

ORIENT GREEN POWER

Investor Presentation

9M FY16 Results



Leading Diversified Renewable Energy Generation Company

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Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of inputs, price of inputs, setting of appropriate tariffs by regulatory bodies, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply electricity, the success of the companies in which Orient Green Power has made or shall make strategic investments, withdrawal of governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Orient Green Power may, from time to time, make additional written and oral forward-looking statements, including those in our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company



Financial & Operational Highlights – 9M FY16

Key Highlights

- Successfully raised Rs.2,500 million for augmenting Wind energy capacities and retirement of high cost debt
 - Investors - Shriram Venture Ltd (promoter); Edelweiss P.E. & Forefront Capital
- Demerger of Biomass business to result in two separate focused entities, besides leading to value unlocking of individual businesses
- 9M FY16 generated sales of Rs. 314 crore, reduced by 22% (Y-o-Y) owing to low wind and grid back down.
- EBITDA for 9M FY16 stood at Rs. 1,850.3 Million against corresponding previous year Rs. 2,353.7 Million.
- Loss after Tax was at Rs. 1825.3 Million as against loss of Rs. 1293.6 Million during 9M FY 15
- Aggregate capacity available and generating during 9M was at a level of 533 MW across both businesses as against 510.2 MW in 9M FY 2015

Financial Performance – Q3 & 9M FY16

Rs. Million

	Q3 FY16	Q3 FY15	Y-o-Y (%)	9M FY16	9M FY15	Y-o-Y (%)	FY15
Sale of Power	433.48	737.38	-41.21	2782.49	3,559.00	-21.82	4,349.35
Other Operating Income	59.64	94.74	-37.05	356.18	462.79	-23.04	576.17
Total Income	493.12	832.12	-40.74	3138.67	4,021.79	-21.96	4,925.52
Expenditure							
Cost of biomass fuel	120.26	235.42	-48.92	370.95	653.36	-43.22	1,000.43
O&M and other costs	385.5	409.56	-5.87	1045.73	1,080.71	-3.24	1,569.28
Total Expenditure	505.76	644.98	-21.59	1416.68	1,734.07	-18.3	2,569.71
Operational EBITDA	-12.64	187.14	-106.75	1721.99	2,287.72	-24.73	2,355.81
EBITDA (%)	-2.56%	22.49	-111.4	54.86%	56.88	-3.55	47%
Other Income	38.85	23.19	67.53	128.30	65.93	94.6	778.2
Total EBITDA	26.21	210.33	-87.54	1850.29	2,353.65	-21.39	3,134.01
Depreciation	444.67	421.57	5.48	1320.59	1,272.83	3.75	1,793.36
EBIT	-418.46	-211.24	98.1	529.7	1,080.82	-50.99	1,340.65
Finance charges	690.95	712.83	-3.07	2113.40	2,185.20	-3.29	2,858.86
Profit /(loss) before tax	-1109.41	-924.07	20.06	-1583.7	-1,104.38	43.4	-2428.40
Profit /(loss) after tax	-1114.56	-1,125.41	-0.96	-1825.28	-1,293.55	41.11	-2,437.38
Profit / (Loss) after Minority Interest	-1038.69	-978.23	6.18	-1783.14	-1,219.73	46.19	-2,329.62

Balance Sheet as at December 31, 2015

Rs. Million

EQUITY AND LIABILITIES	As at 31.12.2015	As at 31.03.2015
Shareholders' Funds	7,398	5,681
Reserves and Surplus	1,609	2,579
Share Application Money	-	-
Minority Interest	146	81
Non Current Liabilities		
Long term bank borrowings	12,371	14,013
Loans from Promoters	4,613	4,681
Other liabilities	322	702
Current Liabilities		
Loans due within one year	3,516	2,899
Short Term borrowings	712	538
Other current liabilities	1,173	1,475
TOTAL LIABILITIES	31,860	32,649

ASSETS	As at 31.12.2015	As at 31.03.2015
Non Current Assets		
Fixed Assets	26,623	28,312
Goodwill on consolidation	273	297
Other Non Current assets	2414	1,797
Current Assets		
Current investments	50	3
Inventories	151	178
Trade Receivables	801	914
Cash and Cash equivalents	211	103
Short term loans and advances and other current assets	1337	1,045
TOTAL ASSETS	31,860	32,649

Renewable Energy Certificates

- Trading volumes during the quarter raised significantly given heightened regulatory actions in the form of compliance orders and/ or proceedings in several states like Orissa, Kerala, UP, MP and Maharashtra
- Volumes are expected to remain strong, as most obligated entities are now gearing up to fulfill their obligation considering that only handful of trading sessions remain in the current FY
- OGPL's share in trading on the exchange represented 4.78% of trading volumes over the last 9 months
- OGPL had an unsold inventory of 531,981 RECs as of December 31, 2015

REC Trading and Revenue – April 2015 to December 2015

REC Trade Results - Consolidated (IEX + PXIL)					
Month	Market Clearing Volume - Non Solar	REC traded from OGPL Projects	Market Share of OGPL (%)	REC Revenue (Rs. Lacs)	Average Price (Rs./ REC)
Apr – 15	55,612	2244	4.00%	34	1,500
May – 15	256,579	10849	4.23%	163	1,500
Jun – 15	161,845	7310	4.52%	110	1,500
Jul –15	155,271	6247	4.02%	94	1,500
Aug –15	107,281	4847	4.52%	73	1,500
Sep – 15	183,599	8331	4.54%	125	1,500
Oct–15	211,442	9942	4.70%	149	1,500
Nov–15	231,545	10031	4.33%	150	1,500
Dec–15	898,439	48231	5.37%	723	1,500
Total	2261,613	108032	4.78%	1621	1,500

Total no. of unsold issued RECs available (Biomass + Wind) as on 31st December 2015 is 531,981 RECs

Source	No. of RECs traded (Apr 2015 to Dec 2015)	REC Revenue (Apr 2015 to Dec 2015) (Rs. Lacs)
BIOMASS	33980	510
WIND	74052	1111
TOTAL	108032	1621



Wind Operations

Wind Operations

Particulars	Unit of Measurement	Q3 FY16	Q3 FY15	9M FY16	9M FY15
Capacity	Mw	417	421.70	417	421.70
Units Generated (Gross)	Mn	55	74.10	464	548.22
Annualized PLF	%	6	8.05	17	20.02
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.79	5.50	5.48	5.26

- Generation during Q3 16 was lower in TN due to low wind and grid availability. Wind behaviour this year was erratic and deviated from normal trend.
- Grid availability in TN during Q3 was lower than 67.9% against 82.7% during corresponding quarter.
- Generation during the quarter under review was lower than the corresponding quarter.

Grid Availability Data

State	December 2015				December 2014			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	312	30	4	68	316	45.7	7	83
Andhra Pradesh	75	13	8	100	71	12.5	8	99
Gujarat	29	12	18	97	29	12.4	19	100
Total	417	55	6	76	402	71	8	85

Capacity Expansion

Wind

States	Capacity (Mw)	Remarks
Andhra Pradesh	43.5	Work in progress
Madhya Pradesh / Other States	14.0	Planned
TOTAL	57.5	

Plans and dates are merely indicative based on current assumptions and projections and are subject to change



Biomass Operations

Existing Biomass Operations

Particulars	Unit of Measurement	Q3 FY16	Q3 FY15	9M FY16	9M FY15
Capacity (operational during the year)	Mw	68	78.0	91	78.0
Units Exported	Mn	32.9	54.5	947.7	164.2
PLF	%	11.2		15.3	
Average Realisation	Rs./ Unit	6.31	6.75	6.39	6.44
Specific Fuel Consumption per unit	Kg/ Unit	2.73	1.91	2.02	1.78
Fuel Cost	Rs./ Unit	3.51	4.46	3.93	4.08
O&M and other Costs	Rs./ Unit	3.22	1.78	3.15	2.49

- Recent orders on Tariff by CERC for biomass power plants are more future oriented with annual reset prescribed on fuel cost(5.90 v/s 5.57 for Chippabarod, 6.78 v/s 6.52 for Kishanganj and 6.27 in Hanumangarh)
- Increase in tariff levels for approved by Rajasthan ERC would enable the business to have improved margins and mitigate the adverse impact of fuel price increase in the coming quarters
- Three electricity commission has enforced RPO compliance and on account of this company is expecting improved realization on REC.
- Signed PPA with MPPMCL (Madhya Pradesh Power Management Company Ltd) for Biomass unit in MP with tariff Rs.5.45 per unit.

Existing Projects – Biomass power plants

Name	Capacity	Location	Fuel	Sale Model	Blended Gross tariff (Rs./ Kwh)				
					Q3 FY16	Q2 FY16	Q1 FY16	Q4 FY15	Q3 FY15
Kishanganj	8	Rajasthan	Mustard Husk	Grid 100%	6.85	6.81	6.52	6.52	6.52
Narsinghpur	10	Madhya Pradesh	Bagasse	Grid 100%	5.45	5.3	5.41	5.41	5.64
Hanumangarh	10	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Grid	6.26	-	-	-	6.02
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Group Captive	6.49	-	7.56	5.95	6.4
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Group Captive	-	-	7.91	6.70	6.4
Pollachi	10	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Group Captive	6.62	6.64	8.55	8.64	8.05
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	-	-	8.66	8.45	8.05
Maraikal	7.5	Andhra Pradesh	Julie Flora, Rice Husk	Merchant	-	-	-	-	5.38
Kopargaon	2	Maharashtra	Biogas	Captive	3.85	3.5	3.5	3.5	3.5
DY Patil	20	Maharashtra	Co-generation	Grid	6.23	-	-	-	-

Besides the above gross tariff, five units - 4 Tamil Nadu units are eligible for REC benefits

Capacity Expansion Trend

BUSINESS	2010-11	2011-12	2012-13	2013-14	2014-15	Planned	Total Capacity (including planned)
WIND	179.5	317.1	339.0	421.7	427.5	57.5	485.0
BIOMASS	40.5	60.5	60.5	86.0	106.0	0	106.0
TOTAL	220.0	377.6	399.5	507.7	533.0	57.5	591.0



Regulatory Environment & Outlook

Regulatory Impact and other challenges

- Improving tariff scenario following increasing participation from states in “Power for All” programme aimed towards providing 24*7 power to consumers - states like Rajasthan, Andhra Pradesh, Jharkhand, Chhattisgarh and Assam are expected to increase tariff rates ([Source](#))
- Orissa Electricity Regulatory Commission releases notification on Procurement of energy from Renewable Sources - regulation set the basic principle for promoting the sale of power from renewable sources to any person within the state of Orissa ([Source](#))
 - Minimum quantity of energy to be procured from Renewable sources by obligated entity

Sr. No.	Year Wise Target	Solar Source (%)	Non Solar Source (%)	Total (%)
1	2015-2016	0.50	2.50	3.00
2	2016-2017	1.50	3.00	4.50
3	2017-2018	3.00	4.50	7.50
4	2018-2019	4.50	5.00	9.50
5	2019-2020	5.50	5.50	11.00



Thank You

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