



ORIENT GREEN POWER COMPANY LIMITED

27th July, 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 enclosed Q1 & 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
Company Secretary & Compliance Officer**



Encl: as above



Registered Office: Sigapi Achi Building, 18/3 Rukmini Lakshmi pathi Road, Egmore, Chennai – 600 008.
www.orientgreenpower.com

News Release: For immediate publication

Chennai, 26th July, 2018

OGPL reports Q1 FY19 Results – Improved macros & strategic initiatives have elevated performance Generates Cash Profit worth Rs. 27.90 crore

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

Delivers elevated Financial Performance (All figures in Rs. Lakhs)

	Q1 FY19	Q1 FY18
Continued Operations:		
Revenue	9,940	13,306
EBITDA	7,664	10,731
EBITDA %	77%	81%
EBIT	4,812	7,593
EBIT %	48%	57%
PBT	(62)	2148
Discontinued Operations PBT	(222)	(1239)
Consol PBT	(284)	909

Note :

1. Drop in Generation by 52.9 Mn units due to late start of wind season May'18.
2. During Q1 FY19 REC is accounted at Rs.1000/- per unit as compared to Q1 FY 18 Rs.1500/- per unit. Revenue and EBITDA is higher by Rs. 41.61 Mn in Q1 FY18. Accordingly, the revenue for the comparative period presented in these results is not comparable.

Commenting on the performance, Mr. S. Venkatachalam, MD - OGPL, said: *“We have started the year well with a strong first quarter and will look to build on this momentum as we continue through the rest of the fiscal. In the previous fiscal, the wind season had started early resulting in a slightly elevated base in the first quarter. None the less, the current wind season has now picked up strongly and we are confident of gaining traction in the second quarter to deliver healthy Y-o-Y growth in the first half. Grid availability continues to remain elevated resulting in higher transmission of units generated and lower transmission losses.*

The important takeaway from this performance is that structurally there has been an elevation of performance on the back of improving macros, strategic initiatives undertaken by us and conducive policies by regulators, which have steadily improved the operating performance. From September 2017, with the removal of the drag of the biomass business, OGPL is now a pure wind Company. The wind business, with improved evacuation and complete realization of REC and reduced finance costs can be seen to be growing from strength to strength over the past few years. The efforts towards right sizing the balance sheet by rationalizing and refinancing have also contributed to lowering the annual interest outgo. The combination of these factors has enabled us to drive a turnaround and improve the overall profitability and cash flow level of the business.

Another heartening development has been the pickup in trading activity of RECs on the back of stringent regulations and improved demand. I am pleased to report that we have been able to liquidate our entire REC inventory during the quarter on the back of sustained demand and volume. After stuttering for several years RECs have finally established themselves as a reliable additional revenue stream for the business.

OGPL is a strong platform with sizeable capacities, lucrative long term supply arrangements, market leader in REC volumes and enjoys strong support from its stakeholders. Given the efforts of the last 3 years to drive a turnaround, the business has started to deliver close to its potential with the continued momentum in performance, transition to profitability and steady increase in cash flows. As a result, we are nearing a position from where we can resume investing for growth in order to create further value for shareholders.”

Performance Update

- **Wind Business:**

- Revenue for the quarter stood at Rs. 994 mn compared to Rs. 1331 mn
- EBITDA reduced to Rs. 766 mn against Rs.1074 mn
- Expect business momentum to continue:
 - Supportive macros :
 - Significant improvement in grid availability especially in TN; grid availability for the Qtr. Stood at 95%
 - Solid support from regulators and electricity distribution companies / SEBs is contributing to a favourable outlook for the industry.
- Higher share of new wind assets

- **Debt Management: Better liquidity and cash flow position realized; more to follow**
 - In discussion with bankers to lower credit cost and extend 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.
- **REC Trading: High volumes on the back of strong demand**
 - Trading volumes continued to remain high on the back of steady demand and stringent regulatory environment
 - Strong demand resulted in liquidation of all new certificates in the same quarter itself – not carrying any REC inventory for second successive quarter
 - REC trading has evolved into a reliable revenue stream for the Company
- **Sector fundamentals shaping up well – Promising Outlook**
 - Supportive Govt. policies coupled with positive developments on ground i.e. improving grid infrastructure & conducive operating environment contributing to overall positivity of the sector.

For further information please contact:

Mr. K.V. Kasturi
Orient Green Power Company Limited
Tel: +91 44 4901 5678
Email: kasturi.kv@orientgreenpower.com

Mayank Vaswani / Suraj Digawalekar
CDR India
Tel: +91 22 6645 1230 / 1219
Email: mayank@cdr-india.com
suraj@cdr-india.com

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.

