RNS Number : 8958C
OPG Power Ventures plc
22 October 2020

22 October 2020

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

Final results for the year ended 31 March 2020

OPG (AIM: OPG), the developer and operator of power generation assets in India, announces its final results for the year ended 31 March 2020 ("FY20").

FY20 Highlights

- Revenue up 9.5% to £154.0 million from £140.6 million in FY19
- Total generation (including deemed) of 2.72 billion units (2.71 billion units in FY19)
- Adjusted EBITDA of £31.2 million (20.3% margin) compared with £35.3 million (25.1% margin) in FY19
- Profit before tax from continued operations was £14.5 million compared with £16.9 million in FY19
- Term loans principal debt repayment £18.0 million
- Borrowings reduced with gross debt of £56.8 million*, compared to £80.4 million at 31 March 2019

Summary financial information

	£ million	
	FY 20	**FY19**
Revenue	154.0	140.6
Adjusted EBITDA**	31.2	35.3
Profit before tax from continuing operations	14.5	16.8
Loss from discontinued operations, incl. NCI	(2.1)	(1.0)
Profit for the year	8.0	14.0
Earnings per share (pence)	2.1	3.8
Gross debt*	56.8	80.4
Total generation (billion kWh)	2.72	2.71

* Gross Debt of £56.8 million consists of long term loans of £49.9 million and working capital of £6.9 million
** See definition of Adjusted EBITDA on page 6

Post year end developments and highlights

- Six months period to 30 September 2020 average Plant Load Factor ("PLF") was 46% (H1 FY19: 79%); in September 2020 PLF increased to 63%
- In June 2020, approx. £21.0 million (Rs.2 billion) was raised through non-convertible debentures (NCDs) with a three year term and coupon rate of 9.85%; the NCD's proceeds were used to repay the FY21 and FY22 (i.e. up to March 2022) principal term loans obligations
- Total receivables from TANGEDCO at 31st March 2020 of £16.4 million (Rs.1.5 billion) were fully collected; there are no overdue monthly invoices from TANGEDCO
- At 30 September 2020 the Company's gross debt amounted to £43.8 million, comprised of £21.0 million of NCDs, £21.5 million of existing term loans, with scheduled repayments spread from June 2022 to June 2024, and working capital loans of £1.3 million

Arvind Gupta, Chairman said:

"We delivered strong operational FY20 results and achieved significant deleverage as promised to our shareholders. COVID-19 and the lockdown had a severe impact on overall industrial activity in India and OPG's operations at the beginning of FY21, but power demand gradually increased during the first half of FY21 and OPG remains profitable. We have worked hard to tackle the unprecedented challenges caused by COVID-19 and I am proud to report that we managed to significantly strengthen OPG's balance sheet with issue of NCDs and collecting receivables from TANGEDCO. This will enable OPG to resume cash dividend payments to the Company's shareholders in the medium term. I am pleased to report that our long term, profitable and sustainable business model remains unchanged."

Presentation
Dmitri Tsvetkov, CFO will be presenting at the Proactive One2One Virtual Forum at 6pm on Thursday 22nd October 2020. Attendees can register for the conference here:
https://event.webinarjam.com/register/692/gwwg2hx20
The presentation will be available for download from the Company's website: http://www.opgpower.com/
A recording of the conference call will subsequently be available on the Proactive Investors' and the Company's websites.

For further information, please visit www.opgpower.com or contact:

OPG Power Ventures PLC Arvind Gupta / Dmitri Tsvetkov	+91 (0) 44 429 11211
Cenkos Securities (Nominated Adviser & Broker) Russell Cook / Stephen Keys/Cameron MacRitchie	+44 (0) 20 7397 8900
Tavistock (Financial PR) Simon Hudson / Barney Hayward / Nick Elwes	+44 (0) 20 7920 3150

Chairman's Statement

Strong operational performance and profitability
As we have seen, the year was challenging amidst a turbulent macro environment. The Company has emerged stronger at the end, paving pathways for accelerated future growth. In spite of all the challenges during the year, the Company's strong operational performance and operating profitability in FY20 demonstrates that focusing on the existing operations and deleveraging remains the right strategy. The Company today is poised to be amongst the most successful and least leveraged power companies in India with world class assets and sustained profitability.

The Chennai plants' generation, including deemed generation, during FY20 was 2.7 billion units which is in line with the level achieved in FY19, with average Plant Load Factor ("PLF") at 75 per cent (FY19: 75 per cent). During FY20 average realised tariff was Rs5.67 (FY19: Rs5.41) 4.8 per cent higher than in FY19.

In FY20, the Group's revenue was £154.0 million (FY19: £140.6 million) and Adjusted EBITDA was £31.2 million (FY19: £35.3 million). Profit from continuing operations was £10.2 million (FY19: £15.0 million) and profit for the year was £8.0 million (£14.0 million).

This was the second year of operations of the Group's Karnataka solar projects (62MW) situated north of Bengaluru. A capacity utilisation factor of 18.5 per cent was achieved in FY20 (17 per cent in FY19).

Continued deleveraging
In 2018, the Board took the decision to focus on our profitable, long-life assets in Chennai, and to prioritise deleveraging as a method to grow shareholders' equity. Total borrowings during FY20 were reduced from £80.4 million to £56.8 million, comprising term loans of £49.9 million and working capital loans of £6.9 million.

Since the adoption of this strategy, additional shareholders' value of 15.6p per share was accrued during last three years on account of term loan repayments.

We will continue to use the cash generation of our existing operations to repay our debt and based on the revised term loans' repayments schedule we aim to be term loans free in calendar year 2024.

Indian economy
Being one of the most populous countries in the world, COVID-19 and the subsequent countrywide lockdown have caused severe disruption to the Indian economy. The economy continued to witness slowdown in growth due to successive lockdowns, movement restrictions, lower consumption and slow credit growth. Amid projections of a sharp contraction in the global economy, the International Monetary Fund ("IMF") projects the Indian GDP to contract by 10.3 per cent in fiscal year 2020 and projects the Indian economy to rebound in fiscal year 2021 with GDP growth of 8.8 per cent.

The Reserve Bank of India, the country's central bank and banking regulator, has taken several steps to reduce the negative impact of the lockdown on the economy through various monetary policy measures, including reduction in repo and reverse repo rates, moratorium on loan repayment, 90 days freeze on non-performing assets declaration, helping MSMEs through stimulus packages and credit line for incentivizing industries. These measures coupled with the easing of lockdown restrictions in a phased manner, will help economic activity to resume fully.

Power sector
During the initial lockdown the total power consumption reduced by approximately 25 per cent primarily due to a decrease in industrial demand for electricity on account of COVID-19 restrictions. As the restrictions were eased, power consumption gradually increased and in September 2020 country wide consumption grew by 5.6 per cent after a six month slump. Following the gradual recovery of the Indian economy, the power demand in the country is expected to grow driven by rising industrial demand. Further, demand revival will be driven by various reforms undertaken by the Government of India, viz., the UDAY scheme, 24*7 Power for All initiative and the Saubhagya scheme. On the energy generation front, coal is expected to remain a significant fuel source in the country's quest to provide power to every citizen.

Outlook
The Company delivered a robust operational performance and continued its scheduled repayment of term loans during FY20.

After the year end, in June 2020, the Group raised approximately £21.0 million (Rs.2 billion) through a non-convertible debentures ("NCDs") issue with a three years bullet repayment term and coupon rate of 9.85 per cent. The NCDs proceeds were used to repay the FY21 and FY22 (i.e. up to March 2022) principal term loans obligations. Total receivables from TANGEDCO for principal payment up to 31 March 2020 amounting to £16.4 million (Rs.1.5 billion) has been fully collected and there are no overdue monthly invoices from TANGEDCO. Collections from TANGEDCO were partly used to further prepay the term loans and partly for working capital requirements. Following these transactions, as at 30 September 2020 the Company's debt amounts to £42.5 million, comprised of £21.0 million of NCDs, £21.5 million of existing term loans, with scheduled repayments spread from June 2022 to June 2024, and working capital loans of £1.3 million. These two developments strengthened the Group's financial position and liquidity at this uncertain times caused by the COVID-19 pandemic.

COVID-19 has posed unprecedented and global challenges for all countries and the Indian economy is expected to contract during FY21, resulting in lower GDP and less demand for electricity. We have been working tirelessly to implement plans to limit the human, financial and commercial consequences of COVID-19. We have initiated significant cash conservation initiatives across the Group, whilst ensuring the health and safety of all our employees to secure our long term sustainability. These initiatives have improved the liquidity position of the Company which, together with support from our lending institutions, put the Group in a stronger position to manage the difficult market conditions.

During the six month period to 30 September 2020, Company operated at average PLF (incl. deemed), of 46 per cent which in September 2020 increased to 63 per cent. We expect that the Company's FY21 generation and average realised tariff will reduce in comparison with FY20. However, the Company is likely to benefit from the projected lower coal prices and freight rates and remains profitable. We expect that medium-term and long-term fundamentals remain unchanged and post-COVID-19 recovery, the Company expects to prosper as management seeks to deliver its long term, profitable and sustainable business model.

I would like to thank, all of our employees, vendors, banks and all stakeholders for the incredible support we have received during these unprecedented and extraordinary times.

Arvind Gupta
Chairman
22 October 2020

FINANCIAL REVIEW

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

Income statement

Year ended 31 March	2020 £m	% of revenue	2019 £m	% of revenue
Revenue	**154.0**		**140.6**	

Cost of revenue (excluding depreciation)	(90.0)		(91.7)	
Gross profit	**64.0**	**41.5**	**48.9**	**34.8**
Other income	0.7		2.6	
Distribution, general and administrative Expenses, expected credit loss (excluding depreciation and share-based compensation)	(33.5)		(16.2)	
Adjusted EBITDA (see definition on page 6)	**31.2**	**20.3**	**35.3**	**25.1**
Share-based compensation	(0.8)			
Depreciation and amortisation	(6.3)		(6.1)	
Net finance costs	(9.5)		(12.4)	
Profit before tax from continuing operations	**14.5**	**9.4**	**16.8**	**11.9**
Taxation	(4.3)		(1.8)	
Profit after tax from continuing operations	**10.2**	**6.6**	**15.0**	**10.7**
Loss from discontinued operations, incl. Non-Controlling Interest	**(2.1)**		**(1.0)**	
Profit for the year	**8.0**		**14.0**	

Note: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Revenue

The Group's revenue has increased by £13.4 million, reflecting a 9.5% growth year on year as a result of full year impact of increase in tariff during FY19. Average tariff realised during FY20 increased to Rs5.86 per kWh, as a result of full year impact of tariff increases during October 2018 for captive users and additional contractual claims to TANGEDCO. Generation exported to customers and billed for revenue, including deemed generation, was in the same range of 2.72 billion units during FY20 in comparison with FY19 generation.

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

Particulars	FY20	FY19
Total generation, incl. "deemed" generation (million units)	2,716	2,705
Plant Load Factor (PLF) (%)[1]	75	75
Average tariff (INR/unit) [2]	5.86	5.56

1 Chennai Unit 3: "Deemed" PLF (%) has been included
2 Average tariff includes effect of deemed offtake tariff for Chennai Unit 3. Average FY20 tariff excluding effect of deemed offtake was Rs5.67 (FY19: Rs5.41).

Gross profit and Adjusted EBITDA

Gross profit ('GP') in FY20 was 41.5% of revenue (FY19: 34.8%). The increase in GP is primarily on account of the full year impact of the increase in tariff during FY19, additional contractual claims to TANGEDCO and reduction of cost of coal.

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 charges, e.g. share based compensation, etc. 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 £31.2 million in FY20 a decrease from £35.3 million in FY19. The Adjusted EBITDA margin was lower at 20.3% in FY20 against 25.1% in FY19 primarily on account of increase in expected credit loss on trade receivables with respect to contractual claim made on a customer towards change in law as per the Power Purchase Agreement of £6.4 million, tariff discount dispute of £7.5 million and change in credit risk of customers of £3.1 million.

Profit from continuing operations before tax was £14.5 million compared with a profit from continuing operations before tax of £16.8 million in FY19.

Profit before tax reconciliation ('PBT') (£m)	**FY 20**
PBT 2019-20	14.5
PBT 2018-19	16.8
Decrease in PBT	**(2.3)**
Increase in GP	15.1
Decrease in Other Income	(2.0)
Increase in Expected Credit Loss, Distribution, General & Administrative Expenses	(18.0)
Decrease in Net Finance Costs	2.8
Increase in Depreciation and Amortisation	(0.2)
Decrease in PBT	**(2.3)**

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 £4.3 million comprised of current tax expense of £0.8 million and deferred tax expense of £3.5 million.

Profits after tax from continuing operations

Profits after tax from continuing operations have decreased by 32.0% in FY20 to £10.2 million due to increased provision for expected credit loss.

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 an additional 30% equity interest in the solar projects following the 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 projects and 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 announced its intention to dispose of the Karnataka solar projects. The Company initiated the process of disposal of the solar projects in the previous year which met all conditions of IFRS 5 for classification of the solar business as Assets held for sale at 31 March 2020. Accordingly, assets of £46.4 million and liabilities of £32.9 million were classified as assets and liabilities held for sale in the Consolidated Statement of Financial Position as at 31 March 2020 and their loss from operations of £0.3 million was also 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 and 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. The Padma joint venture will be terminated and dissolved in due course.

OPG has invested approximately £3.5 million in equity and £1.7 million 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 FY20 financial statements of £0.9 million (FY19: £1.0 million) against its investment to date, including its advance to Padma Shipping, resulting in impairment of the entire investment of £5.2 million on account of the impending dissolution of the joint venture.

Earnings per Share (EPS)
The Company's total reported EPS decreased to 2.11 pence from 3.81 pence primarily due to higher provision for expected credit loss on trade receivables and loss from discontinued operations in FY20.

Dividend
The Company has issued 12,823,311 (2019: 31,601,503) shares during FY19 with respect to a scrip dividend at par value of £0.000147 (2018: £0.000147) per share amounting to £1,885 (2019: £4,646). The difference between fair value of shares issued above par value of £2,325,567 (2019: £3,558,442) with respect to the scrip dividend was credited to share premium.

Foreign exchange loss on translation
The British Pound-to-Indian Rupee exchange rate has moved higher to a closing rate on 31 March 2020 of £1= INR 93.07 as against £1= INR 90.28 on 31 March 2019 thereby resulting in exchange loss of £4.6 million on translating foreign operations.

Property, plant and equipment
The decrease in net book value of our property, plant and equipment of £11.6 million principally relates to depreciation and foreign exchange impact on account of translation during the year offset by additions.

Other non-current assets
Other non-current assets (excluding Property, plant and equipment & Intangible assets) have decreased by £0.5 million primarily due to decrease in non-current portion of restricted cash.

Current assets
Current assets have decreased by £36.4 million from £139.7 million to £103.3 million year on year primarily as a result of the following:
- Increase in inventory holdings by £4.3 million.
- Decrease in Assets held for sale by £4.1 million.
- Decrease in trade and other receivables by £22.3 million.
- Decrease in cash and bank balances (including restricted cash) by £14.3 million.

Liabilities
Current liabilities have decreased by £10.8 million from £109.7 million to £98.9 million year on year primarily due to trade payable and assets held of sales.

Non-current liabilities have decreased by £41.7 million from £80.7 million to £39.0 million year on year primarily on account of repayment of borrowings and reduction in provision for pledged deposit, offset with restricted cash.

Gross debt, gearing and finance costs
As of 31 March 2020, total borrowings were £56.8 million (31 March 2019: £80.4 million). The gearing ratio, net borrowings (i.e. total borrowings minus cash)/(equity plus borrowings), was 25% (31 March 2019: 34%). Gearing ratio is a useful measure of financial risk of the Company.

Total borrowings (current and non-current portions) decreased by £23.6 million due to the repayment of term loans of £18.0 million, the decrease in working capital loans of £3.5 million and foreign exchange impact of depreciation 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 revised term loans repayments schedule the Chennai plant is expected to be debt free in calendar 2024.

Finance costs have decreased by £3.1 million from £14.6 million in FY19 to £11.5 million in FY20 primarily due to the impact of the decrease in foreign exchange losses and reduction in interest expense following scheduled repayments of term loans. Finance income decreased from £2.2 million in FY19 to £2.0 million in FY20 and therefore net finance costs in FY20 amounted to £9.5 million (FY19: £12.4 million).

The restricted cash balances totaling £7.5 million at 31 March 2020 (31 March 2019: £23.5 million) is comprised of financial deposits that have been pledged as security for Letters of Credit. Reduction in restricted cash is primarily due to an offset of financial deposits, pledged as a security for BVP's borrowings, against an impairment provision made in previous years.

Cash flow
Cash flow from continuing operations before and after changes in working capital were £48.2 million (FY19: £35.7 million) and £30.6 million (FY19: £28.1million) respectively. Net cash flow from operating activities has increased from £28.1 million in FY19 to £30.6 million in FY20, an increase of £2.5 million, primarily due to increase in gross profit.

Movements (£m)	FY20	FY19
Operating cash flows from continuing operations before changes in working capital	**48.2**	**35.7**
Tax paid	(0.8)	(0.6)
Change in working capital assets and liabilities	(16.8)	(7.0)
Net cash generated by operating		

activities from continuing operations	**30.6**	**28.1**
Purchase of property, plant and equipment (net of disposals)	(0.6)	(1.5)
Investments sold/(purchased), incl. in solar projects, market securities, movement in restricted cash and interest received	3.5	1.2
Net cash from/(used in) continuing investing activities	**2.9**	**(0.3)**
Finance costs paid	(9.9)	(14.8)
Total cash change from continuing operations before net borrowings	**23.6**	**13.0**

Post - reporting date events
The Group raised approximately £21.0 million (Rs2 billion) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. The NCDs proceeds was used to repay the FY21 and FY22 (i.e. to March 2022) principal term loans obligations.

Post year end operations update and COVID-19 impact
Since the start of FY21, there has been a reduction in generation due to COVID-19 induced country wide lockdown which resulted in disruption in the economic activities and subsequent decrease in power demand from captive users. For the six months to 30 September 2020:

- Average Plant Load Factor ("PLF") was 46% (H1 FY19: 79%); in September 2020 PLF increased to 63%
- Average tariff was Rs5.60 (FY20: Rs5.67)
- At 30 September 2020 the Company's gross debt amounted to £43.8 million, comprised of £21.0 million of NCDs, £21.5 million of existing term loans, with scheduled repayments spread from June 2022 to June 2024, and working capital loans of £1.3 million
- Various cost reduction, efficiency improvement and liquidity improvement measures have been implemented to ensure sustainable operations

The Government of India with Reserve Bank of India (RBI) have announced various regulatory measures to help the industry. Subsequent to the year end, the RBI announced various regulatory measures (RBI COVID-19 Regulatory package which, inter alia, provides for rescheduling of payments towards term loans and working capital facilities for principal and interest) to mitigate the burden of debt servicing brought by disruptions on account of the COVID-19 pandemic and to ensure the continuity of viable businesses. The Group has opted for such measures for the deferment of payment of principal and interest on term loans and also interest on working capital loans.

In June 2020, the Group repaid the principal term loan obligation for FY 21 and FY 22 from NCDs proceeds and during the first few months of FY21 it collected total receivables outstanding at 31 March 2020 of approximately £16.4 million from its principle customer TANGEDCO and there are no overdue monthly invoices from TANGEDCO. These two developments strengthened the Group's financial position at this time of economic slowdown.

Dmitri Tsvetkov
Chief Financial Officer
22 October 2020

Consolidated statement of financial position
As at 31 March 2020
(All amount in £, unless otherwise stated)

	Notes	**As at 31 March 2020**	**As at 31 March 2019**
Assets			
Non-current assets			
Intangible assets	14	9,045	23,603
Property, plant and equipment	15	192,469,395	204,102,891
Other long-term assets	17	509,628	518,553
Restricted cash	20	26,645	517,271
		193,014,713	**205,162,318**
Current assets			
Inventories	19	11,480,099	7,151,366
Trade and other receivables	18	26,901,986	49,198,105
Other short-term assets	17	6,316,735	6,329,354
Current tax assets (net)		1,330,684	1,337,316
Restricted cash	20(b)	7,497,967	23,030,599
Cash and cash equivalents	20(a)	3,438,830	2,118,960
Assets held for sale	7(a), 7(b)	46,356,680	50,497,664
		103, 322,981	**139,663,364**
Total assets		**296, 337,694**	**344,825,682**
Equity and liabilities			
Equity			
Share capital	21	58,909	57,024
Share premium	21	131,451,482	129,125,915
Other components of equity		(1,322,987)	2,401,287
Retained earnings		27,818,474	21,916,422
Equity attributable to owners of the Company		**158,005,878**	**153,500,648**
Non-controlling interests		497,955	882,759
Total equity		**158,503,833**	**154,383,407**
Liabilities			
Non-current liabilities			
Borrowings	23	33,081,456	51,495,208
Trade and other payables	24	169,373	14,235,485
Provision for pledged deposits	20(b)	-	12,627,381
Deferred tax liabilities (net)	13	5,723,791	2,380,115

		38,974,620	**80,738,189**
Current liabilities			
Borrowings	23	23,746,229	28,869,722
Trade and other payables	24	41,663,989	45,474,814
Other liabilities		582,241	91,764
Liabilities classified as held for sale	7(b)	32,866,783	35,267,786
		98,859,241	**109,704,086**
Total liabilities		**137,833,861**	**190,442,275**
Total equity and liabilities		**296, 337,694**	**344,825,682**

The notes are an integral part of these consolidated financial statements

The financial statements were authorised for issue by the board of directors on 22 October 2020 and were signed on its behalf by

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

Consolidated statement of Comprehensive Income For the Year ended 31 March 2020

(All amount in £, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	8	154,040,283	140,632,328
Cost of revenue	9	(90,060,252)	(91,753,763)
Gross profit		**63,980,031**	**48,878,565**
Other income	10	668,037	2,645,332
Distribution cost		(9,209,987)	(8,476,933)
General and administrative expenses		(8,061,622)	(6,955,960)
Expected credit loss on trade receivables	29	(17,046,480)	(790,437)
Depreciation and amortisation		(6,293,034)	(6,064,374)
Operating profit		**24,036,945**	**29,236,193**
Finance costs	11	(11,495,136)	(14,586,917)
Finance income	12	1,962,692	2,207,480
Profit before tax		**14,504,501**	**16,856,756**
Tax expense	13	(4,321,124)	(1,819,387)
Profit for the year from continued operations		**10,183,377**	**15,037,369**
Loss from discontinued operations, including Non-Controlling Interest	7(a)(b)(c)	(2,146,275)	(989,493)
Profit for the year		**8,037,102**	**14,047,876**
Profit for the year attributable to:			
Owners of the Company		8,229,504	14,020,364
Non - controlling interests		(192,402)	27,512
		8,037,102	**14,047,876**
Earnings per share from continued operations			
Basic earnings per share (in pence)	26	2.60	4.09
Diluted earnings per share (in pence)		2.59	4.09
Loss per share from discontinued operations			
Basic earnings per share (in pence)	26	(0.50)	(0.23)
Diluted earnings per share (in pence)		(0.50)	(0.23)
Earnings per share			
-Basic (in pence)	26	2.11	3.81
-Diluted (in pence)		2.09	3.81
Other comprehensive income / (loss)			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(4,560,097)	1,207,292
Items that will be not reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, relating to non-controlling interests		(192,401)	961
Total other comprehensive income / (loss)		**(4,752,498)**	**1,208,253**
Total comprehensive income		**3,284,604**	**15,256,129**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		3,669,407	15,227,656
Non-controlling interest		(384,803)	28,473
		3,284,604	**15,256,129**

The notes are an integral part of these consolidated financial statements

Consolidated statement of changes in equity For the Year ended 31 March 2020

(All amount in £, unless otherwise stated)

Issued capital	Foreign currency	Total attributable	Non-

	(No. of shares)	Ordinary shares	Share premium	Other reserves	translation reserve	Retained earnings	to owners of parent	controlling interests	Total equity
At 1 April 2018	**356,308,697**	**52,378**	**125,567,473**	**6,650,305**	**(5,456,310)**	**11,461,826**	**138,275,672**	**854,752**	**139,130,424**
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)	-	-	-
Transaction with owners	**31,601,503**	**4,646**	**3,558,442**	**-**	**-**	**(3,565,768)**	**(2,680)**	**(466)**	**(3,146)**
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
Total comprehensive income	**-**	**-**	**-**	**-**	**1,207,292**	**14,020,364**	**15,227,656**	**28,473**	**15,256,129**
At 31 March 2019	**387,910,200**	**57,024**	**129,125,915**	**6,650,305**	**(4,249,018)**	**21,916,422**	**153,500,648**	**882,759**	**154,383,407**
At 1 April 2019	**387,910,200**	**57,024**	**129,125,915**	**6,650,305**	**(4,249,018)**	**21,916,422**	**153,500,648**	**882,759**	**154,383,407**
Employee Share based payment LTIP (Note 22)				835,822		-	835,822	-	835,822
Dividends (Note 21)	12,823,311	1,885	2,325,567	-	-	(2,327,452)	-	-	-
Transaction with owners	**12,823,311**	**1,885**	**2,325,567**	**835,822**	**-**	**(2,327,452)**	**835,822**	**-**	**835,822**
Profit for the year	-	-	-	-	-	8,229,504	8,229,504	(192,402)	8,037,101
Other comprehensive income	-	-	-	-	(4,560,096)	-	(4,560,096)	(192,402)	(4,752,497)
Total comprehensive income	**-**	**-**	**-**	**-**	**(4,560,096)**	**8,229,503**	**3,669,408**	**(384,804)**	**3,284,604**
At 31 March 2020	**400,733,511**	**58,909**	**131,451,482**	**7,486,127**	**(8,809,114)**	**27,818,474**	**158,005,878**	**497,955**	**158,503,833**

During the year, the Company paid a scrip dividend of 12,823,311 shares (2019:31,601,503 shares)

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

Consolidated statement of cash flows
For the Year ended 31 March 2020
(All amount in £, unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities			
Profit before income tax including discontinued operations		**11,365,000**	**15,867,263**
Adjustments for:			
Loss from discontinued operations, net	7	3,139,501	989,493
Unrealised foreign exchange loss / (gain)	9(d)	1,568,333	(416,338)
Financial costs	11	9,926,804	14,586,917
Financial income	12	(1,962,692)	(2,207,480)
Share based compensation costs	22	835,822	-
Depreciation and amortisation		6,293,034	6,064,374
Expected credit loss on Trade receivables	29	17,046,480	790,437
Changes in working capital			
Trade and other receivables		4,406,823	(16,021,881)
Inventories		(4,699,650)	2,564,914
Other assets		1,945,750	4,752,087
Trade and other payables		(18,245,141)	2,384,828
Other liabilities		(217,194)	(669,762)
Cash generated from continuing operations		**31,402,869**	**28,684,851**
Taxes paid		(767,865)	(584,390)
Cash provided by operating activities of continuing operations		30,635,004	28,100,461
Cash provided by (used for) operating activities of discontinued operations		(2,062,318)	(8,256,479)
Net cash provided by operating activities		**28,572,687**	**19,843,983**
Cash flows from investing activities			
Purchase of property, plant and equipment (including capital advances)		(573,668)	(1,515,742)
Interest received		1,962,692	2,207,480
Movement in restricted cash		2,240,335	(1,737,255)
Sale/(purchase) of investments		(725,418)	785,222
Cash from / (used in) investing activities of continuing operations		2,903,941	(260,295)
Cash from / (used in) investing activities of discontinued operations		426,425	(4,346,681)
Net cash from / (used in) investing activities		**3,330,366**	**(4,606,976)**
Cash flows from financing activities			
Proceeds from borrowings (net of costs)		-	7,535,858
Repayment of borrowings		(21,620,516)	(20,636,875)
Finance costs paid		(9,927,750)	(14,835,536)
Cash used in financing activities of continuing operations		(31,548,266)	(27,936,553)

Cash used in financing activities of discontinued operations	689,255	12,717,446
Net cash used in financing activities	**(30,859,011)**	**(15,219,107)**
Net Increase / (decrease) in cash and cash equivalents from continuing operations	1,990,679	(96,387)
Net Increase / (decrease) in cash and cash equivalents from discontinued operations	(946,638)	114,286
Net increase in cash and cash equivalents	**1,044,042**	**17,899**
Cash and cash equivalents at the beginning of the year	2,118,960	2,185,570
Cash and cash equivalents - solar business	24,545	231,953
Exchange differences on cash and cash equivalents	19,330	29,769
Cash and cash equivalents of the discontinued operations	231,953	(346,231)
Cash and cash equivalents at the end of the year	**3,438,830**	**2,118,960**

Consolidated statement of cash flows
For the Year ended 31 March 2020 (continued)

(All amount in £, unless otherwise stated)

Disclosure of Changes in financing liabilities:

Analysis of changes in Net debt	**1 April 2019**	**Cash flows**	**Forex rate impact**	**31 March 2020**
Working Capital loan	10,433,893	(3,317,490)	(202,281)	6,914,122
Secured loan due within one year	18,435,829	(1,087,278)	(516,444)	16,832,107
Borrowings grouped under Current liabilities	**28,869,722**	**(4,404,768)**	**(718,725)**	**23,746,229**
Secured loan due after one year	51,495,208	(17,215,748)	(1,198,004)	33,081,456
Borrowings grouped under Non-current liabilities	**51,495,208**	**(17,215,748)**	**(1,198,004)**	**33,081,456**

Analysis of changes in Net debt	**1 April 2018**	**Cash flows**	**Other Changes**	**31 March 2019**
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
Borrowings grouped under Current liabilities	**23,829,415**	**5,568,894**	**(528,587)**	**28,869,722**
Secured loan due after one year	69,636,532	(18,669,911)	528,587	51,495,208
Borrowings grouped under Non-current liabilities	**69,636,532**	**(18,669,911)**	**528,587**	**51,495,208**

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 55 Athol street, Douglas, Isle of Man IM1 1LA. 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 2020 were approved and authorised for issue by the Board of Directors on 22 October 2020.

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.

Amendments to IAS 1 and IAS 8, "Definition of Material," published in October 2018. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 January 2020.

Amendments to IFRS 3, "Definition of a business," published in October 2018. Acquisitions that occur on or after first annual reporting period beginning on or after 1 January 2020. Early application is permitted.

Amendments to IFRS 9, IAS 39 and IFRS 7, "Interest rate benchmark reform," published in September 2019. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 January 2020.

Currently, these adjustments are not expected to have a material impact on the consolidated financial statements of Group.

b. Changes in accounting Standards

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

5. Summary of significant accounting policies
a) Basis of preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for financial assets and liabilities at fair value through profit or loss and financial assets measured at FVPL.

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

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 2020 (Note 7(b)).

Going concern
As at 31 March 2020 the Group had £3.4m in cash and net current assets of £4.4m. The directors and management have prepared a cash flow forecast to October 2021, 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.

COVID-19 virus, a global pandemic has affected the world economy leading to significant decline and volatility in financial markets and decline in economic activities. The Group has considered the possible effects that may result from the pandemic on the carrying amounts of receivables and other financial assets and carried out a Reverse Stress Test (RST). In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. The Group has performed sensitivity analysis on the assumptions used for business projections and based on current estimates expects the carrying amount of these assets will be recovered and no material impact on the financial results inter-alia including the carrying value of various current and non-current assets are expected to arise for the year ended 31 March 2020. The Group will continue to closely monitor any variation due to the changes in situation and these changes will be taken into consideration, if necessary, as and when they crystalise. However, electricity being an essential commodity the impact on industry has been comparatively lower. The operating assets of the Group primarily are located in India. The Government of India with Reserve Bank of India (RBI) have announced various regulatory measures to help the industry. Subsequent to year end, RBI announced various regulatory measures (RBI COVID-19 Regulatory package which, inter alia, provides for rescheduling of payments towards Term Loans and Working Capital facilities for principal and interest) to mitigate the burden of debt servicing brought by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses. The Group has opted for such measures for deferment of payment of principal and interest on term loans and also interest on working capital loans. Please refer to events after year end detailed below that have substantially eased the cash flow burden on account of the Group having repaid the principal term loan obligation for FY 21 and FY 22 and major recoveries of overdues towards power supply from our principle customer TANGEDCO. Based on the RST analysis, we can conclude that the Group is in strong position to go through the current situation caused by COVID-19 pandemic and going concern is not an issue.

Developments after the year end
Group raised approximately GBP 21.0 million (Rs.2000 million) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. NCD's proceeds was used to repay the FY21 and FY22 (i.e. to March 2022) principal term loans obligations. This will substantially release the cash flow burden for the next two financial years on account of loan repayment obligations.

Subsequent to 31 March 2020, the Group collected the full amount of receivables from its principle customer TANGEDCO of approximately £16.4 m.

These two developments strengthened the Group's financial position at this time of economic slowdown.

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 2020. 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 March 2020	% Voting Right March 2019	% Economic interest March 2020	% Economic interest March 2019
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	73.16	73.49	99.91	99.91
Samriddhi Solar Power LLP(*)	OPGPG	India	73.16	73.49	99.91	99.90
Samriddhi Surya Vidyut Private Limited	OPGPG	India	73.16	73.49	99.91	99.90
OPG Surya Vidyut LLP(*)	OPGPG	India	73.16	73.49	99.91	99.90
Powergen Resources Pte Ltd	OPGPV	Singapore	98.66	98.67	100.00	100.00
Avanti Solar Energy Private Limited(**)	OPGPG	India	31	31%	31	31%
Mayfair Renewable Energy Private Limited(**)	OPGPG	India	31	31%	31	31%
Avanti Renewable Energy Private Limited(**)	OPGPG	India	31	31%	31	31%
Brics Renewable Energy Private Limited(**)	OPGPG	India	31	31%	31	31%

(*)During FY20 the companies were converted into LLP.
(**)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 March 2019	% Voting right March 2018	% Economic interest March 2019	% Economic interest 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 recognized in the currency translation reserve in equity.

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

INR exchange rates used to translate the INR financial information into the presentation currency of Great Britain Pound (£) are the closing rate as at 31 March 2020: 93.07 (2019: 90.28) and the average rate for the year ended 31 March 2020: 89.97 (2019: 91.60).

f) Revenue recognition
In accordance with IFRS 15 - Revenue from contracts with customers, the group recognises revenue 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 on the basis of billing cycle under the contractual arrangement with the customers and reflects the value of units of power supplied and the applicable customer tariff after deductions or discounts. Revenue is earned at a point in time of joint meter reading by both buyer and seller for each billing month.

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 contains regulations on measurement categories for financial assets and financial liabilities. It also contains regulations on impairments, which are based on expected losses.

Financial assets are classified as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVOCI) and financial assets measured at fair value through profit and loss (FVPL) based on the business model and the characteristics of the cash flows. If a financial asset is held for the purpose of collecting contractual cash flows and the cash flows of the financial asset represent exclusively interest and principal payments, then the financial asset is measured at amortized cost. A financial asset is measured at fair value through other comprehensive income (FVOCI) if it is used both to collect contractual cash flows and for sales purposes and the cash flows of the financial asset consist exclusively of interest and principal payments. Unrealized gains and losses from financial assets measured at fair value through other comprehensive income (FVOCI), net of related deferred taxes, are reported as a component of equity (other comprehensive income) until realized. Realized gains and losses are determined by analyzing each transaction individually. Debt instruments that do not exclusively serve to collect contractual cash flows or to both generate contractual cash flows and sales revenue, or whose cash flows do not exclusively consist of interest and principal payments are measured at fair value through profit and loss (FVPL). For equity instruments that are not held for trading purposes the group has uniformly exercised the option of recognizing changes in fair value through profit or loss (FVPL). Refer to note 30 "Summary of financial assets and liabilities by category and their fair values".

Impairments of financial assets are both recognized for losses already incurred and for expected future credit defaults. The amount of the impairment loss calculated in the determination of expected credit losses is recognized on the income statement. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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
All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

Leases of low value assets; and

• Leases with a duration of 12 months or less.

IFRS 16 was adopted effective from 1 April 2019 without restatement of comparative figures.

The following policies apply subsequent to the date of initial application, 1 April 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate. On initial recognition, the carrying value of the lease liability also includes:
• amounts expected to be payable under any residual value guarantee;
• the exercise price of any purchase option granted in favour of the group if it is reasonable certain to assess that option;
• any penalties payable for terminating the lease, if the term of the lease has been estimated in the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease
incentives received, and increased for:
• lease payments made at or before commencement of the lease;
• initial direct costs incurred; and
• the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations)

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 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 2020 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).

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 2020	**At 31 March 2019**	**At 31 March 2020**	**At 31 March 2019**	**For FY 20**	For FY 19
i	Impairment of investments in joint venture	-	918,432	-	-	(918,432)	(1,010,200)
ii	Solar subsidiaries (7(b))	46,356,680	49,579,232	32,866,783	35,267,786	(293,942)	20,708
iii	Impairment of deposits pledged for lenders of BVP Note7(c)	-	-	-	-	(933,901)	-
	Total	**46,356,680**	**50,497,664**	**32,866,783**	**35,267,786**	**(2,146,275)**	**(989,493)**

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 the second vessel was sold during FY20. The Padma joint venture will be terminated and dissolved. As at 31 March 2020, the investment was therefore reclassified to assets held for sale.

OPG has invested approximately £3,484,178 in equity and £1,727,418 to date as advance and accordingly the joint venture has been reported using equity method as per the requirements of IFRS 11. During the year the Company recognised an impairment provision of £918,432 (2019 £1,000,000) resulting in impairment of entire investment of £5,211,596 in joint venture (note 16) on account of the impending dissolution of the JV.

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

During FY19, the results of the operations of solar subsidiaries Avanti Solar Energy Private Limited, Mayfair Renewable Energy Private Limited, Avanti Renewable Energy Private Limited and Brics Renewable Energy Private Limited were classified as Assets held for sale. 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. The process of sale could not be implemented during FY20 due to pandemic COVID-19 and expectation of comparatively better valuation for sale. However the Management expects the interest in the solar companies to be sold within the next 12 months and continues to locate a buyer.

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

(a) Assets of disposal group classified as held-for-sale	**As at 31 March 2020**	**As at 31 March 2019**
Property, plant and equipment	42,098,498	46,442,294
Trade and other receivables	3,489,633	578,721
Other short-term assets	256,209	499,527
Restricted cash	487,795	1,712,450
Cash and cash equivalents	24,545	346,240
Investment in Joint venture classified as held for sale	-	918,432
Total	**46,356,680**	**50,497,664**

(b) Liabilities of disposal group classified as held-for-sale	As at 31 March 2020	As at 31 March 2019
Non Current liabilities		
Borrowings	28,262,288	17,194,745
Trade and other payables	-	7,710,956
Deferrred tax liability	1,014,031	1,666,495
Current liabilities		
Trade and other payables	901,474	3,958,192
Other liabilities	2,688,990	4,737,398
Total	**32,866,783**	**35,267,786**

(c) Analysis of the results of discontinued operations is as follows:	For FY 20	For FY 19
Revenue	5,884,401	5,007,509
Operating profit before impairments	2,160,974	4,009,485
Finance income	92,096	311,744
Finance cost	(3,540,239)	(2,294,669)
Current Tax	-	(363,372)
Deferred tax	993,226	(1,642,480)
Profit/(Loss) from Solar operations	**(293,942)**	**20,708**

c) Loss from discontinued operations of BVP

As reported in the FY18 financial statements, the Group had pledged deposits with lenders of BVP for overdraft facility availed by BVP. During the year the lenders of BVP have appropriated the entire deposits towards the overdraft loan availed by BVP. The Group has already impaired £12,627,381 during FY18 and the balance deposits of £933,901 has been impaired during the year.

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 Board of Directors being the chief operating decision maker evaluate 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. All the non-current assets are located in India.

Revenue on account of sale of power to one customer exceeding 10% of total sales revenue amounts to £27,152,241 (2019: £24,117,088).

Segmental information disclosure

	Continuing operations Thermal		Discontinued operations Solar	
Segment Revenue	**FY20**	**FY19**	**FY20**	**FY19**
Sales	154,040,283	140,632,328	5,884,401	5,007,509
Total	**154,040,283**	**140,632,328**	**5,884,401**	**5,007,509**
Depreciation, impairment	(6,293,034)	(6,064,374)	(3,516,527)	-
Profit / (loss) from operation				
Finance Cost	24,036,945	29,236,193	2,160,974	4,009,485
Tax expenses	1,962,692	2,207,480	92,096	311,744
Profit / (loss) for the year	(11,495,136)	(14,586,917)	(3,540,239)	(2,294,669)

Loss from discontinued operations relating to shipping JV and past subsidiary BVP aggregating to £1,887,629 not included above.

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 fuel

	31 March 2020	31 March 2019
Included in cost of revenue:		
Cost of fuel consumed	83,133,530	88,754,095
Other direct costs	6,926,722	2,999,668
Total	**90,060,252**	**91,753,763**

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

	31 March 2020	31 March 2019
Salaries and wages	2,756,438	3,302,162
Employee benefit costs *	760,914	251,520
Long Term Incentive Plan (Note 22)	835,822	-
Total	**4,353,174**	**3,553,682**

* includes £21,860 (2019: NIL) being expenses towards gratuity which is a defined benefit plan (Note 5(w))

c) Auditor's remuneration for audit services amounting to £65,000 (2019: £80,000) is included in general and administrative expenses.

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

	31 March 2020	31 March 2019
Foreign exchange realised - (gain)/loss	(420,842)	3,543,163
Foreign exchange unrealised- (gain) / loss	1,568,333	(416,338)
Total	**1,147,491**	**3,126,825**

10 Other income and expenses

Other income

	31 March 20209	31 March 2019
Sale of coal	462,718	887,815
Sale of fly ash	26,611	48,910
Power trading commission and other services	161,053	1,217,369
Others	17,655	491,238
Total	**668,037**	**2,645,332**

11 Finance costs

Finance costs are comprised of:

	31 March 2020	31 March 2019
Interest expenses on borrowings	9,289,625	10,210,464
Net foreign exchange loss (Note 9)	1,147,491	3,126,825
Other finance costs	1,058,020	1,249,628
Total	**11,495,136**	**14,586,917**

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

12 Finance income

Finance income is comprised of:

	31 March 2020	31 March 2019
Interest income on bank deposits and advances	1,943,132	2,192,555
Profit on disposal of financial instruments*	19,560	14,925
Total	**1,962,692**	**2,207,480**

*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 2020	31 March 2019
Accounting profit / (loss) before taxes	14,504,501	16,856,756
Enacted tax rates	34.94%	34.94%
Tax expense / (benefit) on profit / (loss) at enacted tax rate	5,068,453	5,890,425
Exempt Income due to tax holiday	(22,896)	(685,895)
Foreign tax rate differential	(327,343)	303,096
Unused tax losses brought forward and carried forward	(993,226)	(1,216,052)
Non-taxable items	-	(275,769)
MAT credit entitlement	(397,088)	(190,567)
Actual tax for the period	**3,327,899**	**3,825,239**

	31 March 2020	31 March 2019
Current tax	788,430	1,281,584
Deferred tax	3,532,694	537,803
Total tax expenses on income from continued operations	4,321,124	1,819,387
Add: tax on income from discontinuing operations	(993,226)	2,005,852
Tax reported in the statement of comprehensive income	**3,327,899**	**3,825,239**

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 primarily based in India, the effective tax rate of the Group has been computed based on the current tax rates prevailing in India. Further, a substantial portion of the profits of the Group's India operations are exempt from Indian income taxes being profits attributable to generation of power in India. Under the tax holiday the taxpayer can utilize an exemption from income taxes for a period of any ten consecutive years out of a total of fifteen consecutive years from the date of commencement of the operations. However, the entities in India are still liable for Minimum Alternate Tax (MAT) which is calculated on the book profits of the respective entities currently at a rate of 17.47% (31 March 2019: 21.55%).

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

Deferred income tax for the Group at 31 March 2020 and 2019 relates to the following:

	31 March 2020	31 March 2019
Deferred income tax assets		
Unused tax losses brought forward and carried forward	1,216,052	1,216,052
MAT credit entitlement	11,962,515	11,565,427
	13,178,567	12,781,479
Deferred income tax liabilities		
Property, plant and equipment	18,902,358	15,161,594
	18,902,358	15,161,594
Deferred income tax liabilities, net	**5,723,791**	**2,380,115**

Movement in temporary differences during the year

Particulars	**As at 01 April 2019**	**Deferred tax Asset/(Liability) for the year**	**Classified as (Asset) / Liability held for sale**	**Translation adjustment**	**As at 31 Mar 2020**
Property, plant and equipment	(15,161,594)	(2,936,557)	(993,226)	189,018	(18,902,358)
Unused tax losses brought forward and carried forward	1,216,052			-	1,216,052
MAT credit entitlement	11,565,427	397,088	-	-	11,962,515
Deferred income tax (liabilities) / assets, net	**(2,380,115)**	**(2,539,468)**	**(993,226)**	**189,018**	**(5,723,791)**

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
Deferred income tax (liabilities) / assets, net	**(1,457,209)**	**(2,543,656)**	**1,642,480**	**(21,730)**	**(2,380,115)**

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.

There are no unrecognised deferred tax assets and liabilities. As at 31 March 2020 and 2019, there was no recognised deferred tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future.

14 Intangible assets

	Acquired software licences
Cost	
At 31 March 2018	**847,648**
Additions	-
Exchange adjustments	4,976
At 31 March 2019	**852,624**
At 31 March 2019	**852,624**
Additions	-
Exchange adjustments	(25,559)
At 31 March 2020	**827,065**
Accumulated depreciation and impairment	
At 31 March 2018	783,478
Charge for the year	40,354
Exchange adjustments	5,190
At 31 March 2019	**829,021**
At 31 March 2019	**829,021**
Charge for the year	14,327
Exchange adjustments	(25,329)
At 31 March 2020	**818,020**
Net book value	
At 31 March 2020	**9,045**
At 31 March 2019	**23,603**

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
Cost							
At 1 April 2018	**4,744,093**	**221,066,874**	**614,925**	**2,394,639**	**-**	**4,530,760**	**233,351,291**
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)
Transfer on capitalisation	-	290,658	-	-	-	(290,658)	-
Exchange adjustments	26,978	1,297,928	3,595	14,023	-	26,959	1,369,483
At 31 March 2019	**5,007,901**	**222,961,054**	**1,773,269**	**2,417,413**	**-**	**4,285,864**	**236,445,501**
At 1st April 2019	**5,007,901**	**222,961,054**	**1,773,269**	**2,417,413**	**-**	**4,285,864**	**236,445,501**
Additions	-	294,954	165,831	10,958	-	82,815	554,559
Transfers on capitalisation	3,903,256	56,168	-	-	-	(3,959,424)	-
Exchange adjustments	(145,667)	(6,689,809)	(52,848)	(72,290)	-	(128,479)	(7,089,093)
At 31 March 2020	**8,765,490**	**216,622,367**	**1,886,252**	**2,356,081**	**-**	**280,776**	**229,910,967**
Accumulated depreciation and impairment							
At 1 April 2018	**32,174**	**24,456,188**	**526,100**	**1,065,694**	**-**	**-**	**26,080,156**
Charge for the year *	12,363	5,494,384	103,316	413,957	**-**	-	6,024,020
Additions - Solar assets (note 7(b))	-	-	-	-	4,417	-	4,417
Exchange adjustments	493	221,076	4,595	12,270	-	-	238,434
Solar assets classified as Asset Held for Sale (note 7(b))	-	-	-	-	(4,417)	-	(4,417)

At 31 March 2019	**45,030**	**30,171,648**	**634,011**	**1,491,921**	**-**	**-**	**32,342,610**
At 1 April 2019	**45,030**	**30,171,648**	**634,011**	**1,491,921**	**-**	**-**	**32,342,610**
Charge for the year *	12,981	5,603,791	272,110	389,825	-		6,278,707
Exchange adjustments	(2,410)	(1,091,777)	(28,050)	(57,509)	-	-	(1,179,746)
At 31 March 2020	**55,601**	**34,683,662**	**878,072**	**1,824,237**	**-**	**-**	**37,441,572**
Net book value							
At 31 March 2020	**8,709,889**	**181,938,705**	**1,008,180**	**531,845**	**-**	**280,776**	**192,469,395**
At 31 March 2019	**4,962,871**	**192,789,406**	**1,139,258**	**925,492**	**-**	**4,285,864**	**204,102,891**

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

	31 March 2020	31 March 2019
Freehold land	8,134,867	4,514,642
Buildings	405,387	448,229
	8,540,254	**4,962,871**

Property, plant and equipment with a carrying amount of £187,757,094 (2019: £197,184,156) is subject to security restrictions (refer note 23).

16 Investments accounted for using the equity method

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

	31 March 2020	31 March 2019
Investments in joint venture	3,448,882	3,448,882
Impairment provision for investments in joint venture (Note 7(a))	(3,448,882)	(3,247,668)
Balance value of Investments in joint venture classified as Assets held for sale	-	(201,214)
Investments accounted for using the equity method	**-**	**-**

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

	31 March 2020	31 March 2019
Investment in joint venture	-	(34,638)
Investments in associates	-	(658)
	-	**(35,296)**

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 2019 which is the financial year followed by PSL. As no additional information was available as such the 31st December 2019 balances 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:

	31 March 2020	31 March 2019
Non-current assets	11,652,330	11,652,330
Current assets (a)	29,970	29,970
Total assets	**11,682,300**	**11,682,300**
Current liabilities (b)	11,682,300	4,784,535
Total liabilities	**11,682,300**	**4,784,535**
Net assets	**-**	**6,897,765**

a) Includes cash and cash equivalents
b) Includes financial liabilities

	31 March 2020	31 March 2019
Total net assets of PSL	-	6,897,765
Proportion of ownership interests held by the Group	50%	50%
Group's share of the investment in PSL	**-**	**3,448,882**

17 Other Assets

	31 March 2020	31 March 2019
A. Short-term		
Capital advances	114,084	280,494
Equity instruments measured at fair value through P&L	741,425	40,453
Advances and other receivables	6,587,261	6,008,407
Total	**7,442,440**	**6,329,354**
B. Long-term		
Lease deposits	492,973	502,869
Other advances	16,655	15,684
Total	**509,628**	**518,553**

Financial 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.

The fair value of the mutual fund instruments of £700,972 are determined by reference to published data.

18 Trade and other receivables

	31 March 2020	31 March 2019
Current		
Trade receivables	26,901,986	49,079,582
Other receivables	-	118,523
	26,901,986	**49,198,105**

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 2020	**31 March 2019**
Coal and fuel	10,505,138	6,038,267
Stores and spares	974,961	1,113,099
Total	**11,480,099**	**7,151,366**

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 2020	**31 March 2019**
Cash at banks and on hand	3,438,830	2,118,960
Total	3,438,830	2,118,960

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 £7,497,967 (2019: £23,030,599) and maturing after twelve months amounting to £26,645 (2019: £517,271) which have been pledged by the Group in order to secure borrowing limits with banks. In FY19, restricted cash of £23,030,599 includes £12,627,381 pledged during the previous year in favour of lenders of BVP (Note 7(c)). In FY20, the Group has made impairment provision of £933,901 of securities provided 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 12,823,311 (2019: 31,601,503) shares during the year with respect to scrip dividend at par value of £0.000147 (2019: £0.000147) per share amounting to £1,885 (2019: £4,646). The difference between fair value of shares issued above par value of £2,325,567 (2019: £3,558,442) with respect to scrip dividend was credited to share premium.

As at 31 March 2020, the Company has an authorised and issued share capital of 400,733,511 (2019: 387,910,200) equity shares at par value of £ 0.000147 (2019: £ 0.000147) per share amounting to £58,909 (2019: £57,024) 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 shares 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 three consecutive business days.

The related expense has been amortised over the remaining estimated vesting period and an expense amounting to £ Nil (2019: £ 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 2020	**31 March 2019**
At 1 April	21,774,234	23,274,234
Expired	(21,774,234)	(250,000)
At 31 March	**-**	**21,774,234**

Long Term Incentive Plan

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

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

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

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

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

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

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

For LTIP Shares awards, £835,822 (FY19: nil) has been recognised in General and administrative expenses.

Grant date	24-Apr-19	24-Apr-19	24-Apr-19
Vesting date	24-Apr-20	24-Apr-21	24-Apr-22
Method of Settlement	Equity/ Cash	Equity/ Cash	Equity/ Cash

vesting of shares (%)	20%	40%	40%
Number of LTIP Shares granted	2,800,000	5,600,000	5,600,000
Exercise Price (pence per share)	0.0147	0.0147	0.0147
Fair Value of LTIP Shares granted (pence per share)	0.107493	0.121739	0.104486
Expected Volatility (%)	68.00%	64.18%	55.97%

23 Borrowings

The borrowings comprise of the following:

	Interest rate (range %)	Final maturity	31 March 2020	31 March 2019
Borrowings at amortised cost	10.35-11.40	June 2024	56,827,685	80,364,930
Total			**56,827,685**	**80,364,930**

The term loans of £49.9m and working capital loans of £6.9m 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 a director.

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 2020, the Group has met all the relevant covenants. Further, the Group raised approximately GBP 21.0 million (Rs.2000 million) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. NCD's proceeds was used to repay the FY21 and FY22 (i.e. to March 2022) principal term loans obligations. This will substantially release the cash flow burden for next two financial years on account of loan repayment obligations note 5(a).

The fair value of borrowings at 31 March 2020 was £56,827,685 (2019: £80,364,930). 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 2020	31 March 2019
Current liabilities		
Amounts falling due within one year	23,746,229	28,869,722
Non-current liabilities		
Amounts falling due after 1 year but not more than 5 years	33,081,456	51,495,208
Total	**56,827,685**	**80,364,930**

24 Trade and other payables

	31 March 2020	31 March 2019
Current		
Trade payables	45,300,370	45,300,370
Creditors for capital goods	174,444	174,444
Total	**45,474,814**	**45,474,814**
Non-current		
Security deposit from customers	-	14,085,854
Other payables	169,373	180,746
Total	**169,373**	**14,235,485**

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 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	Chairman
Avantika Gupta (from November 2018)	Chief Operating Officer & Director
Dmitri Tsvetkov	Chief Financial Officer & Director
Jeremy Warner Allen	Deputy Chairman
Mike Grasby (resigned in November 2019)	Director
Ravi Gupta (resigned in May 2018)	Director
Jeremy Beeton (resigned in March 2020)	Director
N Kumar (from November 2019)	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 (subsdiary from FY 19 note 7(b))
Mayfair Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsdiary from FY 19 note 7(b))
Avanti Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsdiary from FY 19 note 7(b))
Brics Renewable Energy Private Limited	Entity in which Key Management personnel has Control/Significant Influence (subsdiary from FY 19 note 7(b))
Avantika Gupta	Relative of Key Management Personnel (became Director on 27 November 2018)
Ravi Gupta	Relative of Key Management Personnel

Summary of transactions with related parties

Name of the party	31 March 2020	31 March 2019
Avantika Gupta		
a) Remuneration (up to 27 November 2018)	120,000	79,084

Summary of balance with related parties

Name of the party	Nature of balance	31 March 2020	31 March 2019
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	(5,176,300)	(4,257,868)
Ravi Gupta	Land Lease Deposit	492,973	502,869

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 £28,261,524 (2019: £32,132,255). For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties £Nil (2019: £Nil). However, the Group has made impairment provision for investments in joint venture £918,432 (2019: £1,000,000) (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.

A director personally guaranteed loans of a solar subsidiary (loan outstanding £9,372,074 (2019: £10,360,066)) which is classified as Asset Held for Sale. All Loans are personally guaranteed by a director.

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 2020 or 2019).

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

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

Particulars	**31 March 2020**	**31 March 2019**
Weighted average number of shares used in basic earnings per share	390,923,328	367,650,606
Shares deemed to be issued for no consideration in respect of share based payments	2,190,519	-
Weighted average number of shares used in diluted earnings per share	**393,113,847**	**367,650,606**

27 Directors remuneration	**31 March 2020**	**31 March 2019**
Arvind Gupta	500,000	500,000
Avantika Gupta (became Director on 27 November 2018)	120,000	64,691
Dmitri Tsvetkov	240,000	288,000
Jeremy Warner Allen	50,000	50,000
N Kumar (from November 2019)	15,000	-
Mike Grasby (resigned in November 2019)	33,750	45,000
Jeremy Beeton (resigned in March 2020)	43,270	45,000
Total	**1,002,020**	**992,691**

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
Not later than one year	46,095
Later than one year and not later than five years	64,254
Total	**110,349**

Recognition of a right of use asset and a lease liability is not material and instead charge of £55,292 (2019: £41,301) has been recognised as an expense for leases.

Contingent liabilities
Disputed income tax demand £1,021,210 (2019: £1,056,154).

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 2020: £30,912,751(2019: £32,373,664) and Bank Guarantee (BG) as at 31 March 2020: £3,167,066 (2019: £6,457,430). 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 £28,261,524 (2019: £32,132,255). 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 2020 and 31 March 2019

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 2020, 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 2020 and 31 March 2019, 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 2020 would decrease or increase by £568,277 (2019: £803,649).

Foreign currency risk

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

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

	As at 31 March 2020		As at 31 March 2019	
Currency	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
United States Dollar (USD)	4,275,436	30,575,559	8,242,631	39,040,874

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:

	As at 31 March 2020		As at 31 March 2019	
Currency	**Closing Rate (INR/USD)**	**Effect of 10% strengthening in USD against INR - Translated to GBP**	**Closing Rate (INR/USD)**	**Effect of 10% strengthening in USD against INR - Translated to GBP**
United States Dollar (USD)	75.10	2,122,208	69.32	2,681,169

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. Further, the global economy has been severely impacted by the global pandemic COVID-19 (Note 5(a)).

The maximum exposure for credit risk at the reporting date is the carrying value of each class of financial assets amounting to £33,986,093 (2019: £49,388,558) and corporate guarantees issued to lenders of its subsidiaries classified as Asset Held for Sale of £28,261,524 (2019: £32,132,255).

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 distribution 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. It is Group policy to assess the credit risk of new customers before entering contracts and to obtain credit information during the power purchase agreement to highlight potential credit risks. The Group have established a credit policy under which customers are analysed for credit worthiness before power purchase agreement is signed. The Group's review includes external ratings, when available, and in some cases bank references. The credit worthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly and incorporates forward looking information and data available. The receivables outstanding at the year end are reviewed till the date of signing the financial statements in terms of recoveries made and ascertain if any credit risk has increased for balance dues. Further, the macro economic factors and specific customer industry status are also reviewed and if required the search and credit worthiness reports, financial statements are evaluated. 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 2020	**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%	17.23%	
Gross carrying amount - Trade Receivables - TANGEDCO	2,378,240	3,953,961	5,310,071	18,734,652	**30,376,924**
Gross carrying amount - Trade Receivables - Others	7,824,720	608,495	889,434	5,286,795	**14,609,444**
General loss allowance[1]				4,138,025	**4,138,025**
Specific loss allowance[1]				13,970,007	**13,970,007**
Total loss allowance	-	-	-	18,108,033	**18,108,033**

[1] There has been significant increase in loss allowance in FY20 £17 million (FY19 £0.8 million) primarily on account of contractual claim made on customer towards change in law as per Power Purchase Agreement of £6.4 million, tariff discount dispute of £7.5 million and change in credit risk of customer constituting general loss allowance of £3.1 million.

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	**16,028,972**
Gross carrying amount - Trade Receivables - Others	22,093,386	2,169,134	7,034,955	2,933,211	**34,230,686**
Loss allowance	-	-	-	1,061,553	**1,061,553**

The closing loss allowances for trade receivables as at 31 March 2020 reconcile to the opening loss allowances as follows:

	31 March 2020	31 March 2019
Opening loss allowance as at 1 April	(1,061,553)	(271,116)
Increase in loss allowance recognised in profit or (loss) during the yearfor new receivables recognised	(17,046,480)	(790,437)
Total	**(18,108,033)**	**(1,061,553)**

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 2020 and 31 March 2019:

As at 31 March 2020

	Current		**Non-Current**	**Total**
	Within 12 months	**1-5 years**	**Later than 5 years**	
Borrowings	23,746,229	33,081,456	-	56,827,685
Interest on borrowings	6,595,187	10,464,236	-	17,059,422
Trade and other payables	42,790,023	169,373	-	42,959,396
Liabilities held for sale	32,866,783	-		32,866,783
Other current liabilities	582,241	-		582,241
Total	**106,580,463**	**43,715,065**	**-**	**150,295,527**

As at 31 March 2019

	Current		**Non-Current**	**Total**
	Within 12 months	**1-5 years**	**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	-	12,627,381		12,627,381
deposits	33,601,291	-	-	33,601,291
Liabilities held for sale	91,764	-	-	91,764
Other current liabilities				
Total	**116,545,075**	**95,417,496**	**-**	**211,962,571**

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 2020 and 31 March 2019.

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 2020	**31 March 2019**
Total equity	158,503,833	154,383,407
Less: Cash and cash equivalents	(3,438,830)	(2,185,570)
Capital	**155,065,003**	**152,264,447**
Total equity		154,383,407
Add: Borrowings (including buyer's credit)	158,503,833	80,364,930
Overall financing	**215,331,518**	**234,748,337**
Capital to overall financing ratio	**0.72**	**0.65**

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

	Carrying amount	**Fair value**

	March 2020	March 2019	March 2020	March 2019
Financial assets				
Debt instruments measured at amortised cost				
· Cash and cash equivalents [1]	3,438,830	2,118,960	3,438,830	2,118,960
· Restricted cash [1]	7,524,612	23,547,870	7,524,612	23,547,870
· Current trade receivables [1]	26,901,986	49,198,105	26,901,986	49,198,105
· Other long-term assets	509,628	518,553	509,628	518,553
· Other short-term assets	6,701,345	6,288,901	6,701,345	6,288,901
Financial instruments measured at fair value through profit or loss				
· Other short term assets - (Note (7)(c))	741,425	40,453	741,425	40,453
	45,817,826	**81,712,842**	**45,817,826**	**81,712,842**

Financial liabilities				
Term loans	56,827,685	80,364,930	56,827,685	80,364,930
Current trade and other payables [1]	42,790,023	45,474,814	42,790,023	45,474,814
Provision for pledged deposits	-	12,627,381	-	12,627,381
Non-current trade and other payables [2]	169,373	14,235,485	169,373	14,235,485
	99,787,081	**152,702,610**	**99,787,081**	**152,702,610**

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).

Financial instruments measured at fair value through profit or loss	**Level 1**	**Level 2**	**Level 3**	**Total**
2020				
Unquoted securities	-	700,972		40,453
Total	**-**	**700,972**		**40,453**
2019				
Unquoted securities	-	-		40,453
Total	**-**	**-**		**40,453**

There were no transfers between Level 1 and 2 in the period. Investments in mutual funds are valued at closing net asset value (NAV).

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
The Group raised approximately £21.0 million INR₹2000 million) during June 2020 through non-convertible debentures (NCDs) issue with a three years term and coupon rate of 9.85%. The proceeds from the NCDs were used to repay the FY21 and FY22 (i.e. to March 2023) principal term loans obligations.

-ends-