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OGPL reports strong Q3 and Nine months results

Record 9 month EBITDA and PBT:

- 9 months EBITDA increased to Rs.287 Cr from Rs.271 Cr.
- 9 months PBT increased to a profit of Rs.3 Cr from loss of Rs.52 Cr.

Reduction in Finance cost by Rs. 22 Cr.

Record in REC sales in November/December 2017.

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 nine months ended December 31, 2017.

Commenting on the performance Mr. Venkatachalam Sesha Ayyar, Managing Director and CEO - OGPL, said: “We are pleased to report continued momentum in our Financial Performance. The strong growth in the first nine months period has been made possible by improved grid availability and significant reduction in Finance Costs”.

“We have completed the sale of the loss making Biomass business to a Group company during the 3rd quarter. This will reduce our overall debt by over Rs. 300 Crores along with over Rs. 50 Crores of accumulated losses”.

“The resultant OGPL will be strong wind based independent Power Producer having 425 MW of portfolio with attractive tariffs.”

“Our focused efforts to reduce interest costs have received a significant boost, with the transfer of biomass debts as well as refinancing significant share of debt in the wind business”.

Performance Update

- **Strong Business Performance due to structural improvements in the wind business:**

Grid availability has been consistently above 95% for the last few quarters providing buoyancy to the revenue performance. TANGEDCO evacuated record wind power (5,000 Mw+) in the month of July, a national and state record. Solid support from regulators and electricity distribution companies / SEBs is contributing to a favorable outlook for the industry. High levels of grid availability are enabling the Company to realize evacuation of nearly all power generated from its wind assets, significantly narrowing the gap between potential and actual performance.

- **Turnaround in Financial Performance:**

(Rs. in Crores)

	9M FY18	9M FY17	%
REVENUES	389	385	1%
EBITDA	287	271	6%
EBITDA%	74%	70%	+400bps
EBIT	180	147	23%
EBIT%	46%	38%	+800 bps
PBT	3	(52)	140%
PBT%	1%	(14%)	+1500 bps

- **Completed transfer of Biomass Assets:**

OGPL has transferred all of its Biomass Assets to Subsidiary of SVL Limited. This has been undertaken at an Enterprise Valuation of Rs. 272 crore. This comprises Rs. 193 crore of debt taken over and Rs.81 crore of cash.

- **Sharp Reduction in Finance Costs:**

Interest Cost has reduced from **Rs. 199 Crores** in 9 months ended December 31, 2016 to **Rs. 177 Crores** in 9 months ended December 31, 2017.

- **Sharp increase in REC trading in November and December 2017.**

The month of November and December 2017 registered a record levels of REC trading and the company sold and realized about 19% and 47% respectively of the certificates issued for sales as against usual level of 4% to 5%. As a result, our closing inventory of REC Certificate is 281,281 units in December 2017 as against a closing of 470,344 units in March 2017.

While the decision of the Hon'ble Supreme Court is awaited against CERC directive to reduce the floor price, out of REC realization of Rs. 1,500 per certificate, Rs. 1,000 is being paid to the Company, while the remaining Rs.500 being held in an Escrow account. Trading volumes are expected to be stronger in the fourth quarter.