



Power Ventures Plc  
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OPG Power Ventures plc  
01 August 2019

1 August 2019

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

**Final results for the year ended 31 March 2019**

OPG (AIM: OPG), the developer and operator of power generation assets in India, announces its final results for the year ended 31 March 2019 ("FY19").

**Highlights**

- Profit after tax was £14.0m compared with a loss of £100.9m in FY18
- Total generation (including deemed) of 2.7 billion units, down 2 per cent from FY18
- Revenue up 0.4% to £140.6m from £140.1m in FY18
- Adjusted EBITDA of £35.3m (25.1% margin) compared with £24.7m (17.6% margin) in FY18\*\*
- Full year scrip dividend of 0.6p per share (FY18: scrip dividend of 1p per share)
- Term loans principal debt repayment £20.6m (5.3 pence per share)
- Borrowings reduced with gross debt of £80.4m\*, compared to £93.5m at 31 March 2018

**Summary financial information**

	£ million	
	FY19	FY18
Revenue	140.6	140.1
Adjusted EBITDA**	35.3	24.7
Profit from continuing operations before impairments and tax	16.8	6.2
Loss from discontinued operations, incl. NCI	(1.0)	(100.0)
Profit/(loss) for the year	14.0	(100.9)
Earnings/(loss) per share (pence)	3.8	(24.7)
Gross debt*	80.4	93.5
Total generation (billion kWh)	2.7	2.8

\* Gross Debt of 80.4 million consists of long term loan of 69.9 million and working capital of 10.5 million

\*\* Excluding one-off impairment provision of £7.3m in FY18

**Arvind Gupta, Executive Chairman said:** "The outlook for the Indian economy in general and the power sector in particular continues to be buoyant. OPG's business in FY19 performed well both operationally and financially. We are maintaining our strategy to build value for shareholders by repaying borrowings. In the year under review we added 5.3p per share to equity holders from deleveraging and are recommending a full year scrip dividend of 0.6p per share.

"By maintaining our focus on the profitable operation of our high quality assets, we expect to continue to reduce debt and pay dividends in order to maximise shareholder value."

**Conference call and presentation**

There will be a call for analysts and investors at 9.30 am BST today, hosted by Executive Chairman, Arvind Gupta, COO, Avantika Gupta and CFO, Dmitri Tsvetkov. Dial-in details are set out below.

Participants can access the call by dialling one of the following numbers below approximately 10 minutes prior to the start of the call.

UK Toll-Free Number: 0800 358 9473

UK Toll Number: +44 333 300 0804

PIN: 17208614#

The presentation will be available for download from the Company's website: <http://www.opgpower.com/> or by clicking on the link below:

<https://www.anywhereconference.com?Conference=301296407&PIN=17208614&UserAudioMode=DATA>

A recording of the conference call will subsequently be available on the Company's website.

**For further information, please visit [www.opgpower.com](http://www.opgpower.com) or contact:**

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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')*

**Executive Chairman's Statement**

**Strong operational performance and robust profitability**

This is the first year we are presenting full year results based on the performance of the Chennai plant following the deconsolidation of the Gujarat SPV last year. Our strong operational performance and robust profitability in FY19 is in line with expectations and demonstrates that focusing on the existing operations and deleveraging remains the right strategy. We will continue to use the strong cash generation of our existing operations to repay our debt and we aim to be debt free by the end of calendar 2023.

The Chennai plants' generation, including deemed generation, during FY19 was 2.7 billion units, two per cent lower than during FY18, with average Plant Load Factor ("PLF") at 75 per cent (FY18: 77 per cent). This slight decrease in generation was primarily due to Unit IV (180 MW) being shut down from early December 2018 to early March 2019 whilst turbine repairs were undertaken, following an unplanned shutdown. During FY19 we achieved a 10 per cent increase in sales tariffs and the average realised tariff for our industrial and commercial customers was Rs5.41 (FY18: Rs4.92). Since the year end, most of our users in Chennai have renewed their contracts.

In FY19, the Group's revenue was £140.6 million (FY18: £140.1 million) and adjusted EBITDA was £35.3 million (FY18: £24.7 million). Average adjusted EBITDA for the last five years was £39.2 million. Profit from continuing operations was £15.0 million (FY18: loss of £0.9 million) and net profit after tax was £14.0 million, in comparison with a loss of £100.9 million incurred in FY18 as a result of the deconsolidation of the Gujarat plant last year.

After the period end, in May 2019, the Company secured a hedge against the volatility of coal price movements and has entered into a fixed price coal purchase agreement for 1 million tonnes (representing approximately 60 per cent of the Group's annual coal requirements). The delivery of coal under the purchase agreement started in June 2019 and will end in March 2020. This means that OPG expects greater visibility of FY20 financial performance.

This was the first year of operations of the Group's Karnataka solar projects (62MW) situated north of Bengaluru. All plants are operational and have met all critical operating metrics. A Capacity Utilisation Factor of 17 per cent was achieved in FY 19 for these solar projects which is well within industry standard. However, given the long term returns from solar projects and the level of capital investment required, the Board has decided to focus on the core thermal power plants business and announces its intention to dispose of the Karnataka solar projects.

**Continued deleveraging**

Total borrowings during FY19 were reduced from £93.5 million to £80.4 million, comprising term loans of £69.9 million and working capital loans of £10.5 million.

The Company achieved a major milestone with respect to Unit 1 of the Chennai plant (77 MW out of 414 MW) when its term loans were fully repaid in December 2018. Based on the term loans' repayments schedule, all Chennai plants are expected to be debt free in calendar 2023.

Interest on term loans and principal repayments paid at Chennai in FY19, amounted in aggregate to £29.6 million, including £20.6 million of principal repayments, representing 5.3 pence per share added in value to shareholders' equity. This trend will continue over the next three years. In FY20 we expect to repay £17.3 million of term loans thereby increasing shareholders equity value by another 4.5 pence per share.

**Indian economy**

India has achieved steady and robust macroeconomic growth in past few years and continues to ascend in the rankings of the world' economies. India's gross domestic product is expected to reach US\$6 trillion by 2027 and India is forecast to be the third largest consumer economy in the world, with consumption predicted to triple to US\$4 trillion by 2025, reflecting accelerating shifts in consumer behaviour and expenditure patterns.

India's GDP grew by 6.8 per cent in FY19 and is projected to grow at an average of seven per cent per year in over the 2019-2023 period.

**Power sector**

Rapid infrastructure development in key sectors such as power remain important priority for the newly elected Government of India.

With electricity production of 1,249.3 billion units in FY19, India is the third largest producer and consumer of power in the world and the Government's goal is to meet the anticipated growth in demand by doubling the current capacity to provide 24x7 electricity to all users. India is planning to derive 40 per cent of its energy output from non-fossil fuel sources by 2030, which will mean raising renewable energy installed capacity from 57 GW to 175 GW by 2022.

Under the Paris Agreement, India has made three commitments. India's greenhouse gas emission intensity of GDP will be reduced by 33-35 per cent below 2005 levels by 2030. 60 per cent of India's power capacity at that time would be still based on fossil fuel sources and India will create an additional 'carbon sink' of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030. We fully endorse this initiative and will procure best in class equipment to comply with emissions standards applied to our power plants.

#### Emission Norms

The Indian Government has notified revised compliance standards for emission norms of thermal power plants across the country to be effective in a phased manner up to 2022. The Company is well placed to comply with the new standards by incurring required capital expenditures in a staged manner over next three years. Implementation of emission reduction program will also require shut downs for each of the four units over FY20 and FY21 and therefore the Company expects plant load factors at Chennai to be around 70-75%. The Company is evaluating various technologies with a view to be fully compliant to the revised emission norms by the stipulated timeline.

#### Dividend

The shutdown of Unit 4 for three months impacted FY19 cash flows and considering the additional capital expenditure and lower expected PLF with respect to implementation of the emission reduction program, the Board has decided to conserve cash for these proposed obligations and has declared a full year scrip dividend of 0.6p per share (FY18: scrip dividend of 1p per share), subject to approval by shareholders at the Company's Annual General Meeting.

#### Outlook

The Company will remain focused in FY20 on delivering robust operational performance. We will continue to repay term loans in accordance with the repayment schedule. With the Group paying up to 13 per cent interest on its bank debt, the Board believes that maintaining focus on improvement in operations and deleveraging will provide the best returns to shareholders.

On behalf of the Board, I thank the shareholders, lenders, customers, our loyal and hardworking employees, vendors, Government and regulatory authorities for their continuous support. We are confident that the Group is now well positioned to deliver value to shareholders and take advantage of market opportunities as they arise.

#### Arvind Gupta

Executive Chairman  
31 July 2019

#### Financial Review

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

#### Income statement

Year ended 31 March	2019 £m	% of revenue	Restated*/** 2018 £m	% of revenue
Revenue	140.6		140.1	
Cost of revenue (excluding depreciation)	(91.7)		(100.2)	
<b>Gross profit</b>	<b>48.9</b>	<b>34.8</b>	<b>39.9</b>	<b>28.5</b>
Other income	2.6		2.0	
Distribution, general and administrative expenses (excluding depreciation)	(16.2)		(17.2)	
<b>Adjusted EBITDA***</b>	<b>35.3</b>	<b>25.1</b>	<b>24.7</b>	<b>17.6</b>
Depreciation and amortization	(6.1)		(6.5)	
Net finance costs*	(12.4)		(12.0)	
<b>Profit from continuing operations before tax and impairments</b>	<b>16.8</b>	<b>11.9</b>	<b>6.2</b>	<b>4.4</b>
Impairment provision for loss on assets under construction	-		(4.0)	
<b>Profit before tax from continuing operations</b>	<b>16.8</b>	<b>11.9</b>	<b>2.2</b>	<b>1.6</b>
Taxation	(1.8)		(3.1)	
<b>Profit/(loss) after tax from continuing operations</b>	<b>15.0</b>	<b>10.7</b>	<b>(0.9)</b>	<b>(0.7)</b>
<b>Loss from discontinued operations, incl. non-controlling interest **</b>	<b>(1.0)</b>		<b>(100.0)</b>	
<b>Profit/(loss) for the year</b>	<b>14.0</b>		<b>(100.9)</b>	

\*Net foreign exchange loss was reclassified from General and Administrative expenses to finance costs in FY18.

\*\*Impairment provision for loss of investment in Padma Shipping JV and Group's share in losses of Padma's operations losses were reclassified to Loss from discontinued operations in FY18

\*\*\*Excluding one off impairment provision of £4.0m in FY18

#### Revenue

The Group's revenue has increased by £0.5m, reflecting a 0.4% growth year on year as a result of an increase in tariff during FY19, partly offset by decrease in generation. Average tariff realised during FY19 increased to Rs5.56 per kWh, as a result of tariff increases during the year for captive customers. Generation exported to customers and billed for revenue, including

deemed generation, decreased by 2 per cent to 2.7 billion units during FY19 in comparison with FY18 generation. This slight decrease in generation was primarily due to Unit IV (180 MW) being shut down from early December 2018 to early March 2019 whilst turbine repairs were undertaken.

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

Particulars	FY19	FY18
Total generation, incl. "deemed" generation (million units)	2,705	2,770
Plant Load Factor (PLF) (%) <sup>1</sup>	75	77
Average tariff (INR/unit) <sup>2</sup>	5.56	5.21

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

2 Average tariff includes effect of deemed offtake tariff for Chennai Unit 3. Average FY19 tariff excluding effect of deemed offtake was Rs5.41 (FY18: Rs4.92).

#### Gross profit

Gross profit (GP) in FY19 was 34.8% of revenue (FY18: 28.5%). The increase in GP is primarily on account of increase in tariff during FY19 in comparison with FY18.

The cost of revenue represents fuel costs. The table below shows the price and blend of Indian and Indonesian coal consumed in FY19 and FY18.

#### Price and blend of Indian and Indonesian coal consumed

Financial year	Average factory gate price (INR/mt)		Average factory gate price (INR/mKCal)		Blend%
	Indian coal	Imported Coal	Indian coal	Imported coal	
FY19	3,634	4,598	1,024	1,130	8:92
FY18	3,467	4,593	963	1,114	6:94
Change %	4.8	0.11			

#### Adjusted EBITDA

Adjusted earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) is a measure of a business' cash generation from operations before depreciation, interest and exceptional and non-standard or non-operational changes. Adjusted EBITDA is useful to analyse and compare profitability among periods and companies, as it eliminates the effects of financing and capital expenditures.

Adjusted EBITDA was £35.3m in FY19 increase from £24.7m in FY18 and adjusted EBITDA margin was higher at 25.1% in FY19 against 17.7% in FY18 on account of increase in GP margin.

Profit from continuing operations before tax was £16.8m compared with a profit from continuing operations before tax and impairment of £6.2m in FY18 (after impairment in FY18 it was a profit before tax of £2.2m).

Profit before tax reconciliation ('PBT') (£m)	FY 19
PBT 2018-19	16.8
PBT 2017-18	2.2
<b>Increase in PBT</b>	<b>14.6</b>
Increase in GP	9.0
Increase in Other Income	0.6
Decrease in Distribution, General & Administrative Expenses, Expected Credit Loss	0.9
Increase in Net Finance Costs	(0.4)
Decrease in Depreciation and Amortisation	0.5
Impairment provision for loss on asset under construction*	4.0
<b>Increase in PBT</b>	<b>14.6</b>

\*£4m being impairment of obsolete assets under construction, as a one off transaction in FY18.

#### Taxation

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

The tax expense during the year was £1.8m comprised of current tax expense of £0.9m and deferred tax expense of £0.9m.

#### Profits after tax from continuing operations

Profits after tax from continuing operations have increased by £15.9m from loss of £0.9m in FY18 to profit of £15.0m in FY19.

#### Assets Held for Sale and Loss from discontinued operations

##### 62MW Karnataka solar projects

In FY18 four Karnataka solar projects (62MW) were commissioned. The Group has a 31% equity interest in these projects. During FY19, the Company obtained a right to buy additional 30% equity interest in solar companies following achievement of the conditions precedent under the terms of the agreement. This right, in combination with other rights, provided substantive potential voting rights and investments in the underlying solar companies were re-classified from associates to subsidiaries. Given the long term returns from solar projects and the level of capital investment required, the Board has decided to focus on the core thermal power plants business and announces its intention to dispose of the Karnataka solar projects. The

Company initiated the process of disposal of the solar companies in the year which met all conditions of IFRS 5 for classification of solar business as Assets held for sale at 31 March 2019. Accordingly, assets of £49,579,232 and Liabilities of £35,267,786 were classified as Assets and Liabilities held for sale in the Consolidated Statement of Financial Position as at 31 March 2019 and their profit from operations of £20,708 was included in loss from discontinued operations in the Consolidated Statement of Comprehensive Income.

#### *Impairment provision of investments in joint venture Padma Shipping*

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

During 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 FY19 one of the vessels was sold by the shipping yard and during FY20 the second vessel has been sold. Padma joint venture will be terminated and dissolved following the sale of the second vessel which is expected to finalise during 2019.

OPG has invested approximately £3,484,178 in equity and £1,727,418 to date as advance to Padma and the joint venture has been reported using equity method as per the requirements of IFRS 11. The Company recognised an impairment provision in FY19 financial statements of £1,000,000 (FY18: £3,247,668) against its investment to date, including its advance to Padma, on account of the impending dissolution of the JV. The carrying value of OPG's investment in the Padma joint venture of £918,432 was classified as Assets held for sale in the Consolidated Statement of Financial Position as at 31 March 2019.

#### *Earnings per Share (EPS)*

The Company's total reported EPS increased to 3.81 pence from loss of (24.68) pence earnings on account of increase in PAT due to higher loss from discontinued operations in FY18 and higher profitability in FY19.

#### *Dividend*

The Board declared FY19 full year scrip dividend of 0.6p per share (FY18: scrip dividend at 1 pence per share).

The Company has issued 31,601,503 (2018: 4,799,742) shares during FY19 with respect to scrip dividend at par value of £0.000147 (2018: £0.000147) per share amounting to £4,646 (2018: £706). The difference between fair value of shares issued above par value of £3,558,442 (2018: £1,248,331) with respect to scrip dividend was credited to share premium.

#### *Foreign exchange gain on translation*

The British Pound-to-Indian Rupee exchange rate has moved lower to closing rate on 31 March 2019 of £1= INR 90.28 as against £1= INR 90.81 on 31 March 2018 thereby resulting in exchange gain of £1.2m on translating foreign operations.

### **Statement of financial position**

#### *Property, plant and equipment*

The decrease in net book value of our property, plant and equipment of £3.2m principally relates to depreciation offset by additions and foreign exchange impact on account of translation during the year.

#### *Other non-current assets*

Other non-current assets (excluding Property, plant and equipment & Intangible assets) have decreased by £18.2m primarily due to reclassification of investments in solar companies and Padma Shipping to assets held for sale in current assets and decrease in non-current portion of restricted cash.

#### *Current assets*

Current assets have increased by £61.5 from £78.2m to £139.7m year on year primarily as a result of the following:

- Increase in assets held for sale by £50.5m.
- Increase in trade receivables by £15.5m.
- Increase in cash and bank balances (including restricted cash) by £2.6m.
- Decrease in other short-term assets by £3.1m.
- Decrease in inventory holdings by £2.6m.
- Decrease in net current tax asset by £1.6m.

#### *Liabilities*

Current liabilities have increased by £32.7m from £77.0m to £109.7m year on year primarily due to the classification of liabilities of the solar subsidiaries of £35.3m as liabilities held for sale.

Non-current liabilities have decreased by £7.9m from £88.6m to £80.7 year on year primarily on account of repayment of borrowings offset by an increase in trade and other payables.

#### *Gross debt, gearing and finance costs*

As of 31 March 2019, total borrowings were £80.4m (31 March 2018: £93.5m). The gearing ratio, net borrowings (i.e. total borrowings minus cash)/(equity plus borrowings), was 34% (31 March 2018: 40%). Gearing ratio is a useful measure of financial risk of the Company.

Total borrowings (current and non-current portions) decreased by £13.1m due to the repayment of term loans of £20.6m offset by the increase in working capital loans and foreign exchange impact of appreciation of INR against GBP.

The Company achieved a major milestone with respect to Unit 1 of Chennai plant (77 MW out of 414 MW) as the term loans were fully repaid in December 2018. Based on the term loans repayments schedule the Chennai plant is expected to be debt free in calendar 2023.

Finance costs have increased by £1.0m from £13.6m in FY18 to £14.6m in FY19 primarily due to the impact of increase in foreign exchange losses offset by the reduction in interest expense following scheduled repayments of term loans.

Finance income increased from £1.6m in FY18 to £2.2m in FY19 and therefore net finance costs in FY19 amounted to £12.4m (FY18: £12m).

The restricted cash balances totaling £23.5m at 31 March 2019 (31 March 2018: £25.3m) is comprised of financial deposits that have been pledged as security against borrowings and Letters of Credit.

#### Cash flow

Cash flow from continuing operations before and after changes in working capital were £35.7m (FY18: £24.8) and £28.1m (FY18: £57m) respectively. Net cash flow from operating activities has decreased from £57.0m in FY18 to £28.1m in FY19, a decrease of £28.9m, primarily due to changes in working capital exceeding impact of the increase in gross profit.

Movements (£m)	FY19	FY18
<b>Operating cash flows from continuing operations before changes in working capital</b>	<b>35.7</b>	<b>24.8</b>
Tax paid	(0.6)	(0.8)
Change in working capital assets and liabilities	(7.0)	33.0
<b>Net cash generated by operating activities from continuing operations</b>	<b>28.1</b>	<b>57.0</b>
Purchase of property, plant and equipment (net of disposals)	(1.5)	(1.1)
Investments sold/(purchased), incl. in solar projects, shipping JV, market securities, and interest received	1.2	(28.8)
<b>Net cash from/(used in) continuing investing activities</b>	<b>(0.3)</b>	<b>(29.9)</b>
Finance costs paid, incl. foreign exchange losses	(14.8)	(13.6)
Dividend paid	-	(1.6)
<b>Total cash change from continuing operations before net borrowings</b>	<b>13.0</b>	<b>11.9</b>

**Dmitri Tsvetkov**  
Chief Financial Officer  
31 July 2019

#### Consolidated statement of financial position

As at 31 March 2019

(All amounts in £, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	14	23,603	64,170
Property, plant and equipment	15	204,102,891	207,271,135
Investments accounted for using the equity method	16	-	11,219,378
Other long-term assets	17	518,553	3,000,333
Restricted cash	20	517,271	4,966,140
		<b>205,162,318</b>	<b>226,521,156</b>
<b>Current assets</b>			
Inventories	19	7,151,366	9,716,280
Trade and other receivables	18	49,198,105	33,695,545
Other short-term assets	17	6,329,354	9,414,971
Current tax assets (net)		1,337,316	2,890,933
Restricted cash	20	23,030,599	20,318,985
Cash and cash equivalents	20	2,118,960	2,185,570
Assets held for sale	7 (a), 7(b)	50,497,664	-
		<b>139,663,364</b>	<b>78,222,284</b>
<b>Total assets</b>		<b>344,825,682</b>	<b>304,743,440</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			

Share capital	21	57,024	52,378
Share premium	21	129,125,915	125,567,473
Other components of equity		2,401,287	1,193,995
Retained earnings		21,916,422	11,461,826
<b>Equity attributable to owners of the Company</b>		<b>153,500,648</b>	<b>138,275,672</b>
Non-controlling interests		882,759	854,752
<b>Total equity</b>		<b>154,383,407</b>	<b>139,130,424</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	23	51,495,208	69,636,532
Trade and other payables	24	14,235,485	4,994,049
Provision for pledged deposits	20(b)	12,627,381	12,553,684
Deferred tax liabilities (net)	13	2,380,115	1,457,209
		<b>80,738,189</b>	<b>88,641,474</b>
<b>Current liabilities</b>			
Borrowings	23	28,869,722	23,829,415
Trade and other payables	24	45,474,814	52,331,422
Other liabilities		91,764	810,705
Liabilities classified as held for sale	7(b)	35,267,786	-
		<b>109,704,086</b>	<b>76,971,542</b>
<b>Total liabilities</b>		<b>190,442,275</b>	<b>165,613,016</b>
<b>Total equity and liabilities</b>		<b>344,825,682</b>	<b>304,743,440</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 31 July 2019 and were signed on its behalf by **Arvind Gupta**, Executive Chairman and **Dmitri Tsvetkov**, Chief Financial Officer

<b>Consolidated statement of comprehensive income</b>		<b>Year ended</b>	
<b>For the Year ended 31 March 2019</b>		<b>31 March 2018</b>	
(All amount in £, unless otherwise stated)		Year ended "Restated" (Refer	
	Notes	31 March 2019	Notes 5(a), 9(d))
Revenue	8	140,632,328	140,115,336
Cost of revenue	9	(91,753,763)	(100,195,277)
<b>Gross profit</b>		<b>48,878,565</b>	<b>39,920,059</b>
Other income	10	2,645,332	1,979,024
Distribution cost		(8,476,933)	(10,293,699)
General and administrative expenses		(6,955,960)	(6,599,652)
Expected credit loss on trade receivables	29	(790,437)	(271,116)
Depreciation and amortisation		(6,064,374)	(6,526,177)
<b>Operating profit before impairments</b>		<b>29,236,193</b>	<b>18,208,439</b>
Impairment provision for loss on assets under construction	7 (d)	-	(4,033,125)
<b>Operating profit</b>		<b>29,236,193</b>	<b>14,175,314</b>
Finance costs	11	(14,586,917)	(13,620,915)
Finance income	12	2,207,480	1,623,500
<b>Profit before tax</b>		<b>16,856,756</b>	<b>2,177,899</b>
Tax expense	13	(1,819,387)	(3,072,731)
<b>Profit / (loss) for the year from continued operations</b>		<b>15,037,369</b>	<b>(894,832)</b>
Loss from discontinued operations, including Non-Controlling Interest	7(a)(b)(c)	(989,493)	(99,983,431)
<b>Profit / (loss) for the year</b>		<b>14,047,876</b>	<b>(100,878,263)</b>
<b>Profit / (loss) for the year attributable to:</b>			
Owners of the Company		14,020,364	(87,141,023)
Non - controlling interests		27,512	(13,737,240)
		<b>14,047,876</b>	<b>(100,878,263)</b>
<b>Earnings / (loss) per share from continued operations</b>			
Basic earnings per share (in pence)	26	4.09	(0.25)
Diluted earnings per share (in pence)		4.09	(0.25)
<b>Loss per share from discontinued operations</b>			
Basic loss per share (in pence)	26	(0.23)	(25.06)
Diluted loss per share (in pence)		(0.23)	(25.06)
<b>Earnings / (loss) per share</b>			
-Basic (in pence)	26	3.81	(24.68)
-Diluted (in pence)		3.81	(24.68)
<b>Other comprehensive Income / (loss)</b>			
<b>Items that will be reclassified subsequently to profit or loss</b>			
Financial assets measured at FVPL			

-Reclassification to profit or loss	-	(73,351)
Exchange differences on translating foreign operations	1,207,292	(20,871,345)
<b>Items that will be not reclassified subsequently to profit or loss</b>		
Exchange differences on translating foreign operations	961	(555,331)
<b>Total other comprehensive income / (loss)</b>	<b>1,208,253</b>	<b>(21,500,027)</b>
<b>Total comprehensive income / (loss)</b>	<b>15,256,129</b>	<b>(122,378,290)</b>
<b>Total comprehensive income / (loss) attributable to:</b>		
Owners of the Company	15,227,656	(108,085,719)
Non-controlling interests	28,473	(14,292,571)
	<b>15,256,129</b>	<b>(122,378,290)</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 31 July 2019 and were signed on its behalf by **Arvind Gupta, Executive Chairman** and **Dmitri Tsvetkov, Chief Financial Officer**

**Consolidated statements of changes in equity**  
For the Year ended 31 March 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 2017</b>	<b>351,508,955</b>	<b>51,672</b>	<b>124,319,142</b>	<b>6,723,656</b>	<b>15,341,842</b>	<b>101,491,205</b>	<b>247,927,517</b>	<b>(11,239,914)</b>	<b>236,687,603</b>
Adjustments on account of deconsolidation subsidiary (Note 7(a))	-	-	-	-	-	-	-	26,353,147	26,353,147
Impact of change in shareholding structure during the year	-	-	-	-	(18,312)	(15,778)	(34,090)	34,090	-
Dividends	4,799,742	706	1,248,331	-	91,505	(2,872,577)	(1,532,036)	-	(1,532,036)
<b>Transaction with owners</b>	<b>4,799,742</b>	<b>706</b>	<b>1,248,331</b>	<b>-</b>	<b>73,193</b>	<b>(2,888,355)</b>	<b>(1,566,126)</b>	<b>26,387,237</b>	<b>24,821,111</b>
Loss for the year	-	-	-	-	-	(87,141,023)	(87,141,023)	(13,737,240)	(100,878,263)
Other comprehensive income	-	-	-	(73,351)	(20,871,345)	-	(20,944,696)	(555,331)	(21,500,027)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73,351)</b>	<b>(20,871,345)</b>	<b>(87,141,023)</b>	<b>(108,085,719)</b>	<b>(14,292,571)</b>	<b>(122,378,290)</b>
<b>At 31 March 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>
<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>
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>(3,565,768)</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>

During the year, in addition to the cash dividend the Company has paid a scrip dividend of 31,601,503 shares (2017: 4,799,742 shares)

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

The financial statements were authorised for issue by the board of directors on 31 July 2019 and were signed on its behalf by **Arvind Gupta, Executive Chairman** and **Dmitri Tsvetkov, Chief Financial Officer**

<b>Consolidated statement of cash flows</b> For the Year ended 31 March 2019 (All amount in £, unless otherwise stated)	Notes	Year ended	Year ended
		31 March 2018 "Restated" (Refer Notes 5(a), 9(d))	31 March 2019



<b>Cash flows from operating activities</b>		
Profit / (loss) before income tax		<b>15,867,263</b> <b>(97,805,532)</b>
<i>Adjustments for:</i>		
Loss from discontinued operations, net	7(a)	989,493      99,983,431
Unrealised foreign exchange gain		(416,338)      (64,747)
Financial costs		14,586,917      13,620,915
Financial income		(2,207,480)      (1,623,500)
Depreciation and amortisation		6,064,374      6,526,177
Impairment provision for loss on assets under construction	7(d)	-      4,033,125
Expected credit loss on Trade receivables		790,437      271,116
(Gain) on sale of shares in AFS investments		-      (159,998)
<i>Changes in working capital</i>		
Trade and other receivables		(16,021,881)      4,657,219
Inventories		2,564,914      1,943,460
Other assets		4,752,087      (668,761)
Trade and other payables		2,384,828      26,316,454
Other liabilities		(669,762)      807,855
<i>Cash generated from continuing operations</i>		
		<b>28,684,851</b> <b>57,837,214</b>
Taxes paid		(584,390)      (823,728)
Cash provided by (used for) operating activities of continuing operations		28,100,461      57,013,486
Cash provided by (used for) operating activities of discontinued operations		(8,256,479)      24,239,702
<b>Net cash provided by (used for) operating activities</b>		<b>19,843,983</b> <b>81,253,188</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including capital advances)		(1,515,742)      (1,090,689)
Interest received		2,207,480      1,547,138
Movement in restricted cash		(1,737,255)      (16,103,811)
Sale of investments		785,222      2,676,801
Purchase of investments		-      (14,972,747)
Advances to associates		-      (1,985,863)
Cash from / (used in) investing activities of continuing operations		(260,295)      (29,929,171)
Cash from / (used in) investing activities of discontinued operations		(4,346,681)      442,963
<b>Net cash from / (used in) investing activities</b>		<b>(4,606,976)</b> <b>(29,486,208)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings (net of costs)		7,535,858      4,099,459
Repayment of borrowings		(20,636,875)      (25,070,007)
Dividend paid		-      (1,623,539)
Finance costs paid (Note 9 and 11)		(14,835,536)      (13,556,168)
Cash used in financing activities of continuing operations		(27,936,553)      (36,150,255)
Cash used in financing activities of discontinued operations		12,717,446      (25,127,046)
<b>Net cash used in financing activities</b>		<b>(15,219,107)</b> <b>(61,277,301)</b>
Net decrease in cash and cash equivalents from continuing operations		(96,387)      (9,065,940)
Net decrease in cash and cash equivalents from discontinued operations		114,286      (444,381)
<b>Net decrease in cash and cash equivalents</b>		<b>17,899</b> <b>(9,510,321)</b>
Cash and cash equivalents at the beginning of the year		2,185,570      13,086,123
Cash and cash equivalents - solar business		231,953      -
Exchange differences on cash and cash equivalents		29,769      (843,405)
Cash and cash equivalents of the discontinued operations		(346,231)      (546,827)
<b>Cash and cash equivalents at the end of the year</b>		<b>2,118,960</b> <b>2,185,570</b>

**Consolidated statement of cash flows**  
**For the Year ended 31 March 2019 (continued)**  
 (All amount in £, unless otherwise stated)

**Disclosure of Changes in financing liabilities:**

<b>Analysing of changes in Net debt</b>	<b>1 April 2018</b>	<b>Cash flows</b>	<b>Other Changes</b>	<b>31 March 2019</b>
Working Capital loan	3,426,622	7,535,858	(528,587)	10,433,893
Secured loan due within one year	20,402,793	(1,966,964)	-	18,435,829
<b>Borrowings grouped under Current liabilities</b>	<b>23,829,415</b>	<b>5,568,894</b>	<b>(528,587)</b>	<b>28,869,722</b>
Secured loan due after one year	69,636,532	(18,669,911)	528,587	51,495,208
<b>Borrowings grouped under Non-current liabilities</b>	<b>69,636,532</b>	<b>(18,669,911)</b>	<b>528,587</b>	<b>51,495,208</b>

**Notes to the consolidated financial statements**

(All amounts are in £, unless otherwise stated)

**1. Nature of operations**

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

## 2. Statement of compliance

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

## 3. General information

OPG Power Ventures Plc, a limited liability corporation, is the Group's ultimate parent Company and is incorporated and domiciled in the Isle of Man. The address of the Company's registered Office, which is also the principal place of business, is IOMA House, Hope Street, Douglas, Isle of Man IM1 1JA. The Company's equity shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange.

The Consolidated Financial statements for the year ended 31 March 2019 were approved and authorised for issue by the Board of Directors on 31 July 2019.

## 4. Recent accounting pronouncements

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

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

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

#### IFRS 16 'Leases'

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

The effective date for adoption of IFRS 16 is annual periods beginning on or after 1 January 2019. Management does not expect any significant impact of IFRS 16 on Group's consolidated financial statements.

### b. Changes in accounting Standards

#### i) IFRS 15 'Revenue from Contracts with Customers'

This standard replaces IAS 11 "Construction contracts", IAS 18 "Revenue", IFRIC 18 "Transfers of Assets from Customers" and several other revenue related interpretations previously adopted by the Group. The core principle of IFRS 15 is that an entity recognises revenue that reflects the expected consideration for goods or services provided to a customer under contract, over the performance obligations they are being provided. The standard has introduced a five-step model as the framework for applying that core principle.

The Group has applied the "Modified Retrospective" transition approach. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 April 2018. However, the application of IFRS 15 does not have any impact on the recognition and measurement of revenue and related items.

#### ii) IFRS 9 'Financial Instruments'

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.

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

In addition to the new regulations regarding the statement of financial assets, IFRS 9 includes minor amendments to the statement of financial liabilities. These amendments have no impact on the Group's consolidated financial statement.

Furthermore, IFRS 9 introduces new regulations for hedge accounting, which aim to improve the presentation of risk management activities in consolidated financial statements. For this purpose, IFRS 9 extends the scope of underlying transactions qualifying for hedge accounting and

introduces a new approach for assessing effectiveness, among other things. Overall, the new regulations regarding hedge accounting do not have any material effects on Group's consolidated financial statements.

## 5. Summary of significant accounting policies

### a) Basis of preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss and 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 (Note 9(d)), as all letter of credit related charges and interest are included in finance cost.

During FY2019, results of operations of joint venture Padma Shipping Limited were reclassified to discontinued operations and accordingly the comparatives for FY2018 were restated to discontinued operations (£3,282,306) from Impairment provision for loss on investments and assets under construction (£3,247,668) and from share of loss from equity accounted investments (£34,638) (Note 7(a)). During FY 2018, results of operations of Bhadreswar Vidyut Private Limited (herein referred to as BVP and formerly known as OPGS Power Gujarat Private Limited) were reclassified to discontinued operations (Note 7(c)).

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. 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 31 March 2019 (Note 7(b)).

### Going Concern

As at 31 March 2019 the Group had £2.1m in cash and net current assets of £30.0m. The directors and management have prepared a cash flow forecast to July 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 as of 31 March 2019. All subsidiaries have a reporting date of 31 March.

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

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

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

### c) Investments in associates and joint ventures

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

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

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

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

#### i) Subsidiaries

Subsidiaries	Immediate parent	Country of incorporation	% Voting Right		% Economic interest	
			March 2019	March 2018	March 2019	March 2018

Caromia Holdings limited ('CHL')	OPGPV	Cyprus	100	100	100	100
Gita Power and Infrastructure Private Limited, ('GPIPL')	CHL	India	100	100	100	100
OPG Power Generation Private Limited ('OPGPG')	GPIPL	India	73.49	72.72	99.91	99.91
Bhadreshwar Vidyut Private Limited ('BVP') (*)	GPIPL	India	(*)	(*)	(*)	(*)
Samriddhi Solar Power Private Limited	OPGPG	India	73.49	72.72	99.90	99.90
Samriddhi Surya Vidyut Private Limited	OPGPG	India	73.49	72.72	99.90	99.90
OPG Surya Vidyut Private Limited	OPGPG	India	73.49	72.72	99.90	99.90
Powergen Resources Pte Ltd	OPGPV	Singapore	98.67	98.64	100.00	100.00
Avanti Solar Energy Private Limited(**)	OPGPG	India	31	Associate 31%	31	Associate 31%
Mayfair Renewable Energy Private Limited(**)	OPGPG	India	31	Associate 31%	31	Associate 31%
Avanti Renewable Energy Private Limited(**)	OPGPG	India	31	Associate 31%	31	Associate 31%
Brics Renewable Energy Private Limited(**)	OPGPG	India	31	Associate 31%	31	Associate 31%

(\*) During the previous financial year end, GPIL sold 5% of its shareholding in BVP (formerly known as OPGS Power Gujarat Private Limited), and thereby reducing its stake to 46% as a result of which the group lost control over BVP. In addition, the group also does not have any significant influence in BVP (Note 7(c) Loss from discontinued operations and impairment provision), therefore, the investment in BVP was classified as Financial instruments measured at fair value through profit or loss and BVP financial statements were consequently deconsolidated as on 31st March 2018.

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

(\*\*) During FY19, 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.

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

Joint ventures	Venturer	Country of incorporation	% Voting right		% Economic interest	
			March 2019	March 2018	March 2019	March 2018
Padma Shipping Limited ("PSL")	OPGPV / OPGPG	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 recognised in the currency translation reserve in equity.

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

INR exchange rates used to translate the INR financial information into the presentation currency of Great Britain Pound (£) are the closing rate as at 31 March 2019: 90.28 (2018: 90.81) and the average rate for the year ended 31 March 2019: 91.60 (2018: 85.40).

#### f) Revenue recognition

The Group's accounting policies for Revenue have changed during the year, following adoption of IFRS 15 (Note 4(b)(i)), 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:

Nature of asset	Useful life (years)
Buildings	40
Power stations	40
Other plant and equipment	3-10
Vehicles	5-11

Assets in the course of construction are stated at cost and not depreciated until commissioned.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

The assets residual values, useful lives and methods of depreciation of the assets are reviewed at each financial year end, and adjusted prospectively if appropriate.

#### **m) Intangible assets**

##### *Acquired software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

##### *Subsequent measurement*

All intangible assets, including software are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life of software is estimated as 4 years.

#### **n) Leases**

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

##### *Group as a lessee*

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

Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term.

#### **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 FY19, 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 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.

##### *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). During FY18 the Group has sold a 5% equity stake in its special purpose vehicle BVP to Bee Electric, an Indian company. This transaction reduced the Group's equity interest in BVP to 46%. A voting agreement was signed with Bee Electric whereby OPG shall exercise all its rights of voting at the general meetings of BVP in India in accordance with the directions of Bee Electric. Sale of the 5% stake and execution of voting agreement resulted in the Company losing control and significant influence over BVP and in accordance with International Financial Reporting Standards BVP was deconsolidated as of 31 March 2018 and the Group's remaining 46% in BVP was accounted for as an investment at fair value as at 31 March 2018.

Recoverability of deferred tax assets:



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

#### 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. 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 financial assets measured at FVPL 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 (Note 5(j) and note 29).

- ii. 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;
- iii. 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 assets held for sale and discontinued operation

Non-current assets held for sale and discontinued operations consists of:

		Assets held for sale		Liabilities classified as held for sale		Loss from discontinued operations	
		At 31 March 2019	At 31 March 2018	At 31 March 2019	At 31 March 2018	For FY 19	For FY 18
i	Investments in Joint Venture (7(a))	918,432	-	-	-	1,010,200	3,282,306
ii	Solar subsidiaries (7(b))	49,579,232	-	35,267,786	-	(20,708)	658
iii	BVP (7(c))	-	-	-	-	-	96,700,467
	<b>Total</b>	<b>50,497,664</b>	<b>-</b>	<b>35,267,786</b>	<b>-</b>	<b>989,493</b>	<b>99,983,431</b>

##### 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 FY19 one of the vessels was sold by the shipping yard and during FY19 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 (note 17) 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 year the Company recognised an impairment provision of £1,000,000 against its advance of £1,727,418 (note 17) 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 31st 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 FY19, 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 the year. During FY19, 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

	As at 31st March 2019	As at 31st March 2018
<b>(a) Assets of disposal group classified as held-for-sale</b>		
Property, plant and equipment	46,442,294	-
Trade and other receivables	578,721	-
Other short-term assets	499,527	-
Restricted cash	1,712,450	-
Cash and cash equivalents	346,240	-
Investment in Joint venture classified as held for sale	918,432	-
<b>Total</b>	<b>50,497,664</b>	<b>-</b>

	As at 31st March 2019	As at 31st March 2018
<b>(b) Liabilities of disposal group classified as held-for-sale</b>		
<b>Non Current liabilities</b>		
Borrowings	17,194,745	-
Trade and other payables	7,710,956	-
Deferred tax liability	1,666,495	-
<b>Current liabilities</b>		
Trade and other payables	3,958,192	-
Other liabilities	4,737,398	-
<b>Total</b>	<b>35,267,786</b>	<b>-</b>

(c) Analysis of the results of discontinued operations is as follows:	For FY 19	For FY 18
Revenue	5,007,509	-
Operating profit before impairments	4,321,229	-
Finance cost	(2,294,669)	-
Current Tax	(363,372)	-
Deferred tax	(1,642,480)	-
Share of loss from associates	-	(658)
Gain/(Loss ) after tax of discontinued operations attributable to owners of the company	20,708	(658)

#### c) Loss from discontinued operations of BVP

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

Sale of the 5% stake and execution of voting agreement resulted in the Company losing control and significant influence over BVP and in accordance with International Financial Reporting Standards BVP was deconsolidated as of 31 March 2018 and the Group's remaining 46% in BVP was accounted for as an investment at fair value as at 31 March 2018 and 31 March 2019. Fair Valuation of retained investments in BVP of £40,453

is on basis of the recent transaction. Starting from 2018-19, the results of operations of BVP are not consolidated in OPG Group's consolidated financial statements.

**The FY18 Loss from discontinued operations of BVP consists of:**

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

**Loss on deconsolidation of BVP:**

		<b>£</b>
	Consideration received	4,535
	Fair value of retained non-controlling investment in BVP	40,453
<b>Total</b>	(A)	<b><u>44,988</u></b>

Total assets		256,056,615
Total liabilities		(260,034,046)
Net liabilities at date of loss of control	(B)	(3,977,431)
Non-controlling interest on date of loss of control	(C)	26,353,147
<b>Net loss on disposal affecting the Group</b>	(A-B-C)	<b><u>(22,330,728)</u></b>

	Year ended March 31, 2018
<b>INCOME STATEMENT OF BVP</b>	
Revenue	91,536,946
Cost of revenue	(69,294,346)
<b>Gross profit</b>	<b>22,242,600</b>
Other income	393,243
Distribution cost	(14,805,606)
General and administrative expenses	(1,848,316)
Depreciation	(6,143,974)
<b>Operating profit</b>	<b>(162,053)</b>
Finance costs	(28,343,101)
Finance income	514,727
<b>Loss before tax</b>	<b>(27,990,427)</b>
Tax income / (expense)	-
<b>Loss after tax</b>	<b>(27,990,427)</b>

**d) FY18 impairment of assets under construction of £4,033,125**

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

**8 Segment Reporting**

The Group has adopted the "management approach" in identifying the operating segments as outlined in IFRS 8 - Operating segments. Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators at operating segment level. Accordingly, there 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 £24,117,088 (2018: £18,894,360).

**Segmental information disclosure**

	Continuing operations		Discontinued operations	
	Thermal		Solar	
Segment Revenue	FY19	FY18	FY19	FY18
Sales	140,632,328	140,115,336	5,007,509	-
<b>Total</b>	<b>140,632,328</b>	<b>140,115,336</b>	<b>5,007,509</b>	<b>-</b>
Depreciation	(6,064,374)	(6,526,177)	-	-
Impairment	-	(4,033,125)	-	-
Profit / (loss) from operation	29,323,147	14,175,314	4,009,485	(658)
Finance Income	2,207,480	1,623,500	311,744	-
Finance Cost	(14,419,198)	(13,620,915)	(2,294,669)	-
Tax expenses	(1,819,387)	(3,072,731)	(2,005,852)	-

Profit / (loss) for the year	15,292,042	(894,832)	20,708	(658)
Assets	294,328,018	304,743,440	49,579,232	-
Liabilities	155,174,489	165,613,016	35,267,786	-

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

#### a) Cost of revenue

	31 March 2019	31 March 2018
<b>Included in cost of revenue:</b>		
Cost of fuel consumed	88,754,095	95,465,961
Other direct costs	2,999,668	4,729,316
<b>Total</b>	<b>91,753,763</b>	<b>100,195,277</b>

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

	31 March 2019	31 March 2018
Salaries and wages	3,302,162	3,221,663
Employee benefit costs *	251,520	702,020
Employee stock option	-	-
<b>Total</b>	<b>3,553,682</b>	<b>3,923,683</b>

\* includes £Nil (2018: 23,994) being expenses towards gratuity which is a defined benefit plan (Note 5(w))

#### c) Auditor's remuneration for audit services amounting to £80,000 (2018: £90,000) is included in general and administrative expenses.

#### d) Foreign exchange movements (realised and unrealised) included in the Finance costs is as follows:

	31 March 2019	31 March 2018
Foreign exchange realised - loss	3,543,163	624,196
Foreign exchange unrealised- (gain) / loss	(416,338)	64,747
<b>Total</b>	<b>3,126,825</b>	<b>688,943</b>

Net foreign exchange loss is attributable to foreign currency variations on import of coal financed under letters of credit for power plant operation and was reclassified from General and Administrative expenses to finance costs in the Consolidated Statement of Comprehensive Income (Note 5(a)), as all letters of credit related charges and interest are included in finance cost.

### 10 Other income and expenses

#### Other income

	31 March 2019	31 March 2018
Sale of coal	887,815	162,394
Sale of fly ash	48,910	53,198
Power trading commission and other services	1,217,369	558,657
Sale of Solar power plant system to associates (Net of cost) (Note 25)	-	44,505
Others	491,238	1,160,270
<b>Total</b>	<b>2,645,332</b>	<b>1,979,024</b>

### 11 Finance costs

Finance costs are comprised of:

	31 March 2019	31 March 2018
Interest expenses on borrowings	10,210,464	12,237,962
Net foreign exchange loss (Note 9)	3,126,825	688,943
Other finance costs	1,249,628	694,010
<b>Total</b>	<b>14,586,917</b>	<b>13,620,915</b>

Other finance costs include charges and cost related to LC's for import of coal and other charges levied by bank on transactions

### 12 Finance income

Finance income are comprised of:

	31 March 2019	31 March 2018
Interest income on bank deposits and advances	2,192,555	1,519,407
Profit on disposal of financial instruments*	14,925	104,093
<b>Total</b>	<b>2,207,480</b>	<b>1,623,500</b>

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

### 13 Tax expense

#### Tax Reconciliation

Reconciliation between tax expense and the product of accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is as follows:

	31 March 2019	31 March 2018
Accounting profit / (loss) before taxes	1 6,856,756	(1,105,065)
Enacted tax rates	34.94%	34.61%
Tax expense / (benefit) on profit / (loss) at enacted tax rate	5 ,890,425	(382,441)
Exempt Income due to tax holiday	(685,895)	(4,921,430)
Foreign tax rate differential	303,096	(616,602)
Unused tax losses brought forward and carried forward	(1,216,052)	7,709,658
Non-taxable items	( 2,281,621)	(1,447,546)
MAT credit entitlement	(190,567)	2,731,117
Others	-	(25)
<b>Actual tax for the period</b>	<b>1,819,387</b>	<b>3,072,731</b>

	31 March 2019	31 March 2018
Current tax	1,281,584	341,614
Deferred tax	2,543,655	2,731,117
Less: reclassified to loss from discontinuing operations	(2,005,852)	-
<b>Tax reported in the statement of comprehensive income</b>	<b>1,819,387</b>	<b>3,072,731</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. There has been revision in rate of cess applicable on Corporate income tax in India as applicable for the year. 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 (MAT) which is calculated on the book profits of the respective entities currently at a rate of 21.55% (31 March 2018: 21.34%).

The Group has carried forward credit in respect of MAT tax liability paid to the extent it is probable that future taxable profit will be available against which such tax credit can be utilized.

Deferred income tax for the group at 31 March 2019 and 2018 relates to the following:

	31 March 2019	31 March 2018
Deferred income tax assets		
Unused tax losses brought forward and carried forward	1,216,052	-
MAT credit entitlement	11,565,427	11,396,590
	<u>12,781,479</u>	<u>11,396,590</u>
Deferred income tax liabilities		
Property, plant and equipment	15,161,594	12,853,798
	<u>15,161,594</u>	<u>12,853,798</u>
<b>Deferred income tax liabilities, net</b>	<b>2,380,115</b>	<b>1,457,209</b>

Movement in temporary differences during the year

Particulars	As at 01 April 2018	Deferred tax asset/(liability) for the year	Classified as (Asset) / Liability held for sale	Translation adjustment	As at 31 Mar 2019
Property, plant and equipment	(12,853,799)	(4,754,829)	2,447,034	-	(15,161,594)
Unused tax losses brought forward and carried forward	-	2,020,606	(804,554)	-	1,216,052
MAT credit entitlement	11,396,590	190,567	-	(21,730)	11,565,427
Mark to market gain / (loss) on financial assets measured at FVPL	-	-	-	-	-
<b>Deferred income tax (liabilities) / assets, net</b>	<b>(1,457,209)</b>	<b>(2,543,656)</b>	<b>1,642,480</b>	<b>(21,730)</b>	<b>(2,380,115)</b>

Particulars	As at 01 April 2017	Deferred tax asset/(liability) for the year	Classified as Asset / (Liability) held for sale	Translation adjustment	As at 31 Mar 2018
Property, plant and equipment	(16,684,770)	(1,844)	-	3,832,816	(12,853,799)
MAT credit entitlement	15,691,186	(2,731,117)	-	(1,563,479)	11,396,590
Mark to market (loss) / gain on financial instruments measured at FVPL	(14,267)	14267	-	-	-
<b>Deferred income tax (liabilities) / assets, net</b>	<b>(1,007,851)</b>	<b>(2,718,694)</b>	<b>-</b>	<b>2,269,337</b>	<b>(1,457,209)</b>

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

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

There is no unrecognised deferred tax assets and liabilities. As at 31 March 2019 and 2018, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

#### 14 Intangible assets

	<u>Acquired software licences</u>
<b>Cost</b>	
<b>At 1 April 2017</b>	<b>938,002</b>
Additions	26,304
Exchange adjustments	(103,190)
Adjustments on account of deconsolidation of a subsidiary	(13,468)
<b>At 31 March 2018</b>	<b>847,648</b>
Additions	-
Exchange adjustments	4,976
<b>At 31 March 2019</b>	<b>852,624</b>
<b>Accumulated depreciation and impairment</b>	
<b>At 1 April 2017</b>	<b>714,778</b>
Charge for the year	162,653
Exchange adjustments	(88,322)
Adjustments on account of deconsolidation of a subsidiary	(5,631)
<b>At 31 March 2018</b>	<b>783,478</b>
Charge for the year	40,354
Exchange adjustments	5,190
<b>At 31 March 2019</b>	<b>829,021</b>
<b>Net book value</b>	
<b>At 31 March 2019</b>	<b>23,603</b>
<b>At 31 March 2018</b>	<b>64,170</b>

#### 15 Property, plant and equipment

The property, plant and equipment comprises of:

	Land & Buildings	Power stations	Other plant & equipment	Vehicles	Solar assets	Asset under construction	Total
<b>Cost</b>							
<b>At 1 April 2017</b>	<b>15,615,379</b>	<b>482,207,682</b>	<b>970,897</b>	<b>2,814,116</b>	-	<b>8,480,876</b>	<b>510,088,950</b>
Additions	-	9,725,079	53,476	3,813	-	-	9,782,368
Deletions	(495,514)	-	-	(4,610)	-	-	(500,124)
Impairment of assets under construction	-	-	-	-	-	(4,033,125)	(4,033,125)
Exchange adjustments	(1,633,612)	(53,062,680)	(106,946)	(303,001)	-	83,009	(55,023,230)
Adjustments on account of deconsolidation of a subsidiary	(8,742,160)	(217,803,207)	(302,502)	(115,679)	-	-	(226,963,548)
<b>At 31 March 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>
<b>At 1st 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 classified as Asset 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>
<b>Accumulated depreciation and impairment</b>							

<b>At 1 April 2017</b>	<b>143,397</b>	<b>28,373,085</b>	<b>832,397</b>	<b>835,345</b>	-	-	<b>30,184,224</b>
Charge for the year	21,566	11,953,076	69,209	463,647	-	-	12,507,498
Exchange adjustments	(17,066)	(3,802,766)	(95,031)	(119,348)	-	-	(4,034,211)
Adjustments on account of deconsolidation of a subsidiary	(115,723)	(12,067,207)	(280,475)	(113,950)	-	-	(12,577,355)
<b>At 31 March 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>
<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))	-	-	-	-	4417	-	4417
Exchange adjustments	493	221,076	4,595	12,270	-	-	238,434
Solar assets classified as Asset 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>
<b>Net book value</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>
<b>At 31 March 2018</b>	<b>4,711,919</b>	<b>196,610,686</b>	<b>88,825</b>	<b>1,328,945</b>	-	<b>4,530,760</b>	<b>207,271,135</b>

\* Depreciation charge for the year includes Nil (2018: £6,143,974) pertaining to deconsolidated subsidiary BVP (Note 7 (c))

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

	<b>31 March 2019</b>	<b>31 March 2018</b>
Freehold land	4,514,642	4,292,608
Buildings	448,229	419,311
	<b>4,962,871</b>	<b>4,711,919</b>

Property, plant and equipment with a carrying amount of £197,184,156 (2018: £198,699,226) is subject to security restrictions (refer note 23).

#### 16 Investments accounted for using the equity method

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

	<b>31 March 2019</b>	<b>31 March 2018</b>
Investments in joint venture	3,448,882	3,484,178
Investments in associates (Note 7(b))	-	11,037,659
Share of (loss) from equity accounted investments	-	(35,296)
Impairment provision for investments in joint venture (Note 7(a))	(3,247,668)	(3,247,668)
Elimination of intra-group margin	-	(19,495)
Balance value of Investments in joint venture classified as Assets held for sale	(201,214)	-
<b>Investments accounted for using the equity method</b>	<b>-</b>	<b>11,219,378</b>

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

	<b>31 March 2019</b>	<b>31 March 2018</b>
Investment in joint venture	-	(34,638)
Investments in associates	-	(658)
	<b>-</b>	<b>(35,296)</b>

#### a) Investment in joint venture (Note 5(d) and Note 7(a))

The investment in Padma Shipping Limited ("PSL") is accounted for using the equity method in accordance with IAS 28. The financial statements of PSL are as of 31 December 2018 which is the financial year followed by PSL. As no additional information was available as such the 31st December 2018 have been used below. At the end of the year the investment in PSL net of impairment provision is classified as Asset held for sale. Summarised financial information for Padma Shipping Limited ("PSL") is set out below:

	<b>31 December 2018</b>	<b>31 March 2018</b>
Non-current assets	11,631,930	11,344,541
Current assets (a)	29,970	55,502
<b>Total assets</b>	<b>11,661,900</b>	<b>11,400,043</b>
Current liabilities (b)	4,784,535	4,500,962
<b>Total liabilities</b>	<b>4,784,535</b>	<b>4,500,962</b>
<b>Net assets</b>	<b>6,877,365</b>	<b>6,899,081</b>

a) Includes cash and cash equivalents

b) Includes financial liabilities

**31 December 2018**

**31 March 2018**

Total net assets of PSL	6,877,365	6,899,081
Proportion of ownership interests held by the Group	50%	50%
<b>Group's share of the investment in PSL</b>	<b>3,438,683</b>	<b>3,449,540</b>

**b) Investment in associates (Note 5(d) 7(b))**

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

	31 March 2019	31 March 2018
(Loss) from continuing operations	-	(658)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>(658)</b>
<b>Aggregate carrying amount of the Group's interests in these associates</b>	<b>-</b>	<b>11,017,506</b>

**17 Other Assets**

	31 March 2019	31 March 2018
<b>A. Short-term</b>		
Capital advances	280,494	278,857
Equity instruments measured at fair value through P&L	40,453	65,706
Advances and other receivables	6,008,407	9,070,408
<b>Total</b>	<b>6,329,354</b>	<b>9,414,971</b>

**B. Long-term**

Advances to related parties	727,418	1,727,418
Classified as asset held for sale (note 7(a))	(727,418)	-
Investment in Debentures	-	785,222
Lease deposits	502,869	477,959
Bank deposits	-	-
Other advances	15,684	9,734
<b>Total</b>	<b>518,553</b>	<b>3,000,333</b>

**Equity instruments measured at fair value through P&L are comprised of:**

Fair value of retained investment in former subsidiary BVP £40,453 (Note 7(c)). Fair Valuation of retained investments in BVP is on the basis of the last transaction.

**Quoted short-term mutual fund units**

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

**Advances and other receivables (current)**

Advances to suppliers include trade advance paid to vendors for supply of goods and services. During FY18, impairment provision was made for trade advances to BVP aggregating to £20,660,649. Capital advances comprise of payments made to contractors for construction of assets and advances paid for purchase of capital equipment. The management expects to realise these in the next one year.

**18 Trade and other receivables**

	31 March 2019	31 March 2018
<b>Current</b>		
Trade receivables	49,079,582	33,644,282
Other receivables	118,523	51,263
	<b>49,198,105</b>	<b>33,695,545</b>

The Group's trade receivables are classified at amortised cost unless stated otherwise and are measured after allowances for future expected credit losses, see "Credit risk analysis" in note 29 "Financial risk management objectives and policies" for more information on credit risk. The carrying amounts of trade and other receivables, which are measured at amortised cost, approximate their fair value and are predominantly non-interest bearing.

**19 Inventories**

	31 March 2019	31 March 2018
Coal and fuel	6,038,267	8,382,022
Stores and spares	1,113,099	1,334,258
<b>Total</b>	<b>7,151,366</b>	<b>9,716,280</b>

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

**20 Cash and cash equivalents and Restricted cash**

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

	31 March 2019	31 March 2018
Cash at banks and on hand	2,118,960	2,185,570
<b>Total</b>	<b>2,118,960</b>	<b>2,185,570</b>



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

#### b. Restricted cash

Restricted cash represents deposits maturing between three to twelve months amounting to £23,030,599 (2018: £20,318,985) and maturing after twelve months amounting to £517,271 (2018: £4,966,140) which have been pledged by the group in order to secure borrowing limits with banks. Restricted cash of £23,030,599 includes banks deposits of £12,627,381 (2018: £12,553,684), translated at closing FX rate, pledged during the previous year in favour of lenders of BVP (Note 7(c) and Note 24). In FY18, the Group has made full provision for fair valuation of deposits pledged to lenders of BVP.

#### 21 Issued share capital

##### Share Capital

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

The Company has issued 31,601,503 (2018: 4,799,742) shares during the year with respect to scrip dividend at par value of £0.000147 (2018: £0.000147) per share amounting to £4,646 (2018: £706). The difference between fair value of shares issued above par value of £3,558,442 (2018: £1,248,331) with respect to scrip dividend was credited to share premium.

As at 31 March 2019, the Company has an authorised and issued share capital of 387,910,200 (2018: 356,308,697) equity shares at par value of £ 0.000147 (2018: £ 0.000147) per share amounting to £57,024 (2018: £52,378) in total.

##### Reserves

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

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

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

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

#### 22 Share based payments

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

The vesting conditions are as follows:

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

The related expense has been amortised over the remaining estimated vesting period and an expense amounting to £ Nil (2018: £ Nil) was recognised in the profit or loss with a corresponding credit to other reserves.

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

	31 March 2019	31 March 2018
At 1 April	22,024,234	23,274,234
Forfeited/Cancelled	(250,000)	(1,250,000)
<b>At 31 March</b>	<b>21,774,234</b>	<b>22,024,234</b>

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

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

#### 23 Borrowings

The borrowings comprise of the following:

	Interest rate (range %)	Final maturity	31 March 2019	31 March 2018
Borrowings at amortised cost	10.35-11.40	September 2023	80,364,930	93,465,947
<b>Total</b>			<b>80,364,930</b>	<b>93,465,947</b>

The term loans of £69.9m and working capital loans of £10.5m taken by the Group are fully secured by the property, plant, assets under construction and other current assets of subsidiaries which have availed such loans. All loans are personally guaranteed by Executive Chairman, Mr. Arvind Gupta.

Term loans contain certain covenants stipulated by the facility providers and primarily require the Group to maintain specified levels of certain financial metrics and operating results. As of 31 March 2019, the Group has met all the relevant covenants.

The fair value of borrowings at 31 March 2019 was £80,364,930 (2018: £93,465,947). The fair values have been calculated by discounting cash flows at prevailing interest rates.

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

	31 March 2019	31 March 2018
<b>Current liabilities</b>		
Amounts falling due within one year	28,869,722	23,829,415
<b>Non-current liabilities</b>		
Amounts falling due after 1 year but not more than 5 years	51,495,208	69,636,532
<b>Total</b>	<b>80,364,930</b>	<b>93,465,947</b>

#### 24 Trade and other payables

	31 March 2019	31 March 2018
<b>Current</b>		
Trade payables	45,300,370	52,015,069
Creditors for capital goods	174,444	162,261
Other payables	-	154,092
<b>Total</b>	<b>45,474,814</b>	<b>52,331,422</b>
<b>Non-current</b>		
Security deposit from customers	14,085,854	4,813,303
Other payables	149,631	180,746
<b>Total</b>	<b>14,235,485</b>	<b>4,994,049</b>

Trade payables include credit availed from banks under letters of credit for payments in USD to suppliers for coal purchased by the Group. Other trade payables are normally settled on 45 days terms credit. The arrangements are interest bearing and are payable within one year. With the exception of security deposits from customers and certain other trade payables, all amounts are short term. Creditors for capital goods are non-interest bearing and are usually settled within a year. Other payables include accruals for gratuity and other accruals for expenses.

#### 25 Related party transactions

##### Key Management Personnel:

Name of the party	Nature of relationship
Arvind Gupta	Executive Chairman
Avantika Gupta (from November 2018)	Chief Operating Officer & Director
Dmitri Tsvetkov	Chief Financial Officer & Director
Jeremy Warner Allen	Deputy Chairman
Mike Grasby	Director
Ravi Gupta (resigned in May 2018)	Director
Jeremy Beeton	Director

##### Related parties with whom the group had transactions during the period

Name of the party	Nature of relationship
Padma Shipping Limited	The company has joint control of the entity
Avanti Solar Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsidiary from FY 19 note 7(b))
Mayfair Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsidiary from FY 19 note 7(b))
Avanti Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsidiary from FY 19 note 7(b))
Brics Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsidiary from FY 19 note 7(b))
Avantika Gupta	Relative of Key Management Personnel (became Director on 27 November 2018)

##### Summary of transactions with related parties

Name of the party	31 March 2019	31 March 2018
<b>Padma Shipping Limited (Note 7 (a))</b>		
a) Investment	-	2,077,588
b) Advances	-	627,205
<b>Avanti Solar Energy Private Limited (Note 7 (b))</b>		
a) Investment	-	3,336,637
b) Sale of Solar power plant system	-	4,586,802
c) Advance	-	56,225
d) Interest income	-	-
<b>Mayfair Renewable Energy Private Limited (Note 7 (b))</b>		
a) Investment	-	3,595,419
b) Sale of Solar power plant system	-	4,024,349
c) Advance	-	87,154
d) Interest income	-	-
<b>Avanti Renewable Energy Private Limited (Note 7 (b))</b>		
a) Investment	-	3,369,673
b) Sale of Solar power plant system	-	4,822,458
c) Advance	-	56,284
d) Interest income	-	-
<b>Brics Renewable Energy Private Limited (Note 7 (b))</b>		

a) Investment	-	324,854
b) Sale of Solar power plant system	-	1,188,788
c) Advance	-	5,628
d) Interest income	-	-
<b>Avantika Gupta</b>		
a) Remuneration (up to 27 November 2018)	79,084	112,412

**Summary of balance with related parties**

Name of the party	Nature of balance	31 March 2019	31 March 2018
Padma Shipping Limited	Investment	3,438,682	3,485,837
Padma Shipping Limited	Advances	1,727,418	1,727,418
Padma Shipping Limited	Impairment provision	(4,247,668)	(3,247,668)
Avanti Solar Energy Private Limited	Investment	-	3,461,059
Avanti Solar Energy Private Limited	Trade receivable	-	583,750
Avanti Solar Energy Private Limited	Advance	-	56,225
Mayfair Renewable Energy Private Limited	Investment	-	3,719,841
Mayfair Renewable Energy Private Limited	Trade payable	-	(236,467)
Mayfair Renewable Energy Private Limited	Advance	-	87,154
Avanti Renewable Energy Private Limited	Investment	-	3,494,095
Avanti Renewable Energy Private Limited	Trade payable	-	185,569
Avanti Renewable Energy Private Limited	Advance	-	56,284
Brics Renewable Energy Private Limited	Investment	-	362,664
Brics Renewable Energy Private Limited	Trade payable	-	1,238,446
Brics Renewable Energy Private Limited	Advance	-	5,628
Arvind Gupta	Land Lease Deposit	502,869	477,959

Outstanding balances at the year-end are unsecured. Related party transaction are on arms length basis. There have been no guarantees provided or received for any related party receivables or payables except for corporate guarantees issued to lenders of its subsidiaries classified as Asset Held for Sale of £32,132,255 (2018: £31,944,720). For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties £Nil (2018: £Nil). However, the Group has made impairment provision for investments in joint venture £1,000,000 (2018: £3,247,668) (Note 7(a)). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

All loans are personally guaranteed by Executive Chairman, Mr. Arvind Gupta. In addition to this, Executive Chairman Mr. Arvind Gupta personally guaranteed £10,360,066 (2018: £10,885,365) of loans of a subsidiary which is classified as Asset Held for Sale.

**26 Earnings per share**

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the parent company as the numerator (no adjustments to profit were necessary for the year ended March 2019 or 2018).

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

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

Particulars	31 March 2019	31 March 2018
Weighted average number of shares used in basic earnings per share	367,650,606	353,108,869
Shares deemed to be issued for no consideration in respect of share based payments	-	-
Weighted average number of shares used in diluted earnings per share	<b>367,650,606</b>	<b>353,108,869</b>

**27 Directors remuneration**

	31 March 2019	31 March 2018
Arvind Gupta	500,000	750,000
Avantika Gupta (became Director on 27 November 2018)	64,691	-
Dmitri Tsvetkov	288,000	290,000
Jeremy Warner Allen	50,000	22,500
V Narayan Swami	-	224,824
Martin Gatto	-	33,750
Mike Grasby	45,000	45,000
Ravi Gupta	-	22,500
Jeremy Beeton	45,000	45,000
<b>Total</b>	<b>992,691</b>	<b>1,433,574</b>

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

**28 Commitments and contingencies***Operating lease commitments*

The Group leases office premises under operating leases. The leases typically run for a period up to 5 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

Non-cancellable operating lease rentals are payable as follows:

	31 March 2019	31 March 2018
Not later than one year	46,095	44,771
Later than one year and not later than five years	64,254	117,898
<b>Total</b>	<b>110,349</b>	<b>162,669</b>

During the year ended 31 March 2019, £41,301 (2018: £43,226) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

#### Capital commitments

During the year ended 31 March 2019, in respect of its interest in joint ventures the Group is committed to incur capital expenditure of \$ Nil (2018: \$2,800,000) i.e. approximately £ Nil (2018: £2,000,000) of their share of interest (Note 5(d)(ii)).

#### Contingent liabilities

Disputed income tax demand £1,056,154 (2018: £549,789).

Future cash flows in respect of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

#### Guarantees and Letter of credit

The group has provided bank guarantees and letter of credits (LC) to customers and vendors in the normal course of business. The LC provided as at 31 March 2019: £32,373,664 (2018: £44,901,443) and Bank Guarantee (BG) as at 31 March 2019: £6,457,430 (2018: £10,168,184). LC are supporting accounts payables already recognised in statement of financial position. There have been no guarantees provided or received for any related party receivables or payables except for corporate guarantees issued to lenders of its subsidiaries classified as Asset Held for Sale of £32,132,255 (2018: £31,944,720). BG are treated as contingent liabilities until such time it becomes probable that the Company will be required to make a payment under the guarantee.

#### 29 Financial risk management objectives and policies

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

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

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

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

#### Market risk

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

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018

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

(i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31 March 2019, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.

#### Interest rate risk

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

At 31 March 2019 and 31 March 2018, the Group had no interest rate derivatives.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. If interest rates increase or decrease by 100 basis points with all other variables being constant, the Group's profit after tax for the year ended 31 March 2019 would decrease or increase by £803,649 (2018: £934,659).

#### Foreign currency risk

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

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

Currency	As at 31 March 2019		As at 31 March 2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	8,242,631	39,040,874	3,711,568	62,663,286

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

Currency	As at 31 March 2019		As at 31 March 2018	
	Closing Rate (INR/USD)	Effect of 10% strengthening in USD against INR - Translated to GBP	Closing Rate (INR/USD)	Effect of 10% strengthening in USD against INR - Translated to GBP
United States Dollar (USD)	69.32	2,681,169	65.07	3,840,174

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

#### Credit risk analysis

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

The maximum exposure for credit risk at the reporting date is the carrying value of each class of financial assets amounting to £49,388,558 (2018: £33,761,251) and corporate guarantees issued to lenders of its subsidiaries classified as Asset Held for Sale of £32,132,255 (2018: £31,944,720).

The Group has exposure to credit risk from accounts receivable balances on sale of electricity. The operating entities of the group has entered into power purchase agreements with transmission companies incorporated by the Indian state government (TANGEDCO) to sell the electricity generated therefore the group is committed to sell power to these customers and the potential risk of default is considered low. For other customers, the Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The credit worthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly. The credit risk for liquid funds is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

To measure expected credit losses, trade and other receivables have been grouped together based on shared credit risk characteristics and the days past due. The Group determined that some trade receivables were credit impaired as these were long past their due date and there was an uncertainty about the recovery of such receivables. The expected loss rates are based on an ageing analysis performed on the receivables as well as historical loss rates. The historical loss rates are adjusted to reflect current and forward looking information that would impact the ability of the customer to pay. Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include amongst others, the failure of the debtor to engage in a repayment plan, the debtor is not operating anymore and a failure to make contractual payments for a period of greater than 180 days.

31 March 2019	Within Credit period	Days past due			
		More than 30 days	More than 60 days	More than 180 days	Total
Expected loss rate	0%	0%	0%	19.07%	
Gross carrying amount - Trade Receivables -TANGEDCO	4,616,792	2,120,998	6,657,543	2,633,639	<b>16,028,972</b>
Gross carrying amount - Trade Receivables -Others	22,093,386	2,169,134	7,034,955	2,933,211	<b>34,230,686</b>
Loss allowance	-	-	-	1,061,553	<b>1,061,553</b>

31 March 2018	Within Credit period	Days past due			
		More than 30 days	More than 60 days	More than 180 days	Total
Expected loss rate	0%	0%	0%	2.89%	
Gross carrying amount - Trade Receivables -TANGEDCO	2,198,815	2,779,985	1,576,236	4,667,336	<b>11,222,372</b>
Gross carrying amount - Trade Receivables -Others	11,373,774	944,101	5,703,860	4,722,554	<b>22,744,289</b>
Loss allowance	-	-	-	271,116	<b>271,116</b>

The closing loss allowances for trade receivables as at 31 March 2019 reconcile to the opening loss allowances as follows:

	31 March 2019	31 March 2018
Opening loss allowance as at 1 April	(271,116)	(1,177,967)
Increase in loss allowance recognised in profit or (loss) during the year for new receivables recognised	(790,437)	(271,116)
Receivables written off during the year as uncollectable	-	-
Adjustment on account of deconsolidation	-	1,177,967
Total	<b>(1,061,553)</b>	<b>(271,116)</b>

The Group's management believes that all the financial assets, except as mentioned above are not impaired for each of the reporting dates under review and are of good credit quality.

#### Liquidity risk analysis

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

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

The following is an analysis of the group contractual undiscounted cash flows payable under financial liabilities at 31 March 2019 and 31 March 2018:

**As at 31 March 2019**

	Current	1-5 years	Non-Current	Total
	Within 12 months		Later than 5 years	
Borrowings	28,869,722	51,495,208	-	80,364,930
Interest on borrowings	8,507,484	17,059,422	-	25,566,906
Trade and other payables	45,474,814	14,235,485	-	59,710,299
Provision for pledged deposits	-	12,627,381	-	12,627,381
Liabilities held for sale	33,601,291	-	-	33,601,291
Other current liabilities	91,764	-	-	91,764
<b>Total</b>	<b>116,545,075</b>	<b>95,417,496</b>	<b>-</b>	<b>211,962,571</b>

**As at 31 March 2018**

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

**Capital management**

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

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

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

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

No changes were made in the objectives, policies or processes during the years end 31 March 2019 and 31 March 2018.

The Group maintains a mixture of cash and cash equivalents, long-term debt and short-term committed facilities that are designed to ensure the Group has sufficient available funds for business requirements. There are no imposed capital requirements on Group or entities, whether statutory or otherwise.

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

	31 March 2019	31 March 2018
Total equity	154,383,407	139,130,424
Less: Cash and cash equivalents	(2,118,960)	(2,185,570)
<b>Capital</b>	<b>152,264,447</b>	<b>136,944,854</b>
Total equity	154,383,407	139,130,424
Add: Borrowings (including buyer's credit)	80,364,930	93,465,947
<b>Overall financing</b>	<b>234,748,337</b>	<b>232,596,371</b>
<b>Capital to overall financing ratio</b>	<b>0.65</b>	<b>0.59</b>

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

	Carrying amount		Fair value	
	March 2019	March 2018	March 2019	March 2018
<b>Financial assets</b>				
<b>Debt instruments measured at amortised cost</b>				
· Cash and cash equivalents <sup>1</sup>	2,118,960	2,185,570	2,118,960	2,185,570
· Restricted cash <sup>1</sup>	23,547,870	25,285,125	23,547,870	25,285,125
· Current trade receivables <sup>1</sup>	49,198,105	33,695,545	49,198,105	33,695,545

· Other long-term assets	518,553	3,000,333	518,553	3,000,333
· Other short-term assets	6,288,901	9,349,265	6,288,901	9,349,265
· Assets held for sale	3,136,938	-	3,136,938	-
<b>Financial instruments measured at fair value through profit or loss</b>				
· Other short term assets - (Note 7)(c))	40,453	65,706	40,453	65,706
<b>Investments in Associates measured at Cost (Note 7(b))</b>				
	-	11,219,378	-	11,219,378
	<b>84,849,780</b>	<b>84,800,922</b>	<b>84,849,780</b>	<b>84,800,922</b>

<b>Financial liabilities</b>				
Term loans	80,364,930	93,465,947	80,364,930	93,465,947
Current trade and other payables <sup>1</sup>	45,474,814	52,331,422	45,474,814	52,331,422
Provision for pledged deposits	12,627,381	12,553,684	12,627,381	12,553,684
Liabilities held for sale	35,267,786	-	35,267,786	-
Non-current trade and other payables <sup>2</sup>	14,235,485	4,994,049	14,235,485	4,994,049
	<b>187,970,396</b>	<b>163,345,102</b>	<b>187,970,396</b>	<b>163,345,102</b>

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

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

#### Fair value measurements recognised in the statement of financial position

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

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

	Level 1	Level 2	Level 3	Total
<b>Financial instruments measured at fair value through profit or loss</b>				
<b>2019</b>				
Unquoted securities	-	-	40,453	40,453
Quoted securities	-	-	-	-
<b>Total</b>	-	-	40,453	40,453
<b>2018</b>				
Unquoted securities	-	-	40,453	40,453
Quoted securities	25,253	-	-	25,253
<b>Total</b>	<b>25,253</b>	-	<b>40,453</b>	<b>65,706</b>

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

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

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

**31 Post - reporting date events**

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

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