ORIENT GREEN POWER COMPANY LIMITED

01st November, 2018

The BSE Limited
Corporate Relations Department,
P.J. Towers,
Dalal Street,
Mumbai-400 001.
Scrip Code: 533263

The National Stock Exchange
of India Limited
Department of Corporate Services,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051.
Scrip Code: GREENPOWER

Dear Sirs,

Sub: Press release

We enclose H1 FY19 Press release.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Orient Green Power Company Limited

P. Srinivasan.

P Srinivasan
Company Secretary & Compliance Officer

ORIENT GREEN POWER COMPANY LIMITED

Encl: as above

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Tel : +91-44-4901 5678 (20 Lines) Fax : +91-44-4901 5655 www.orientgreenpower.com
CIN : L40108TN2006PLC061665

Corporate Identity Number: L40108TN2006PLC061665
Registered Office: Sigapi Achi Building, 18/3 Rukmini Lakshmipathi Road, Egmore, Chennai – 600 008.
www.orientgreenpower.com

News Release: For immediate publication   Chennai, 1st November, 2018

OGPL reports H1 FY19 Results

Orient Green Power Company Limited (OGPL), a leading independent renewable energy-based power generation company in India, has announced its results for the quarter and half year ended September 30, 2018.

Delivers improved Financial Performance (All figures in Rs. Mn)

	H1 FY19	H1 FY18
Continued Operations:		
Revenue	2491	2962
EBITDA	2044	2426
EBITDA %	***82.1***	***81.9***
EBIT	1456	1794
EBIT %	***58.5***	***60.5%***
PBT	374	714
Discontinued Operations PBT	(48)	(188)
Consol PBT	326	526

Note :

1. **A very late start of the wind season left Q1 lower by over 50 Mn units. However, this was significantly made up in Q2 leaving an overall drop in H1 generation by around 13.0 Mn units.**

2. **In H1 FY19 REC is being accounted at Rs.1,000/- per unit as compared to Rs.1,500/- per unit for H1 of the previous year. This difference would account for a lower reported revenue by Rs. 87.3 Mn in the present year.**

3. **Further, H1 FY18 had an exceptional income of Rs.156 Mn.**

Commenting on the performance, Mr. S. Venkatachalam, MD - OGPL, said: *"A robust performance in the second quarter has more than compensated for the marginal softness in Q1, resulting in a stable first half for the Company. The overall business environment has improved significantly in recent times as better grid availability, stricter enforcement of regulations, and firming up of tariffs, has resulted in improving the visibility and predictability of the overall business.*

In addition to the improving macros, our strategic initiatives towards addressing legacy issues, such as high gearing and removal of drag businesses, have delivered initial success and, we are confident that the reinforced platform will contribute to enhanced profitability going forward.

We have successfully refinanced a large part of the debt and have also been able to secure better repayment terms from our bankers, with extension of loan tenures that have resulted in improving our cash flow and liquidity position. Further, the sale of Biomass business not only helped in improving the return profile of the business, but also helped in meaningfully lowering our gearing ratio.

Apart from the above, the pick-up in REC trading activity on the back of stringent regulations and improved demand, has revitalized the revenue and cash generation potential of this stream. I am delighted to report that we have successfully liquidated our entire REC inventory for the second consecutive quarter which has resulted in revenues of Rs. 9.08 crore with REC trading at Rs.100-Rs.200 above the floor price of Rs.1000.

Going forward, we are confident that the lean period for the business is behind us and are now well positioned to create value for the business and our shareholders on a consistent basis. The recent performance vindicates the success of our recent initiatives and lends us the confidence to deliver a strong performance going forward. Our diversified asset base and off-take agreements, coupled with our debt rationalization plan and, the buoyancy in the REC market should help us in delivering steady growth going forward."

Performance Update

- **Wind Business:**
  - Strong Q2 performance offsetting the soft performance delivered in the previous quarter, owing to a delayed start of the wind season.
  - EBITDA stood at Rs. 2044 mn as against Rs. 2426 mn reported during H1 FY18
  - H1 FY18 had an exceptional income of Rs.156 Mn. Further, REC income in H1FY18 was calculated at RS.1500 per REC as against the Rs.1000 during the previous year leading to a difference of Rs.87.3 Mn.
  - Expect business momentum to continue:
    - Supportive macros :
      - Significant improvement in grid availability especially in Tamil Nadu; grid availability for the quarter stood at 95%
      - Supportive Govt. policies in terms of improving grid availability, introducing innovative project funding models and working towards developing favourable viable tariff regime bodes well for the future

- **Strengthening Balance Sheet: Debt repayment and extending loan tenures**
    - In discussion with bankers to lower credit cost and extended loan tenure
    - Reduction of loans following sale of Biomass units, coupled with refinancing of existing high cost debt will help in significantly lowering interest expense
    - Cumulative impact of the above measures to further reduce quarterly expense by Rs. 6 crore.
    - Focusing on improving cash flow and liquidity profile

- **REC Trading: High volumes on the back of strong demand**
    - Trading volumes continued to remain high on the back of steady demand and limited availability of the certificates
    - Strong demand resulted in trading of certificates above the floor price after a gap of 5 years.
    - REC trading has evolved into a reliable revenue stream for the Company

For further information please contact:

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Safe Harbour

Some of the statements in this press release that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.