

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ORIENT GREEN POWER COMPANY LIMITED

1. We have reviewed the accompanying Statement of Standalone unaudited Financial Results of **ORIENT GREEN POWER COMPANY LIMITED** ("the Company") for the Quarter and Nine months ended December 31, 2014 ("the Statement") being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. As stated in Note 4 of the Statement, in respect of two of the Company's Biomass subsidiaries, the accumulated losses have fully eroded their networth and the operations of the plants are not on a continuous basis. The aggregate net carrying value of investments and loans as at December 31, 2014 in these subsidiaries is Rs. 1,970.08 lakhs and Rs. 9,879.95 lakhs, respectively. The Management, considering the proposed revival plans and the long-term nature of these investments, believes that the diminution in the value of the investments is temporary in nature and the loans are good for recovery.

However, in the absence of appropriate conclusive audit evidence, we are unable to comment on the adjustments required, if any, to the aforesaid carrying value of investments and loans in respect of these subsidiaries as at December 31, 2014.

4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above and read with our comments in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be



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disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.


5. We draw attention to Note 5 of the Statement in connection with the following:

The Company is carrying net investments aggregating to Rs. 9,073.61 lakhs in five subsidiaries and has also provided net loans aggregating to Rs. 12,017.39 lakhs to these subsidiaries where the networth is eroded as at December 31, 2014. As stated in the said Note, no additional provision with respect to the above is considered necessary by the Management at this stage in view of the continuing plant operations, gestation period required for break even, expected higher cash flows based on future business projections and the strategic nature of these investments.

Our report is not qualified in respect of this matter in relation to the aforesaid subsidiaries.

6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged / encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II – Select Information for the Quarter and Nine months ended December 31, 2014, from the details furnished by the Management.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)


Sriraman Parthasarathy
Partner
(Membership No. 206834)

CHENNAI, February 04, 2015
PS/PSR&PV/2015



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ORIENT GREEN POWER COMPANY LIMITED

Orient Green Power Company Limited							
Regd Office : No. 18/3 Sigapiachi Building							
Rukmani Lakshmiapathy Road, Egmore, Chennai - 600 008.							
PART I Statement of Standalone unaudited Financial Results for the Quarter and Nine months ended December 31, 2014							
(Rs In Lakhs)							
S.No.	Particulars	Quarter ended			Nine months ended		Year ended
		31 Dec 14 (Unaudited)	30 Sep 14 (Unaudited)	31 Dec 13 (Unaudited)	31 Dec 14 (Unaudited)	31 Dec 13 (Unaudited)	31 Mar 14 (Audited)
1	Income from Operations						
a.	Net Sales / Income from Operations (Refer Note 2)	1,021.78	42.66	541.94	1,980.52	1,754.48	2,817.14
b.	Other Operating Income (Refer Note 10)	171.69	0.46	132.66	297.68	423.44	581.70
	Total Income from Operations	1,193.47	43.12	674.60	2,278.20	2,177.92	3,398.84
2	Expenses						
a.	Cost of Materials Consumed	746.15	50.26	455.92	1,484.37	1,408.74	2,130.69
b.	Employee Benefits Expense	260.64	256.20	252.71	771.61	832.06	1,026.42
c.	Depreciation and Amortisation Expense (Refer Note 9)	453.66	463.84	209.93	1,369.68	400.98	849.84
d.	Other Expenses (Refer Note 11)	602.02	339.18	524.89	1,396.25	1,291.25	2,236.45
	Total Expenses	2,062.47	1,109.48	1,443.45	5,021.91	3,933.03	6,243.40
3	(Loss) from Operations Before Other Income, Finance Costs and Exceptional Items (1-2)	(869.00)	(1,066.36)	(768.85)	(2,743.71)	(1,755.11)	(2,844.56)
4	Other Income	406.02	383.58	321.63	1,205.15	977.30	1,465.26
5	(Loss) Before Finance Costs and Exceptional Items (3 ± 4)	(462.98)	(682.78)	(447.22)	(1,538.56)	(777.81)	(1,379.30)
6	Finance Costs	1,413.30	1,446.05	1,336.97	4,278.14	3,559.89	4,840.05
7	(Loss) After Finance Costs but Before Exceptional Items (5 ± 6)	(1,876.28)	(2,128.83)	(1,784.19)	(5,816.70)	(4,337.70)	(6,219.35)
8	Exceptional Items (Refer Note 8)	534.72	-	(12.48)	971.72	(12.48)	7,447.07
9	(Loss) Before Tax (7 ± 8)	(2,411.00)	(2,128.83)	(1,771.71)	(6,788.42)	(4,325.22)	(13,666.42)
10	Tax Expense	-	-	-	-	-	-
11	Net (Loss) from Ordinary Activities After Tax (9 ± 10)	(2,411.00)	(2,128.83)	(1,771.71)	(6,788.42)	(4,325.22)	(13,666.42)
12	Extraordinary Items	-	-	-	-	-	-
13	Net (Loss) for the Period / Year (11 ± 12)	(2,411.00)	(2,128.83)	(1,771.71)	(6,788.42)	(4,325.22)	(13,666.42)
14	Paid up Equity Share Capital (Face value of Rs. 10 each)	56,807.82	56,807.82	56,807.82	56,807.82	56,807.82	56,807.82
15	Reserves excluding Revaluation Reserves	-	-	-	-	-	55,724.16
16	Earnings Per Share (of Rs 10/- each not annualised for the Quarters and Nine months)						
	(a) Basic	(0.42)	(0.37)	(0.31)	(1.19)	(0.76)	(2.41)
	(b) Diluted	(0.42)	(0.37)	(0.31)	(1.19)	(0.76)	(2.41)
PART II Select Information for the Quarter and Nine months ended December 31, 2014							
A	PARTICULARS OF SHARE HOLDING						
1.	Public Shareholding						
-	Number of Shares	142,019,653	142,019,653	134,358,253	142,019,653	134,358,253	134,358,253
-	Percentage of Shareholding	25.00%	25.00%	23.65%	25.00%	23.65%	23.65%
2.	Promoters and Promoter group Shareholding						
a.	Pledged/Encumbered						
-	Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
-	Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
-	Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
b.	Non-encumbered						
-	Number of Shares	426,058,596	426,058,596	433,719,996	426,058,596	433,719,996	433,719,996
-	Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
-	Percentage of Shares (as a % of the total share capital of the Company)	75.00%	75.00%	76.35%	75.00%	76.35%	76.35%
B	INVESTOR COMPLAINTS						
		Quarter ended December 31, 2014					
	Pending at the beginning of the quarter	Nil					
	Received during the quarter	1					
	Disposed of during the quarter	1					
	Remaining unresolved at the end of the quarter	Nil					





Orient Green Power Company Limited

Notes to the Statement of Standalone unaudited Financial Results for the Quarter and Nine months ended December 31, 2014

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on February 04, 2015. The above results were also subjected to a 'Limited Review' by the Statutory Auditors of the Company.
- 2 The Company operates in only one business segment i.e. generation of power through renewable sources, which is the Primary Segment. The operations of the Company are seasonal in nature and the performance of any quarter may not be representative of the annual performance. The Biomass Plants of the Company had temporary shut downs during the Nine months ended December 31, 2014 on account of operational/business reasons.
- 3 Additional Disclosure in accordance with Clause 43 of the Listing Agreements:
Utilisation of IPO Proceeds as at December 31, 2014

Particulars	Rs. In lakhs	
	Amount to be utilised as per Prospectus / Approvals	Amount utilized upto December 31, 2014
Construction and development of biomass projects	1,236.00	1,236.00
Funding of subsidiaries for repayment of existing loans	14,777.48	14,777.48
Funding of subsidiaries for development of biomass and wind projects	57,902.42	57,902.42
General Corporate purposes and issue expenses	16,084.10	16,084.10
TOTAL	90,000.00	90,000.00

The entire amount received on account of IPO Proceeds has been fully utilised as at December 31, 2014. Punjab National Bank, the Monitoring Agency appointed in compliance with Regulation 16 of the SEBI Regulations has submitted the report for the half-year ended March 31, 2014. The Company is in the process of obtaining the report for the period upto complete utilisation of the IPO Proceeds.

- 4 In respect of two of the Company's Biomass subsidiaries, the accumulated losses have fully eroded their network and the operations of the plants are not on a continuous basis. The aggregate net carrying value of investments and loans as at December 31, 2014 in these subsidiaries is Rs. 1,970.08 lakhs and Rs. 9,879.95 lakhs, respectively. The Management, considering the proposed revival plans and the long-term nature of these investments, believes that the diminution in the value of the investments is temporary in nature and the loans are good for recovery. This has been qualified in the Limited Review report of the Statutory Auditors of the Company.

- 5 The Company is carrying net investments aggregating to Rs. 9,073.61 lakhs in five subsidiaries and has also provided net loans aggregating to Rs. 12,017.39 lakhs to these subsidiaries where the network is eroded as at December 31, 2014.

With respect to the above, no additional provision is considered necessary at this stage in view of the continuing plant operations, gestation period required for break even, expected higher cash flows based on future business projections and the strategic nature of these investments. The statutory auditors of the Company have also invited attention to this matter in their limited review report.

- 6 Tamil Nadu Tax on Consumption & Sale of Electricity Act, 2003 requires the companies to pay Electricity Tax at the specified rates in respect of all the third party sales made. Such levy under the Act has been represented by the Indian Biomass Association to the concerned authorities for waiver and the Company has also filed a petition before the Honourable Supreme Court of India disputing the levy. Pending the decision, the Company has created a provision of Rs. 73.34 lakhs for the Nine months ended December 31, 2014 and carries a cumulative provision of Rs.366.12 lakhs as at December 31, 2014 towards the same on grounds of prudence.

- 7 The Company has applied for a reschedulement of repayment terms of certain long term loans taken from Banks and is in the process of providing the required details/completing the formalities. The Company is hopeful of a favourable outcome in respect of the same.

- 8 Exceptional item for the Quarter and Nine months ended December 31, 2014 amounting to Rs. 534.72 lakhs and Rs. 971.72 lakhs, respectively, represents additional provision made towards diminution in value of investments held by the Company in certain subsidiaries / advances given by the Company, based on Management's assessment consequent to various developments.



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Orient Green Power Company Limited

Notes to the Statement of Standalone unaudited Financial Results for the Quarter and Nine-Months ended December 31, 2014(Contd..)

- 9 The Company is in the process of evaluating the impact arising out of Schedule II of the Companies Act, 2013 relating to depreciation on fixed assets duly considering the relevant circulars/clarifications issued by the Ministry of Corporate Affairs. Adjustments, if any, arising out of the same will be dealt with by the end of the financial year.
- 10 An amount of Rs. 171.69 lakhs and Rs. 297.68 lakhs have been accounted as 'Renewable Energy Certificates' ("REC") Income for the Quarter and Nine months ended December 31, 2014, respectively. An amount of Rs. 782.44 lakhs accrued towards REC Income Receivable as at December 31, 2014 is expected to be realised within the extended validity period, duly considering the applicable regulatory provisions.
- 11 Other Expenses for the Quarter ended December 31, 2014 includes Management Services Fee of Rs. 202.25 lakhs payable to Shriram Industrial Holding Limited (SIHL) in connection with various support/advisory services provided to the Company.
- 12 During the Nine months ended December 31, 2014, voluntary winding up proceedings have been initiated in one of the subsidiaries, namely, Orient Eco Energy Limited.
- 13 Previous period figures have been regrouped/reclassified, wherever necessary, to conform with the current period presentation.

Place : Chennai
Date: February 04, 2015

On behalf of the Board

S. Venkatachalam

S. Venkatachalam
Managing Director



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