

# **Deloitte Haskins & Sells**

Chartered Accountants  
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## **INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

### **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 half year ended September 30, 2016 and Standalone Unaudited Statement of Assets and Liabilities as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have not performed a review or audit, as stated in Note 2(c), of the figures relating to the corresponding quarter and half year ended September 30, 2015 including the reconciliation of net profit / (loss) for the quarter and half year ended September 30, 2015 between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this Statement.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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. Based on our review conducted as stated above, and read with our comments in paragraph 4 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



4. We draw attention to the following Notes in the Statement:

- a. As stated in Note 4(i) of the Statement, the Company has been facing certain financial difficulties and have not been able to meet their obligations to lenders in time. The Management is in discussions with the lenders to restructure the loans and revamp its operations.

Further, as part of its efforts to turn around the operations, as stated in Note 4(ii) of the Statement, the Management is also undertaking a restructuring exercise wherein effective 1 April 2015 Bharath Wind Farm Limited, a wholly owned subsidiary is proposed to be Amalgamated with the Company and effective 1 October 2015 the identified Biomass undertakings of the Company is to be demerged to Biobijlee Green Power Limited, which will cease to be a subsidiary of the Company upon the scheme becoming effective, subject to approvals from the Honourable High Court of Judicature at Madras / other stakeholders, which is awaited.

- b. Some of the biomass plants of the subsidiaries of the Company were not in regular operations during the period and have been incurring continuous losses. The carrying value of the investments and loans in such subsidiaries where the networth is eroded aggregate to Rs. 4,386.48 Lakhs and Rs. 9,605.08 Lakhs, respectively (net of provisions) as at September 30, 2016. As stated in Note 6 of the Statement, the Management, taking into account the aforesaid / proposed restructuring referred to in paragraph 4(a) above, the future business prospects and the strategic nature of the investments, believes that no further impairment to the investments and loans and advances to such subsidiaries is expected at this stage.
- c. As stated in Note 7 the Board of Directors of the Company in their meeting held on August 11, 2016 have accorded approval for changing the classification of preference shares from Redeemable Preference Shares to Convertible Preference Shares, with retrospective effect from the date of issue of such preference shares and this reclassification is subject to the approval of the members of the Subsidiary Company and other stakeholders.

Our report is not qualified in respect of the above matters.

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

*M. K. Ananthanarayanan*

**M. K. Ananthanarayanan**  
Partner  
(Membership No. 19521)

Chennai, November 23, 2016

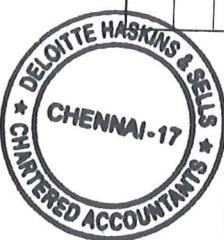




## ORIENT GREEN POWER COMPANY LIMITED

S.No.	Particulars	ORIENT GREEN POWER COMPANY LIMITED				
		Quarter ended 30-Sep-16 (Unaudited)	Quarter ended 30-Jun-16 (Unaudited)	Quarter ended 30-Sep-15 (Unaudited)	Half year ended 30-Sep-16 (Unaudited)	Half year ended 30-Sep-15 (Unaudited)
		(Rs In Lakhs)				
1	Income from Operations					
a.	Net Sales / Income from Operations	21.05	608.39	71.38	629.44	1,880.59
b.	Other Operating Income					120.77
	<b>Total Income from Operations</b>	<b>21.05</b>	<b>608.39</b>	<b>71.38</b>	<b>629.44</b>	<b>2,001.36</b>
2	Expenses					
a.	Cost of Materials Consumed	10.19	333.78	17.65	343.97	1,116.27
b.	Employee Benefits Expense	226.13	241.69	274.41	467.82	550.93
c.	Depreciation and Amortisation Expense	348.08	353.45	368.87	701.53	822.32
d.	Other Expenses	453.73	500.49	1,052.61	954.22	1,616.79
	<b>Total Expenses</b>	<b>1,038.13</b>	<b>1,429.41</b>	<b>1,713.54</b>	<b>2,467.54</b>	<b>4,106.31</b>
3	Loss from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(1,017.08)	(821.02)	(1,642.16)	(1,838.10)	(2,104.95)
4	Other Income	697.90	688.35	804.99	1,386.25	1,380.98
5	Loss from ordinary activities before Finance Costs and Exceptional Items (3 ± 4)	(319.18)	(132.67)	(837.17)	(451.85)	(723.97)
6	Finance Costs	984.80	928.57	1,015.84	1,913.37	2,168.60
7	Loss from ordinary activities after Finance Costs and before exceptional Items (5 ± 6)	(1,303.98)	(1,061.24)	(1,853.01)	(2,365.22)	(2,892.57)
8	Exceptional Items (Net) (Refer Note 9)	158.01	621.56	3,249.92	779.57	3,531.12
9	Loss from ordinary activities before tax (7 ± 8)	(1,461.99)	(1,682.80)	(5,102.93)	(3,144.79)	(6,423.69)
10	Tax Expense	-	-	-	-	-
11	Net Loss from ordinary activities after tax (9 ± 10)	(1,461.99)	(1,682.80)	(5,102.93)	(3,144.79)	(6,423.69)
12	Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-
13	Net Loss for the Period (11 ± 12)	(1,461.99)	(1,682.80)	(5,102.93)	(3,144.79)	(6,423.69)
14	Paid up Equity Share Capital (Face value of Rs. 10 each)	73,979.97	73,979.97	73,979.97	73,979.97	73,979.97
15	Earnings Per Share (of Rs 10/- each not annualised)					
	(a) Basic					
	-Continuing Operations	(0.11)	(0.11)	(0.40)	(0.22)	(0.54)
	-Discontinuing Operations	(0.08)	(0.12)	(0.48)	(0.20)	(0.58)
	(b) Diluted					
	-Continuing Operations	(0.11)	(0.11)	(0.40)	(0.22)	(0.54)
	-Discontinuing Operations	(0.08)	(0.12)	(0.48)	(0.20)	(0.58)

*S Venkatachala*



**Orient Green Power Company Limited  
Notes to the Statement of Standalone Unaudited Financial Results for the Quarter and Half year ended September 30, 2016**

1. The above standalone financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on November 23, 2016. The results for the Quarter and the Half year ended September 30, 2016 were subjected to a 'Limited Review' by the Statutory Auditors of the Company.
2. a. The Financial Result of the Company has been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from April 1, 2016, and accordingly, these financial results have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

- b. Based on SEBI Circular CIR/CFD/FAC/62/2016 dated July 5, 2016, the Company has presented the figures for the corresponding quarter and half year ended September 30, 2015 under Ind AS and the reconciliation of the net profit/(loss) for the said period under previous GAAP and under Ind AS is as below:

Particulars	(Rs in lakhs)	
	Quarter Ended 30 Sep 15	Half year Ended 30 Sep 15
Net Loss as per previous GAAP	(5,242.81)	(6,703.77)
Impact on recognition of income on Barter Transaction	7.34	13.13
Impact on recognition of Expense on Barter Transaction	(7.34)	(13.13)
Impact of recompilation of cost of borrowings by applying the Effective Interest Rate (EIR) method	(21.58)	(31.96)
Impact of accounting for Government Grants relating to capital assets as a deferred income	1.16	3.49
Impact of unwinding interest on loans to related parties based on Effective Interest Rate (EIR) method	221.43	438.87
Impact of provision on interest on impaired loans	(54.42)	(117.36)
Impact of loans from related parties fair valued based on Effective Interest Rate (EIR) method	(6.61)	(12.96)
Net Loss as per Ind AS	(5102.93)	(6423.69)
Other Comprehensive Income	0.00	0.00
<b>Total Comprehensive Income</b>	<b>(5102.93)</b>	<b>(6423.69)</b>

- c. The figures for the quarter and half year ended September 30, 2015 have not been subjected to limited review by the Statutory Auditors and the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs for the periods.

3. The Company operates under a single segment which is "Generation of power through renewable sources" which is consistent with the reporting provided to the Chief Operating Decision Maker. The operations of the Company are seasonal in nature and the performance of any quarter may not be representative of the annual performance. Further, the results for the Half year ended September 30, 2015 included the results of the Pollachi Plant of the Company which was transferred to Gayatri Green Power Private Limited by way of a slump sale with effect from July 1, 2015 and hence are not comparable with the results of the current half year.

S. Venkatachalam



4. (i) The Company has been facing certain financial difficulties and has not been able to meet their obligations to lenders in time. The Management is in discussion with the lenders to restructure the loans and revamp its operations. Further, as part of its efforts to turnaround the operations, the Management is also undertaking a restructuring exercise, the details of which are more fully described in Note (ii) below.

(ii) The Board of Directors of the Company, at their meeting held on June 13, 2015, has approved the Draft Composite Scheme of Arrangement and Amalgamation between Orient Green Power Company Limited and Bharath Wind Farm Limited (BWFPL) and Biobijlee Green Power Limited (BGPL) and their respective shareholders (the Draft Scheme) as per which:

(a) BWFPL, a wholly owned subsidiary of the Company, will get amalgamated with the Company effective April 1, 2015 and

(b) the identified biomass undertakings of the Company (including the Unit referred to in Note 5 below) will get demerged to BGPL, a subsidiary of the Company, effective October 1, 2015, subject to the regulatory approvals which are in the process of being obtained. Upon giving effect to the Draft Scheme, BGPL will cease to be a subsidiary of the Company and will seek necessary approvals to list its shares at the recognised stock exchanges in India. The substance of this demerger arrangement is in the nature of application and reduction of Securities Premium Account as per the provisions of Section 52 of Companies Act, 2013 read with Sections 100 to 103 of the Companies Act, 1956.

(iii) The Draft Scheme has been approved by the shareholders of the Company at the Court convened meeting held on June 6, 2016. The Company is in the process of obtaining other regulatory approvals.

(iv) The financial details relating to the biomass undertakings identified for demerger, as estimated and determined by the Management, included in the Standalone Unaudited Financial Results are as given below:

Particulars	Quarter Ended				(Rs. In Lakhs)
	30-Sep-16 (Unaudited)	30-Jun-16 (Unaudited)	30-Sep-15 (Unaudited)	30-Sep-15 (Unaudited)	
Loss Before Tax	(630.38)	(877.39)	(2,790.48)	(1,507.77)	(3,339.89)
Loss After Tax	(630.38)	(877.39)	(2,790.48)	(1,507.77)	(3,339.89)

Assets and Liabilities:

Particulars	As at 30 Sept 16		(Rs. In Lakhs)
		(Unaudited)	
Total Assets	33,104.11		
Total Liabilities	19,844.99		

The above item has been highlighted as an Emphasis of matter in the Statutory Auditors Limited Review Report on the Standalone Unaudited Financial Results.

5 Pursuant to the approval of the Board of Directors at their meeting held on November 5, 2015 for transfer of one of the Biomass Power Generation Plants of the Company located in Kolhapur, the Company is proposing to enter into a Business Transfer Agreement with its subsidiary, Orient Green Power (Maharashtra) Private Limited (OGPML) for transferring aforesaid biomass plant, by way of a slump sale, on a going concern basis at book value subject to all required approvals for a consideration by way of equity shares / other securities in OGPML to be allotted to the Company. The financial details, included in the Standalone Unaudited Financial Results and included as part of disclosures relating to the said biomass plant, are given below;



*S Venkateswaran*

Particulars	Quarter Ended			Half year Ended	
	30-Sep-16 (Unaudited)	30-Jun-16 (Unaudited)	30-Sep-15 (Unaudited)	30-Sep-16 (Unaudited)	30-Sep-15 (Unaudited)
Loss Before Tax	(541.31)	(345.89)	(3,144.03)	(887.20)	(3,379.71)
Loss After Tax	(541.31)	(345.89)	(3,144.03)	(887.20)	(3,379.71)
<b>Assets and Liabilities:</b>					
Particulars	(Rs. In Lakhs)				
	As at 30 Sept 16				
Total Assets	7,576.16				
Total Liabilities	9,334.22				

As per the approval received from the Board of Directors, subsequent to the completion of the said business transfer of the Kolhapur plant, the Company will also be selling its stake in OGPMIL to a third party. The Company is in the process of completing the required formalities / obtaining the required approvals in respect of the above transactions.

6 Some of the biomass plants of the subsidiaries of the Company were not in regular operations during the half year and have been incurring continuous losses. The carrying value of the investments and loans in such subsidiaries where the networth is eroded aggregate to Rs. 4,386.48 Lakhs and Rs. 9,605.08 Lakhs as at September 30, 2016, respectively (net of provisions). The Management, taking into account the aforesaid / proposed restructuring referred to in Note 4(ii) above, the future business prospects and the strategic nature of the investments, believes that no further impairment to the investments and loans and advances to such subsidiaries is expected at this stage.

The above item has been highlighted as an Emphasis of matter in the Statutory Auditors Limited Review Report on the Standalone Unaudited Financial Results.

7 The Board of Directors of the Company in their meeting held on May 18, 2016 have accorded approval for the change in terms of issue of the 454,859,455 6% Cumulative Redeemable Preference Shares subscribed by the Company in its subsidiary, Beta Wind Farm Private Limited ("BETA"), by extending the period of redemption from 12 years to 20 years and for redemption of preference shares at a premium of Rs. 9 per share. This change is subject to approval of the members of BETA.

Subsequently, the Board of Directors of the Company and BETA in their respective meetings held on August 11, 2016 have accorded approval for change in the classification of the said preference shares from Redeemable Preference Shares to Convertible Preference Shares, with retrospective effect from the date of issue of such shares. This change is subject to the approval of the members of BETA and other stakeholders, with whom discussions are in progress.

The above item has been highlighted as an Emphasis of matter in the Statutory Auditors Limited Review Report on the Standalone Unaudited Financial Results.

8 The Company has entered into a Memorandum of Understanding dated November 17, 2015 and Shareholder Agreement to Sell dated June 30, 2016 ("Agreements") with Soorya Eco Power Pvt Ltd ("buyer") with respect to 84% shares held by Company in Sanjiv Sugars and Eco-Power Private Limited ("SSEPL"). Consequent to these agreements, the daily operations of the Plant are being undertaken by the buyer. Also the Company has only a minority representation in the Board of SSEPL. In substance of the Agreements, OGPL will not be entitled to any share in profits / (losses) of SSEPL. Accordingly, the said company ceased to be a subsidiary company for the purpose of consolidated financial results in accordance with IND AS 110.

9 Exception Item (Net) for the quarter ended September 30, 2016 amounting to Rs. 158.01 Lakhs represents net additional provision made towards diminution in the value of investment and loans and advances given to them in subsidiaries, determined based on Management estimates.

10 The Standalone Statement of Assets and Liabilities as at September 30, 2016 is provided as an annexure to this Statement.

On behalf of the Board  
*S Venkatachalam*  
S Venkatachalam  
Managing Director

Place : Chennai  
 Date : November 23, 2016

Place : Chennai  
 Date : November 23, 2016

Orient Green Power Company Limited  
 Notes to the Statement of Standalone Unaudited Financial Results for the Quarter and Half year  
 ended September 30, 2016

**Standalone Statement of Assets and Liabilities**

		(Rs in lakhs)
Particulars		As at 30-Sep-2016 (Unaudited)
<b>ASSETS</b>		
<b>1</b>	<b>Non -current Assets</b>	
	(a) Property, Plant and Equipment	12,892.88
	(b) Financial Assets	
	(i) Investments	112,055.22
	(ii) Loans	24,268.50
	(c) Other Non Current Assets	1,020.16
		<b>150,236.76</b>
<b>2</b>	<b>Current Assets</b>	
	(a) Inventories	52.10
	(b) Financial Assets	
	(i) Investments	0.02
	(ii) Trade Receivables	113.27
	(iii) Cash and Cash Equivalents	356.16
	(iv) Others	19.58
	(c) Other Current Assets	57.91
	(d) Assets held for sale	250.89
		<b>849.93</b>
		<b>151,086.69</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>	
	(a) Equity Share Capital	73,979.97
	(b) Other Equity	20,136.73
		<b>94,116.70</b>
<b>2</b>	<b>Liabilities</b>	
	<b>(I) Non-current Liabilities</b>	
	(a) Financial Liabilities	
	(i) Borrowings	44,169.74
	(ii) Other Financial Liabilities	2,758.41
	(b) Provisions	108.94
	(c) Other Non-current Liabilities	565.88
		<b>47,602.97</b>
	<b>(II) Current Liabilities</b>	
	(a) Financial Liabilities	
	(i) Borrowings	981.04
	(ii) Trade Payables	1,904.49
	(iii) Other Financial Liabilities	3,945.18
	(b) Provisions	2,536.31
		<b>9,367.02</b>
		<b>TOTAL</b>
		<b>151,086.69</b>
		On behalf of the Board
		<i>S Venkatachalam</i>
		S Venkatachalam Managing Director
Place : Chennai Date : November 23, 2016		
		

