

28 November 2019

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

**Unaudited results for the six months ended 30 September 2019**

OPG (AIM: OPG), the developer and operator of power generation plants in India, announces its unaudited results for the six months ended 30 September 2019 ("H1 FY20").

**Highlights**

- Profit from continuing operations increased by 8.9 per cent to £7.4m (H1 FY19: £6.8m);
- EPS increased by 23.1 per cent to 1.97p (H1 FY19: 1.60p);
- £9.6m term loan principal repayment in H1 FY20, representing 2.48 pence per share added in value to shareholders' equity;
- Gross debt reduced by 17.6 per cent to £70.7m (H1 FY19: £85.9m, £80.4m at 31 March 2019)
- H1 FY20 total generation of 1.4 billion units (H1 FY19: 1.5 billion units)
- Average tariff in H1 FY20 was Rs5.66 (H1 FY19: Rs5.20)

**Summary financial information (including historic financial data)**

£ million	HY 30 Sep 19	HY 30 Sep 18	FY 31 Mar 19
Revenue	78.4	77.9	140.6
Adjusted EBITDA*	18.0	17.6	35.3
Profit Before Tax	9.7	7.6	16.9
Profit After Tax	8.2	6.5	14.1
Earnings Per Share ("EPS") (pence)	1.97	1.60	3.81

\* Adjusted EBITDA is calculated as Operating profit before depreciation, amortisation and share based payments

**Arvind Gupta, Chairman, commented:** "Two years ago the Board adopted a strategy to focus on our profitable, long-life assets in Chennai and to deleverage in order to deliver growth in shareholders' equity by the transfer of value from debtholders to investors. This process continued successfully during the first half of this financial year.

"By maintaining our sector leading operational performance, we intend to sustain the rate of term debt repayment with the objective that in 2023 we will be debt free. As interest costs decline in line with borrowings we will generate increasing levels of free cash flow which, in due course, will increase shareholder value substantially."

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

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No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that earnings per OPG share for the current or future financial years would necessarily match or exceed the historical published earnings per OPG share.

### **Executive Chairman's Statement**

#### **Introduction**

In 2018, the Board took the decision to focus on our profitable, long-life assets in Chennai, and given the relatively high cost of borrowing in India, to prioritise maintaining its track record of timely debt repayments as a credible method at the current time to grow shareholders' equity. This strategy, we believe, would deliver value to shareholders and by the end of 2023 create a debt free business with free cash flows to provide significant returns to our shareholders.

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

	<b>FY18 - FY19</b>	<b>H1 FY20*</b>	<b>Expected H2 FY20*</b>	<b>Expected FY21*</b>
Term loan principal repayments (£ million*)	42.9	9.6	9.6	18.1
Addition to shareholders value as a result of term loan principal repayments per share (pence)	11.1	2.5	2.5	4.7

\* Based upon INR/GBP closing exchange rate at 30 September 2019 of 86.41

The Board remains convinced that our strategy of maintaining operational excellence and paying down borrowings is the right one to pursue for all our stakeholders.

## Operations Summary

Chennai - Total generation maintained at 1.44 billion kWh and PLF of 79%

	HY 30 Sep 2019	HY 30 Sep 2018	FY 31 Mar 2019
<b>Generation (million kWh)</b>			
414 MW Chennai	1,296	1,439	2,471
Additional "deemed" offtake at Chennai	144	106	234
<b>Total Generation (MUe)<sup>1</sup></b>	1,440	1,545	2,705
<b>Reported Average PLF (%)</b>			
414 MW Chennai	79%	85%	75%
<b>Average Tariff Realized (Rs)</b>			
414 MW Chennai	5.66	5.20	5.41

Note: <sup>1</sup> MU / Mue - millions units or kWh of equivalent power

Total Generation at the Chennai plant, excluding deemed generation, in H1 FY19 was 1.3 billion units, 10 per cent less than in H1 FY18. This decrease in generation was primarily due to decreased demand primarily by automobile and steel industrial customers as Indian economic growth moderated slightly. We recognised a prudent impairment provision of ₹5.2m covering an expected credit loss of certain trade receivables which are primarily deemed not recoverable and also due to dispute regarding particular contractual terms. Average tariffs realised in H1 FY20 were ₹ 5.66 per kWh and for FY20 are expected to be about the same (H1 FY19: ₹5.20; FY19: ₹5.41 per kWh).

### Focus on Maximising Asset Performance and Deleveraging

As previously announced, it is expected that the Company will be compliant with the revised emission norms introduced by the Indian environmental authorities and which have to be implemented by all thermal power plants across the country in a phased manner.

The average landed cost of coal was ₹50.1 (Rs 4,407) per tonne in H1 FY20, (₹49.3 or Rs4,517 per tonne in FY19).

As at 30 September 2019, total borrowings were ₹70.7 million, including term loans of ₹63.2million and working capital loans of ₹7.5 million. The remainder of the Chennai plant term loans are scheduled to be fully repaid by Unit II and III in calendar year 2022 and Unit IV in Q3 23. (Unit I term loan were fully repaid in December 2018)

### 62 MW Karnataka Solar projects

Our Karnataka solar projects are situated north of Bengaluru. All plants are operational and have met all critical operating metrics. Currently the projects are receiving a tariff of ₹ 4.36 per kWh. We expect the Capacity Utilisation Factor to be 19-20 per cent during FY20. As previously announced, the Board has decided to focus on the core thermal power plants business in Chennai and the Karnataka solar projects remain in a disposal process.

### The Indian Economy and Power Sector

The IMF's World Economic Update in October 2019 estimated an annual growth rate of 6.1 per cent in GDP for India in 2019, picking up to 7 per cent in 2020. Indian growth has slowed on the back of a decrease in private consumption and a decline in private investment due to the global manufacturing downturn and rising trade barriers.

To strengthen private consumption and spur private investment, the Indian government announced a corporate tax rate cut to 25.17 per cent (down from 34.94 per cent), a liquidity infusion into sectors including banking and real estate and an interest rate cut by the Reserve Bank of India of 110 basis points during our FY 20.

Indian power consumption per capita was only 1,149 kWh in 2018. It is expected that this will catch up with developed economies with similar social and economic conditions over time. India has moved up 14 positions to rank 63 globally, its highest ever, in the

World Bank's annual Ease of Doing Business table in the latest World Bank, Doing Business 2020 Report. The resultant impact is expected to be increased economic activity and industrialisation, contributing to increasing power demand.

## Outlook

We will maintain our strategy of maximising operational performance and deleveraging. Operationally, the Company is benefitting from the current level of coal prices and we expect to maintain strong plant load factors of between 75 and 80 per cent in FY20. This will allow us to demonstrate good profitability in FY20. We will continue to repay borrowings and increase the value to our shareholders as debt reduces and profitability increases.

## Consolidated statement of financial position

As at 30 Sep 2019

(All amount in £, unless otherwise stated)

	Notes	As at 30 Sep 2019	As at 30 Sep 2018	As at 31 Mar 2019
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	13(a)	17,201	42,981	23,603
Property, plant and equipment	13(b)	210,117,169	197,246,154	204,102,891
Investments accounted for using the equity method	5(a), 7	-	11,301,252	-
Other long-term assets		550,333	2,980,928	518,553
Restricted cash		12,776	4,786,914	517,271
		<b>210,697,479</b>	<b>216,358,229</b>	<b>205,162,318</b>
<b>Current assets</b>				
Inventories		5,843,949	5,197,880	7,151,366
Trade and other receivables	14	30,520,861	42,182,770	49,198,105
Other short-term assets		5,271,823	11,060,707	6,329,354
Current tax assets (net)		1,572,570	3,091,830	1,337,316
Restricted cash		26,895,190	19,513,067	23,030,599
Cash and cash equivalents	15	7,710,151	798,218	2,118,960
Assets Held for Sale	7(b)	51,990,582	-	50,497,664
		<b>129,805,126</b>	<b>81,844,472</b>	<b>139,663,364</b>
<b>Total assets</b>		<b>340,502,605</b>	<b>298,202,701</b>	<b>344,825,682</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		57,024	52,378	57,024
Share premium		129,125,915	125,567,473	129,125,915
Other components of equity		9,562,012	(3,317,105)	2,401,287
Retained earnings		29,566,684	17,949,568	21,916,422
<b>Equity attributable to owners of the Company</b>		<b>168,311,635</b>	<b>140,252,314</b>	<b>153,500,648</b>
Non-controlling interests		1,485,916	855,915	882,759
<b>Total equity</b>		<b>169,797,551</b>	<b>141,108,229</b>	<b>154,383,407</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	16	43,988,413	56,842,623	51,495,208
Trade and other payables		156,052	21,077,060	14,235,485
Provision for pledged deposits		13,192,917	-	12,627,381
Deferred tax liabilities (net)		4,529,358	1,833,002	2,380,115
		<b>61,866,740</b>	<b>79,752,685</b>	<b>80,738,189</b>
<b>Current liabilities</b>				
Borrowings	16	26,754,827	29,025,604	28,869,722
Trade and other payables		46,210,661	47,550,615	45,474,814
Other liabilities		41,861	765,568	91,764
Liabilities classified as held for sale	7(b)	35,830,965	-	35,267,786
		<b>108,838,314</b>	<b>77,341,787</b>	<b>109,704,086</b>
<b>Total liabilities</b>		<b>170,705,054</b>	<b>157,094,472</b>	<b>190,442,275</b>
<b>Total equity and liabilities</b>		<b>340,502,605</b>	<b>298,202,701</b>	<b>344,825,682</b>

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

The financial statements were authorised for issue by the board of directors on 27 November 2019 and were signed on its behalf by Arvind Gupta, Executive Chairman and Dmitri Tsvetkov, Chief Financial Officer

### Consolidated statement of comprehensive income

For the period ended 30 September 2019

(All amount in £, unless otherwise stated)

		Six months period ended 30 Sep 2019	Six months period ended 30 Sep 2018 "Restated" (Refer Notes 5(a), 10)	Year ended 31 March 2019
	Notes			
Revenue		78,417,196	77,865,908	140,632,328
Cost of revenue		(47,594,626)	(54,360,778)	(91,753,763)
<b>Gross profit</b>		<b>30,822,570</b>	<b>23,505,130</b>	<b>48,878,565</b>
Other income	9	539,467	816,397	2,645,332
Distribution cost		(4,900,291)	(4,449,571)	(8,476,933)
General and administrative expenses		(3,634,170)	(2,321,076)	(6,955,960)
Expected credit loss on trade receivables		(5,213,365)	-	(790,437)
Depreciation and amortisation		(3,212,367)	(3,059,313)	(6,064,374)
<b>Operating profit</b>		<b>14,401,844</b>	<b>14,491,567</b>	<b>29,236,193</b>
Finance costs	10	(5,587,338)	(9,002,009)	(14,586,917)
Finance income	11	851,944	2,076,678	2,207,480
<b>Profit before tax</b>		<b>9,666,450</b>	<b>7,566,236</b>	<b>16,856,756</b>
Tax expense	12	(2,273,982)	(804,026)	(1,819,387)
<b>Profit for the period from continued operations</b>		<b>7,392,468</b>	<b>6,762,210</b>	<b>15,037,369</b>
Gain/(Loss) from discontinued operations, including Non-Controlling Interest	7	854,333	(268,408)	(989,493)
<b>Profit for the period</b>		<b>8,246,801</b>	<b>6,493,802</b>	<b>14,047,876</b>
<b>Profit for the period attributable to:</b>				
Owners of the Company		7,650,262	6,487,742	14,020,364
Non - controlling interests		596,538	6,060	27,512
		<b>8,246,801</b>	<b>6,493,802</b>	<b>14,047,876</b>
<b>Earnings per share from continued operations</b>				
Basic earnings per share (in Pence)		1.90	1.67	4.09
Diluted earnings per share (in Pence)		1.90	1.67	4.09
<b>Earnings / (Loss) per share from discontinued operations</b>				
Basic earnings per share (in Pence)		0.07	(0.07)	(0.23)
Diluted earnings per share (in Pence)		0.07	(0.07)	(0.23)
<b>Earnings per share</b>				
-Basic (in pence)		1.97	1.60	3.81
-Diluted (in pence)		1.97	1.60	3.-81
<b>Other comprehensive income / (loss)</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Financial assets measured at FVPL				
Exchange differences on translating foreign operations		6,714,854	(4,511,100)	1,207,292
<b>Items that will be not reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations		6,619	(4,897)	961
<b>Total other comprehensive income / (loss)</b>		<b>6,721,473</b>	<b>(4,515,997)</b>	<b>1,208,253</b>
<b>Total comprehensive income</b>		<b>14,968,273</b>	<b>1,977,805</b>	<b>15,256,129</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company		14,365,116	1,976,642	15,227,656
Non-controlling interest		603,157	1,163	28,473
		<b>14,968,273</b>	<b>1,977,805</b>	<b>15,256,129</b>

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

The financial statements were authorised for issue by the board of directors on 27 November 2019 and were signed on its behalf by Arvind Gupta, Executive Chairman and Dmitri Tsvetkov, Chief Financial Officer

### Consolidated statement of cash flows

For the period ended 30 Sep 2019

(All amount in £, unless otherwise stated)

	Notes	Six months period ended 30 Sep 2019	Six months period ended 30 Sep 2018 "Restated" (Refer Notes 5(a), 10)	Year ended 31 March 2019
<b>Cash flows from operating activities</b>				
Profit before income tax		10,520,783	7,297,828	15,867,263
<i>Adjustments for:</i>				
(Gain)/Loss from discontinued operations, net	7	(854,333)	268,408	989,493
Unrealised foreign exchange Loss/(gain)		832,929	1,585,018	(416,338)
Financial costs		5,587,338	9,002,009	14,586,917
Financial income		(841,312)	(2,076,678)	(2,207,480)
Share based compensation costs		417,911	-	-
Depreciation and amortisation		3,212,367	3,059,313	6,064,374
Expected credit loss on Trade receivables		5,213,365	-	790,437
<i>Changes in working capital</i>				
Trade and other receivables		15,433,831	(8,334,431)	(16,021,881)
Inventories		1,598,836	4,312,858	2,564,914
Other assets		1,929,393	(1,163,448)	4,752,087
Trade and other payables		(16,383,490)	(760,992)	2,384,828
Other liabilities		(319,257)	(10,990)	(669,762)
<i>Cash generated from continuing operations</i>				
Taxes paid		(333,382)	(388,266)	(584,390)
Cash provided by (used for) operating activities of continuing operations		26,014,979	12,790,629	28,100,461
Cash provided by (used for) operating activities of discontinued operations		1,175,440	-	(8,256,479)
<b>Net cash provided by (used for) operating activities</b>		<b>27,190,419</b>	<b>12,790,629</b>	<b>19,843,983</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment (including capital advances)		51,644	(406,525)	(1,515,742)
Interest received		841,312	2,076,677	2,207,480
Movement in restricted cash		(2,264,585)	75,143	(1,737,255)
Sale of investments		-	4,120	785,222
Purchase of investments		(673,944)	-	-
Advances to associates		-	(268,998)	-
Cash from / (used in) investing activities of continuing operations		(2,045,573)	1,480,417	(260,295)
Cash from / (used in) investing activities of discontinued operations		-	-	(4,346,681)
<b>Net cash from / (used in) investing activities</b>		<b>(2,045,573)</b>	<b>1,480,417</b>	<b>(4,606,976)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings (net of costs)		(3,355,303)	6,114,016	7,535,858
Repayment of borrowings		(9,638,628)	(12,753,961)	(20,636,875)
Dividend paid		-	-	-
Finance costs paid	10	(5,587,338)	(9,002,009)	(14,835,536)
Cash used in financing activities of continuing operations		(18,581,269)	(15,641,954)	(27,936,553)
Cash used in financing activities of discontinued operations		(1,502,163)	-	12,717,446
<b>Net cash used in financing activities</b>		<b>(20,083,432)</b>	<b>(15,641,954)</b>	<b>(15,219,107)</b>
Net decrease in cash and cash equivalents from continuing operations		5,388,137	(1,370,908)	(96,387)
Net decrease in cash and cash equivalents from discontinued operations		(326,723)	-	114,286
<b>Net decrease in cash and cash equivalents</b>		<b>5,061,414</b>	<b>(1,370,908)</b>	<b>17,899</b>
Cash and cash equivalents at the beginning of the year		2,118,960	2,185,570	2,185,570
Cash and cash equivalents - solar business		361,747	-	231,953
Exchange differences on cash and cash equivalents		212,718	(16,444)	29,769
Cash and cash equivalents of the discontinued		(44,687)	-	(346,231)

operations

**Cash and cash equivalents at the end of the year**

<b>7,710,151</b>	<b>798,218</b>	<b>2,118,960</b>
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**Consolidated statement of changes in equity**

**For the period ended 30 Sep 2019**

(All amount in £, unless otherwise stated)

	Issued capital (No. of shares)	Ordinary shares	Share premium	Other reserves	Foreign currency translation reserve	Retained earnings	Total attributable to owners of parent	Non-controlling interests	Total equity
<b>At 1 April 2018</b>	<b>356,308,697</b>	<b>52,378</b>	<b>125,567,473</b>	<b>6,650,305</b>	<b>(5,456,310)</b>	<b>11,461,826</b>	<b>138,275,672</b>	<b>854,752</b>	<b>139,130,424</b>
Adjustments on account of deconsolidation subsidiary							-		-
Additions on consolidation of new subsidiary	-	-	-	-	-	(2,680)	(2,680)	(466)	(3,146)
Dividends (Note 21)	31,601,503	4,646	3,558,442	-	-	(3,563,088)	-	-	-
<b>Transaction with owners</b>	<b>31,601,503</b>	<b>4,646</b>	<b>3,558,442</b>	<b>-</b>	<b>-</b>	<b>(3,563,088)</b>	<b>(2,680)</b>	<b>(466)</b>	<b>(3,146)</b>
Profit for the year	-	-	-	-	-	14,020,364	14,020,364	27,512	14,047,876
Other comprehensive income	-	-	-	-	1,207,292	-	1,207,292	961	1,208,253
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,207,292</b>	<b>14,020,364</b>	<b>15,227,656</b>	<b>28,473</b>	<b>15,256,129</b>
<b>At 31 March 2019</b>	<b>387,910,200</b>	<b>57,024</b>	<b>129,125,915</b>	<b>6,650,305</b>	<b>(4,249,018)</b>	<b>21,916,422</b>	<b>153,500,648</b>	<b>882,759</b>	<b>154,383,407</b>
<b>At 01 April 2019</b>	<b>387,910,200</b>	<b>57,024</b>	<b>129,125,915</b>	<b>6,650,305</b>	<b>(4,249,018)</b>	<b>21,916,422</b>	<b>153,500,648</b>	<b>882,759</b>	<b>154,383,407</b>
Dividends	-	-	-	-	-	-	-	-	-
<b>Transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit for the period	-	-	-	-	-	7,650,262	7,650,262	596,538	8,246,800
Other comprehensive income	-	-	-	445,871	6,714,854	-	7,160,725	6,619	7,167,344
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>445,871</b>	<b>6,714,854</b>	<b>7,650,262</b>	<b>14,810,987</b>	<b>603,157</b>	<b>15,414,144</b>
<b>At 30 September 2019</b>	<b>387,910,200</b>	<b>57,024</b>	<b>129,125,915</b>	<b>7,096,176</b>	<b>2,465,836</b>	<b>29,566,684</b>	<b>168,311,635</b>	<b>1,485,916</b>	<b>169,797,551</b>
<b>At 01 April 2018</b>	<b>356,308,697</b>	<b>52,378</b>	<b>125,567,473</b>	<b>6,650,305</b>	<b>(5,456,310)</b>	<b>11,461,826</b>	<b>138,275,672</b>	<b>854,752</b>	<b>139,130,424</b>
Dividends	-	-	-	-	-	-	-	-	-
<b>Transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit for the period	-	-	-	-	-	6,487,742	6,487,742	6,060	6,493,802
Other comprehensive (loss) / income	-	-	-	(4,511,100)	-	-	(4,511,100)	(4,897)	(4,515,997)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,511,100)</b>	<b>6,487,742</b>	<b>1,976,642</b>	<b>1,976,642</b>	<b>1,163</b>	<b>1,977,805</b>

comprehensive (loss) / income									
At 30 September 2018	356,308,697	52,378	125,567,473	6,650,305	(9,967,410)	17,949,568	140,252,314	855,915	141,108,229

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

The financial statements were authorised for issue by the board of directors on 27 November 2019 and were signed on its behalf by Arvind Gupta, Executive Chairman and Dmitri Tsvetkov, Chief Financial Officer

## Notes to the consolidated financial statements

(All amounts are in £, unless otherwise stated)

### 1. Nature of Operations

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

### 2. Statement of compliance

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

### 3. General information

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

The Consolidated Financial statements for the period ended 30 September 2019 were approved and authorised for issue by the Board of Directors on 27 November 2019.

### 4. Recent accounting pronouncements

#### a) Change in accounting and measurement policies resulting from IFRS 16

Effective April 1, 2019, the group applied the accounting standard IFRS 16 "Leases" for the first time. IFRS 16 "Leases" replaces IAS 17 "Leases" and the corresponding interpretations. IFRS 16 introduces a uniform lessee accounting model that requires lessees to recognize all leases in the consolidated balance sheet. This model mandates that right-of-use assets be recognized for identified assets and lease liabilities recognized for entered payment obligations. In accordance with IFRS 16, lease liabilities to be recognized for leases with the group as a lessee are to be measured at the present value of the future lease payments. In accordance with IFRS 16, right-of-use assets are recognized within property, plant and equipment under the same line item that would have been used if the underlying asset had been purchased. In contrast to the previous approach of fully recognizing expenses from operating leases in the respective functional costs, interest expenses from the unwinding of the discount on lease liabilities will in future be recognized in the financial result. The new lease accounting regulations have no material impact on the consolidated financial statement of the Group.



## 5. Summary of significant accounting policies

### a) Basis of preparation

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

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

Net foreign exchange loss is attributable to foreign currency variations on import of coal financed under letter of credit for power plant operation and was reclassified from General and Administrative expenses to finance costs in the Consolidated Statement of Comprehensive Income period ended 30 September 2018, as all letter of credit related charges and interest are included in finance cost.

During FY ended 31 March 2019, results of operations of joint venture Padma Shipping Limited were reclassified to discontinued operations and accordingly the comparatives for September 2018 were restated to discontinued operations (£10,261) from share of loss from equity accounted investments (Note 7 (a)).

During FY2019, the Company obtained a right to exercise an option to buy additional 30% equity interest in solar companies. This right, in combination with other rights, provided substantive potential voting rights and investments in solar companies were re-classified from associates to subsidiaries. During FY2019, results of operations of associates Avanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Avanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited were reclassified to discontinued operations and accordingly the comparatives for September 2018 were restated to discontinued operations (£258,147) from share of loss from equity accounted investments. After evaluation of all options, the Company decided that the most efficient way to maximise shareholders' value from solar operations is to dispose solar companies and it initiated process of disposition of solar companies which met all conditions of IFRS 5 for classification of solar business as Assets held for sale at 30 September 2019 and 31 March 2019 (Note7 (b)).

#### Going concern

As at 30 September 2019 the Group had £7.7m in cash and net current assets of £21m. The directors and management have prepared a cash flow forecast to November 2020, 12 months from the date this report has been approved.

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

### 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 for the period of six months ended 30 September 2019.

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

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

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

### c) Investments in associates and joint ventures

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

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

### d) List of subsidiaries, joint ventures, and associates

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

(i) Subsidiaries	Immediate parent	Country of incorporation	% Voting Right		% Economic interest	
			September 2019	March 2019	September 2019	March 2019
Caromia Holdings limited ('CHL')	OPGPV	Cyprus	100.00	100.00	100.00	100.00
Gita Power and Infrastructure Private Limited, ('GPIPL')	CHL	India	100.00	100.00	100.00	100.00
OPG Power Generation Private Limited ('OPGPG')	GPIPL	India	72.50	73.49	99.91	99.91
Samriddhi Solar Power LLP (**)	OPGPG	India	100.00	100.00	100.00	100.00
Samriddhi Surya Vidyut Private Limited	OPGPG	India	100.00	100.00	100.00	100.00
OPG Surya Vidyut LLP (**)	OPGPG	India	100.00	100.00	100.00	100.00
Powergen Resources Pte Ltd	OPGPV	Singapore	98.67	98.67	100.00	100.00
Avanti Solar Energy Private Limited(*)	OPGPG	India	31.00	31.00	31.00	31.00
Mayfair Renewable Energy Private Limited(*)	OPGPG	India	31.00	31.00	31.00	31.00
Avanti Renewable Energy Private Limited(*)	OPGPG	India	31.00	31.00	31.00	31.00
Brics Renewable Energy Private Limited(*)	OPGPG	India	31.00	31.00	31.00	31.00

(\*)During FY2019, the Group obtained a right 'to exercise an option to buy additional equity interest in solar companies. This right, in combination with other rights, provided substantive potential voting rights and investments in solar companies were re-classified from associates to subsidiaries.

(\*\*) Converted into LLP.

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

% Voting Right

% Economic interest

Joint ventures	Venturer	Country of incorporation	September 2019	March 2019	September 2019	March 2019
Padma Shipping Limited ("PSL")	OPGPV / OPGPG/ SSVPL	Hong Kong	50	50	50	50

#### e) Foreign currency translation

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

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

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

INR exchange rates used to translate the INR financial information into the presentation currency of Great Britain Pound (£) are the closing rate as at 30 September 2019: 86.41 (31 March 2019: 90.28; 30 September 2018 : 94.21) and the average rate for the period ended 30 September 2019: 87.97 (31 March 2019: 91.60; 30 September 2018: 91.04)

#### f) Revenue recognition

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

#### *Sale of electricity*

Revenue from the sale of electricity is recognised 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 and reflecting the applicable customer tariff after deductions or discounts.

#### *Interest and dividend*

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

#### g) Operating expenses

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

#### h) Taxes

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

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

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

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

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

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

#### **i) Financial assets**

IFRS 9 Financial Instruments (2014) replaces the previous regulations of IAS 39 on financial instruments. The standard contains amended regulations on measurement categories for financial assets and includes some smaller changes in relation to the measurement of financial liabilities. It also contains regulations on impairments, which are based on expected losses for the first time. The new regulations on hedge accounting should improve the presentation of risk management activities in the consolidated financial statements. In line with the transitional regulations of IFRS 9, the prior-year carrying amounts are not adjusted. The application of the new classification and valuation regulations and the recognition of the associated effects of the changeover occur through the adjustment of the carrying amounts of the financial assets and liabilities as well as retained earnings as of 1 April 2018.

IFRS 9 includes new rules for classifying financial instruments, which basically envisage four valuation categories:

- Debt instruments measured at amortised cost
- Debt instruments measured at fair value through other comprehensive income, the changes in value of which are recognised with an effect on income (recycling) upon disposal
- Equity instruments measured at fair value through other comprehensive income, the changes in value of which remain in equity and are not recognised in profit or loss (no recycling) upon disposal
- Financial instruments measured at fair value through profit or loss

IFRS 9 also contains new regulations on the impairment of financial assets, which stipulate that such be based on expected losses.

#### **j) Financial liabilities**

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

#### **k) Fair value of financial instruments**

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

#### **l) Property, plant and equipment**

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

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

<b>Nature of asset</b>	<b>Useful life (years)</b>
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**

Effective April 1, 2019, the group applied the accounting standard IFRS 16 "Leases" for the first time. IFRS 16 "Leases" replaces IAS 17 "Leases" and the corresponding interpretations. IFRS 16 introduces a uniform lessee accounting model that requires lessees to recognize all leases in the consolidated balance sheet. This model mandates that right-of-use assets be recognized for identified assets and lease liabilities recognized for entered payment obligations. In accordance with IFRS 16, lease liabilities to be recognized for leases with the group as a lessee are to be measured at the present value of the future lease payments. In accordance with IFRS 16, right-of-use assets are recognized within property, plant and equipment under the same line item that would have been used if the underlying asset had been purchased. In contrast to the previous approach of fully recognizing expenses from operating leases in the respective functional costs, interest expenses from the unwinding of the discount on lease liabilities will in future be recognized in the financial result.

**o) Borrowing costs**

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

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

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

**p) Impairment of non-financial assets**

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

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

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

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

**r) Cash and cash equivalents**

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

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

**s) Inventories**

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

**t) Earnings per share**

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

**u) Other provisions and contingent liabilities**

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

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

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

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

**v) Share based payments**

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

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

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

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

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

#### **w) Employee benefits**

##### *Gratuity*

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

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

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

#### **x) Business combinations**

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

#### **y) Segment reporting**

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

#### **6. Significant accounting judgements, estimates and assumptions**

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

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



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

#### **a) Judgements**

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

##### *Assessing control of subsidiaries, associates, joint ventures*

During FY2019, the Company obtained a right to exercise an option to buy additional 30% equity interest in the solar companies. This right, in combination with other rights, provided substantive potential voting rights and the investments in the solar companies were re-classified from associates to subsidiaries. Subsequently, the results of operations of Avanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Avanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited were reclassified to discontinued operations.

##### *Non-current assets held for sale and discontinued operations*

The Group exercises judgement in whether assets are held for sale. After evaluation of all options, the Company decided that the most efficient way to maximise shareholders' value from solar operations is to dispose of the solar companies and it initiated the process of disposition of the solar companies. Under IFRS 5, such a transaction meets the 'Asset held for sale' when the transaction is considered sufficiently probable and other relevant criteria are met. Management consider that all the conditions under IFRS 5 for classification of the solar business as held for sale have been met as at 31 March 2019 and expects the interest in the solar companies to be sold within the next 12 months.

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

#### **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. At the end of each reporting period a review of the allowance for impairment of trade receivables is performed. Trade receivables do not contain a significant financing element, and therefore expected credit losses are measured using the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised on initial recognition. A provision matrix is utilised to estimate the lifetime expected credit losses based on the age, status and risk of each class of receivable, which is periodically updated to include changes to both forward-looking and historical inputs.

##### *Assets held for sale - Financial assets measured at FVPL*

Valuation of Investment in joint venture Padma Shipping is based on estimates and subject to uncertainties (Note 7(a)).

##### *Financial assets measured at FVPL*

Management applies valuation techniques to determine the fair value of available for sale financial assets where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market

participants would use in pricing the asset. Where such data is not observable, management uses its best estimate. Estimated fair values of the asset may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### *Other financial liabilities*

Borrowings held by the Group are measured at amortised cost (see note 5(j) and note 16).

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

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

### **7. Non-current asset held for sale and discontinued operation**

#### **a) Investment in joint venture Padma Shipping Limited - classified as held for sale**

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

During FY18, the Joint Venture partner due to a change in their group strategy requested for the Joint Venture to be terminated and as the vessels were still under Construction, OPG agreed with this proposal. During FY2019 one of the vessels was sold by the shipping yard and the second vessel was in the process of being sold. The Padma joint venture will be terminated and dissolved following the sale of the second vessel. As at 31 March 2019, the investment was therefore reclassified to assets held for sale. The second vessel was sold post year end.

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 the prior year provision of £3,247,668 as the shipping yard requested payment. Following the sale of the first vessel the corporate guarantee of \$2,800,000 was effectively released. During the FY 2019 the Company recognised an impairment provision of £1,000,000 against its advance of £1,727,418 (note 7(a)) on account of the impending dissolution of the JV and £10,200 share of loss. The carrying value of OPG's investment in the Padma joint venture, including the advance provided, of £918,432 was classified as Assets held for sale in the Consolidated Statement of Financial Position as at 30 September 2019 and at 31 March 2019 and the results of Padma's operations were included in Loss from discontinued operations in the Consolidated Statement of Comprehensive Income.

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

During FY2019, the Company obtained a right to exercise an option to buy additional 30% equity interest in the solar companies following the achievement of the conditions precedent. This right, in combination with other rights, provided substantive potential voting rights and the investments in the solar companies were re-classified from associates to subsidiaries in FY2019. During FY2019, the results of the operations of Avanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Avanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited were therefore consolidated. After evaluation of all the options, the Company decided that the most efficient way to maximise shareholders' value from the solar operations is to dispose of the solar companies and the process of disposition of the solar companies was initiated. Management expects the interest in the solar companies to be sold within the next 12 months.

Accordingly, the assets and liabilities relating to Avanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Avanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited have been presented as held for sale. There was no gain or loss associated with the reclassification.

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

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

	As at 30 September 2019	As at 31 March 2019
Property, plant and equipment	48,721,535	46,442,294
Trade and other receivables	699,565	578,721
Other short-term assets	363,362	499,527
Restricted cash	1,237,125	1,712,450
Cash and cash equivalents	50,563	346,240
Investment in Joint venture classified as held for sale	918,432	918,432
<b>Total</b>	<b>51,990,582</b>	<b>50,497,664</b>

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

	As at 30 September 2019	As at 31 March 2019
<b>Non Current liabilities</b>		
Borrowings	18,832,782	17,194,745
Trade and other payables	9,745,988	7,710,956
Deferred tax liability	1,767,680	1,666,495
<b>Current liabilities</b>		
Trade and other payables	1,351,255	3,958,192
Other liabilities	4,133,261	4,737,398
<b>Total</b>	<b>35,830,965</b>	<b>35,267,786</b>

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

	For six months period ended Sep 19	For FY 19	For six months period ended Sep 18(*)
<b>Solar Business</b>			
Revenue	2,490,019	5,007,509	490,560
Operating profit before impairments	2,334,873	4,321,228	343,054
Finance cost	(1,468,304)	(2,294,669)	(341,660)
Current Tax	(12,236)	(363,372)	(3,390)
Deferred tax	-	(1,642,480)	(256,150)
<b>Gain/(Loss) from Solar business</b>	<b>854,333</b>	<b>20,707</b>	<b>(258,147)</b>
Share of loss from Padma Shipping Limited	-	(1,010,200)	(10,261)
<b>Gain/(Loss ) after tax of discontinued operations attributable to owners of the Company</b>	<b>854,333</b>	<b>(989,493)</b>	<b>(268,408)</b>

(\*) for solar business, share of loss from equity accounted investments alone considered.

## 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 are two operating segments, thermal power and solar power following the reclassification of the interest in the solar companies as subsidiaries as detailed in note 7(b). The solar power business was classified as held for sale subsequently. There are no geographical segments as all revenues arise from India.

Revenue on account of sale of power to one customer exceeding 10% of total sales revenue amounts to £12,124,876 (2019: £18,894,360).

### Segmental information disclosure

Segment	Continuing operations			Discontinued operations		
	Sep-19	Thermal Sep-18	FY2019	Sep-19	Solar Sep-18(*)	FY2019
<b>Revenue</b>						
Sales	78,417,196	77,865,908	140,632,328	2,490,019	490,560	5,007,509
<b>Total</b>	<b>78,417,196</b>	<b>77,865,908</b>	<b>140,632,328</b>	<b>2,490,019</b>	<b>490,560</b>	<b>5,007,509</b>
Depreciation	(3,212,367)	(3,059,313)	(6,064,374)	-	-	-
Impairment	-	-	-	-	-	-
Profit / (loss) from operation	14,401,844	14,491,567	29,236,193	2,334,873	343,054	4,009,485
Finance Income	851,944	2,076,678	2,207,480	-	-	311,744
Finance Cost	(5,587,338)	(9,002,009)	(14,586,917)	(1,468,304)	(341,660)	(2,294,669)
Tax expenses	(2,273,982)	(804,026)	(1,819,387)	(12,236)	(259,541)	(2,005,852)
<b>Profit / (loss) for the year</b>	<b>7,392,468</b>	<b>6,762,210</b>	<b>15,037,369</b>	<b>854,333</b>	<b>(258,147)</b>	<b>20,708</b>
Assets	288,512,023	286,901,449	294,328,018	51,072,149	11,301,252	49,579,232
Liabilities	134,874,089	157,094,472	155,174,489	35,830,965	-	35,267,786

(\*) for solar business, Share of loss from equity accounted investments alone considered

### 9. Other income and expenses

	30 Sep 2019	30 Sep 2018	31 March 2019
<b>Other income</b>			
Sale of coal	312,908	158,821	887,816
Sale of fly ash	1,828	31,269	48,910
Power trading commission and other services	20,631	355,463	1,217,369
Others	204,100	270,844	491,237
<b>Total</b>	<b>539,467</b>	<b>816,397</b>	<b>2,645,332</b>

### 10. Finance costs

Finance costs are comprised of:	30 Sep 2019	30 Sep 2018	31 March 2019
Interest expenses on borrowings	4,778,805	5,338,513	10,210,464
Net foreign exchange loss	266,286	3,193,391	3,126,825
Other finance costs	542,247	470,105	1,249,628
<b>Total</b>	<b>5,587,338</b>	<b>9,002,009</b>	<b>14,586,917</b>

### 11. Finance income

	30 Sep 2019	30 Sep 2018	31 March 2019
Interest income on bank deposits	851,944	2,076,678	2,192,555
Profit on disposal of financial instruments*	-	-	14,925
<b>Total</b>	<b>851,944</b>	<b>2,076,678</b>	<b>2,207,480</b>

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

### 12. Tax expense

	30 Sep 2019	30 Sep 2018	31 March 2019
Current tax	267,559	428,233	1,281,584
Deferred tax	2,006,423	375,793	537,803
<b>Tax reported in the statement of comprehensive income</b>	<b>2,273,982</b>	<b>804,026</b>	<b>1,819,387</b>

The Company is subject to Isle of Man corporate tax at the standard rate of zero percent. As such, the Company's tax liability is zero. Additionally, Isle of Man does not levy tax on capital gains. However, considering that the group's operations are entirely based in India, the effective tax rate of the Group has been computed based on the current tax rates prevailing in India. Further, a substantial portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to generation of power in India. Under the tax holiday the

taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years out of a total of fifteen consecutive years from the date of commencement of the operations. However, the entities in India are still liable for Minimum Alternate Tax which is calculated on the book profits of the respective entities currently at a rate of 17.47% (31 March 2019: 21.34%).

### 13.

#### a) Intangible assets

As At	30 Sep 2019	31 Mar 2019	30 Sep 2018
<b>Cost</b>			
<b>Opening</b>	<b>852,624</b>	<b>847,648</b>	<b>847,648</b>
Additions	-	-	-
Deletions	-	-	-
Exchange adjustments	38,187	4,976	(30,591)
<b>Total</b>	<b>890,811</b>	<b>852,624</b>	<b>817,057</b>
<b>Accumulated depreciation and impairment</b>			
<b>Opening</b>	<b>829,021</b>	<b>783,478</b>	<b>783,478</b>
Charge for the year	7,327	40,354	19,531
Exchange adjustments	37,262	5,190	(28,933)
<b>Total</b>	<b>873,610</b>	<b>829,021</b>	<b>774,076</b>
<b>Net book value</b>	<b>17,201</b>	<b>23,603</b>	<b>42,981</b>

#### b) Property, plant and equipment

	Land & Buildings	Power stations	Other plant & equipment	Vehicles	Solar assets	Assets under construction	Total
<b>Cost</b>							
<b>At 1 April 2018</b>	<b>4,744,093</b>	<b>221,066,874</b>	<b>614,925</b>	<b>2,394,639</b>	-	<b>4,530,760</b>	<b>233,351,291</b>
Additions	236,830	316,648	1,154,749	8,751	-	18,803	1,735,781
Additions solar assets, Note 7(b)	-	-	-	-	46,635,849	-	46,635,849
Deletions	-	(11,054)	-	-	-	-	(11,054)
Solar assets held for sale, Note 7(b)	-	-	-	-	(46,635,849)	-	(46,635,849)
Transfers on capitalisation	-	290,658	-	-	-	(290,658)	-
Exchange adjustments	26,978	1,297,928	3,595	14,023	-	26,959	1,369,483
<b>At 31 March 2019</b>	<b>5,007,901</b>	<b>222,961,054</b>	<b>1,773,269</b>	<b>2,417,413</b>	-	<b>4,285,864</b>	<b>236,445,501</b>
Additions	3,851	11,472	113,215	-	-	199,542	328,080
Exchange adjustments	225,200	9,997,059	67,884	108,303	-	-	10,398,446
<b>At 30 September 2019</b>	<b>5,236,952</b>	<b>232,969,585</b>	<b>1,954,368</b>	<b>2,525,716</b>	-	<b>4,485,406</b>	<b>247,172,027</b>
<b>Accumulated depreciation and impairment</b>							
<b>At 1 April 2018</b>	<b>32,174</b>	<b>24,456,188</b>	<b>526,100</b>	<b>1,065,694</b>	-	-	<b>26,080,156</b>
Charge for the year	12,363	5,494,384	103,316	413,957	-	-	6,024,020
Additions solar assets, Note 7(b)	-	-	-	-	4,417	-	4,417
Exchange adjustments	493	221,076	4,595	12,270	-	-	238,434
Solar assets held for sale, Note 7(b)	-	-	-	-	(4,417)	-	(4,417)
<b>At 31 March 2019</b>	<b>45,030</b>	<b>30,171,648</b>	<b>634,011</b>	<b>1,491,921</b>	-	-	<b>32,342,610</b>
Charge for the period	6,632	2,864,597	134,822	198,989	-	-	3,205,040
Exchange adjustments	2,008	1,406,336	28,413	70,451	-	-	1,507,208
<b>At 30 September 2019</b>	<b>53,670</b>	<b>34,442,581</b>	<b>797,246</b>	<b>1,761,361</b>	-	-	<b>37,054,858</b>
<b>Net book value</b>							
<b>At 30 September 2019</b>	<b>5,183,282</b>	<b>198,527,004</b>	<b>1,157,122</b>	<b>764,355</b>	-	<b>4,485,406</b>	<b>210,117,169</b>
<b>At 31 March 2019</b>	<b>4,962,871</b>	<b>192,789,406</b>	<b>1,139,258</b>	<b>925,492</b>	-	<b>4,285,864</b>	<b>204,102,891</b>

**14. Trade and other receivables**

	30 Sep 2019	30 Sep 2018	31 March 2019
<b>Current</b>			
Trade receivables	29,481,117	40,990,171	32,455,254
Unbilled revenues	939,059	1,107,664	16,624,328
Other receivables	100,686	84,935	118,523
	<b>30,520,861</b>	<b>42,182,770</b>	<b>49,198,105</b>

Trade receivables that are neither past due nor impaired represents billings for the month of September 2019. Trade receivables as on 30 September 2019 are net off £ 13,185,113 being the security deposit received from customers.

Expected Credit Loss ("ECL") recognised in profit or (loss) during the period ended 30 September 2019 of £ 5,213,365 (September 2018 -NIL, FY2019 £790,437). ECL are measured using the simplified approach permitted by IFRS 9, which requires lifetime ECL to be recognised. The Group determined that for certain trade receivables an impairment provision have to be recognised as they deemed to be not recoverable and also due to dispute regarding particular contractual terms.

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

Period	Total	Neither past due nor impaired	Past due but not impaired	
			Within 180 days	Over 180 days
Sep-19	30,520,861	10,648,514	11,698,654	8,173,693
Mar-19	49,198,105	26,710,178	17,982,630	4,505,297
Sep-18	42,182,770	15,628,017	13,328,000	13,226,753

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

Period	Opening balance	Provision for the year	Closing balance
Sep-19	1,061,553	5,213,365	6,274,918
Mar-19	271,116	790,437	1,061,553
Sep-18	271,116	-	271,116

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

**15. Cash and cash equivalents**

Cash and short term deposits comprise of the following:

	30 Sep 2019	30 Sep 2018	31 March 2019
Cash at banks and on hand	2,139,037	798,218	2,118,960
Short-term deposits	5,571,114	-	-
	<b>7,710,151</b>	<b>798,218</b>	<b>2,118,960</b>

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

## 16. Borrowings

The borrowings comprise of the following:

	30 Sep 2019	30 Sep 2018	31 March 2019
Term loans at amortised cost and cash credit loans at cost	70,743,240	85,868,227	80,364,930
<b>Total</b>	<b>70,743,240</b>	<b>85,868,227</b>	<b>80,364,930</b>

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

	30 Sep 2019	30 Sep 2018	31 March 2019
<b>Current liabilities</b>			
Amounts falling due within one year	26,754,827	29,025,604	28,869,722
<b>Non-current liabilities</b>			
Amounts falling due after 1 year but not more than 5 years	43,988,413	56,842,623	51,495,208
<b>Total</b>	<b>70,743,240</b>	<b>85,868,227</b>	<b>80,364,930</b>

## 17. Share based payments

### Share options

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.

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

	30 Sep 2019	31 March 2019
At 1 April	21,774,234	22,024,234
Forfeited/cancelled	(21,524,234)	(250,000)
<b>Total</b>	<b>250,000</b>	<b>21,774,234</b>

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

	Granted in 2015	Granted in 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%
	1.26%	3.00%

Annual risk free rate (%)

5.36

4.96

Expected option life (years)

### **Long Term Incentive Plan**

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

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

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

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

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

The share price performance metric will be deemed achieved if the average share price over a fifteen day period exceeds the applicable target price. In the event that the share price or other performance targets do not meet the applicable target, the number of vesting shares would be reduced pro-rata, for that particular year. However, no LTIP Shares will vest if actual performance is less than 80 per cent of any of the performance targets in any particular year. The terms of the LTIP provide that the Company may elect to pay a cash award of an equivalent value of the vesting LTIP Shares.

None of the LTIP Shares, once vested, can be sold until the third anniversary of the award, unless required to meet personal taxation obligations in relation to the LTIP award.

For LTIP Shares awards, £417,911 (1H FY19: nil) has been recognised in General and administrative expenses in the six months period ended 30 September 2019.

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



share)			
Expected volatility (%)	68.00%	64.18%	55.97%
Annual costs of LTIP	835,822	535,247	194,779

**18. Post - reporting date events**

On 25 November 2019, Company's Annual General Meeting approved scrip dividend of 0.6 pence per share for the financial year 2019 in respect of 387,910,200 existing ordinary share of 0.0147 pence each in the capital of the Company.

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