**907,928**	**2,537,869**

5. Property, plant and equipment, net – consolidation for the period ended 30 September 2011

The property, plant and equipment comprises of:

A. Gross Block						
Particulars	**Land and Buildings**	**Power Stations**	**Other plant and equipment**	**Vehicles**	**Assets under construction**	**Total**
As at 1 April 2010	9,428,735	8,270,456	95,643	142,991	47,459,623	65,397,447
- Additions	444,197	42,059,353	49,460	71,375	9,635,644	52,260,030
- Disposals	(53,270)	-	-	-	(35,578,462)	(35,631,732)
- Exchange adjustments	(614,406)	(538,929)	(6,233)	(9,318)	(3,092,619)	(4,261,505)
As at 31 March 2011	9,205,256	49,790,880	138,870	205,048	18,424,186	77,764,241
As at 1 April 2011	9,205,256	49,790,880	138,870	205,048	18,424,186	77,764,241
- Additions	153,183	355,402	34,795	68,402	10,573,220	11,185,002
- Disposals	-	-	-	-	-	-
- Exchange adjustments	(585,039)	(3,165,123)	(8,828)	(13,035)	(1,171,195)	(4,943,219)
As at 30 Sep 2011	8,773,399	46,981,159	164,837	260,416	27,826,212	84,006,023
B. Accumulated Depreciation						
Particulars	**Land and Buildings**	**Power Stations**	**Other plant and equipment**	**Vehicles**	**Assets under construction**	**Total**
As at 1 April 2010	207,803	2,478,598	42,713	39,076	-	2,768,190
- Additions	34,166	1,111,445	27,233	35,580	-	1,208,425
- Disposals	-	-	-	-	-	-
- Exchange adjustments	(14,313)	(186,610)	(3,398)	(3,350)	-	(207,670)
As at 31 March 2011	227,656	3,403,433	66,548	71,307	-	3,768,944
As at 1 April 2011	227,656	3,403,433	66,548	71,307	-	3,768,944
- Additions	17,105	724,295	14,788	20,299	-	776,487
- Disposals	-	-	-	-	-	-
- Exchange adjustments	(15,361)	(253,884)	(4,999)	(5,588)	-	(279,832)
As at 30 Sep 2011	**229,401**	**3,873,844**	**76,337**	**86,018**	**-**	**4,265,599**
Net Block						
2010-11	8,977,599	46,387,447	72,322	133,742	18,424,186	73,995,296
2011-12	8,543,998	43,107,315	88,500	174,398	27,826,212	79,740,424

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