

ORIENT GREEN POWER

Investor Presentation

Q2 and H1 FY16 Results



Leading Diversified Renewable Energy Generation Company

Disclaimer

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 – H1 FY16

Key Highlights

- Successfully raised Rs. 2,500 million for augmenting Wind energy capacities and retirement of high cost debt
 - Investors - Edelweiss funds and Shriram Group (promoter)
- Demerger of Biomass business to result in two separate focused entities, besides leading to value unlocking of individual businesses
- H1 FY16 generated sales of Rs. 2349 million, down by 17% (Y-o-Y) owing to lower availability of wind.
- Operational EBITDA for H1 FY16 has reduced to Rs. 1733.60 Million from a level of Rs. 2,100.6 Million primarily owing to lower wind availability
- Loss after Tax was at Rs. 710.71 Million as against Rs. 168.13 Million during H1 FY 15
- Aggregate capacity available and generating during the H1 was at a level of 533 MW across both businesses as against 510 Mw in H1 FY 2015

Consolidated Financial Performance – Q2 & H1 FY16

Rs. Million

	Q2 FY16	Q2 FY15	Y-o-Y (%)	H1FY16	H1FY15	Y-o-Y (%)	FY15
Sale of Power	1386.15	1,514.28	-8.46	2,349.01	2,821.62	-16.75	4,349.35
Other Operating Income	176.75	201.86	-12.44	296.55	368.05	-19.43	576.17
Total Income	1562.90	1,716.48	-8.95	2,645.56	3,189.67	-17.06	4,925.52
Expenditure							
Cost of biomass fuel	50.98	138.60	-63.22	250.7	417.93	-40.01	1,000.43
O&M and other costs	343.79	321.98	6.77	661.26	671.14	-1.47	1,569.28
Total Expenditure	394.77	460.58	-14.29	911.96	1,089.07	-16.26	2,569.71
Operational EBITDA	1,168.13	1,255.56	-6.96	1,733.60	2,100.60	-17.47	2,355.81
EBITDA (%)	74.74%	73.16%	2.16	65.53%	65.85%	-0.49	47%
Other Income	57.89	15.36	276.89	90.48	42.73	111.75	778.2
Total EBITDA	1,226.02	1,270.92	-3.53	1,824.08	2,143.33	-14.9	3,134.01
Depreciation	438.08	427.43	2.49	875.92	851.26	2.9	1,793.36
EBIT	787.94	843.49	-6.59	948.16	1,292.07	-26.62	1,340.65
Finance charges	717.13	742.18	-3.38	1422.45	1,472.37	-3.39	2,858.86
Profit /(loss) before tax	70.81	101.31	-30.11	-474.29	-180.03	163.45	-2428.40
Exceptional items	253.97	---		253.97	--		209.81
Profit /(loss) after tax	-171.41	110.97	-254.46	-710.71	-168.13	-322.71	-2,437.38
Profit / (Loss) after Minority Interest	-210.67	19.70	-1222.70	-744.44	-241.5	-208.25	-2,329.62

Consolidated Balance Sheet as at September 30, 2015

Rs. Million

EQUITY AND LIABILITIES	As at 30.09.2015	As at 30.06.2015
Shareholders' Funds	7,398	5,681
Reserves and Surplus	2,640	2,056
Share Application Money	---	---
Minority Interest	159	80
Non Current Liabilities		
Long term bank borrowings	13,765	15,307
Loans from Promoters	3,047	2,929
Other liabilities	262	778
Current Liabilities		
Loans due within one year	3,251	3,231
Short Term borrowings	704	818
Other current liabilities	1,295	1,493
TOTAL LIABILITIES	32,521	32,373
ASSETS	As at 30.09.2015	As at 30.06.2015
Non Current Assets		
Fixed Assets	27,149	27,826
Goodwill on consolidation	297	297
Other Non Current assets	2,044	1,744
Current Assets		
Current investments	3	3
Inventories	144	202
Trade Receivables	986	824
Cash and Cash equivalents	441	88
Short term loans and advances and other current assets	1,457	1,389
TOTAL ASSETS	32,521	32,373

Renewable Energy Certificates

- Overall performance continued to remain tepid with supply of certificates outstripping the demand, resulting in majority of the transaction at floor price
- However, increasing focus on RPO both from the courts and from regulators is expected to increase demand
- OGPL's share in trading on the exchange represented 4.33% of trading volumes over the last 6 months
- OGPL had an unsold inventory of 519,586 RECs as of September 30, 2015

REC Trading and Revenue – April 2015 to September 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	4.0%	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
Total	920187	39828	4.33%	597	1,500

Total no. of unsold issued RECs available (Biomass + Wind) as on 30th September 2015 is 5,19,586 RECs

Source	No. of RECs traded (Apr 2015 to Sep 2015)	REC Revenue (Apr 2015 to Sep 2015) (Rs. Lacs)
BIOMASS	13635	204
WIND	26193	393
TOTAL	39828	597



Wind Operations

Wind Operations

Particulars	Unit of Measurement	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15
Capacity *	Mw	427.50	413.86	427.50	413.86
Units Generated (Gross)	Mn	271.77	287.00	408.95	474.79
Annualized PLF	%	29.52	31.39	22.33	26.10
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.34	5.08	5.38	5.19
*Includes overseas capacity					

Grid Availability Data

State	September 2015				September 2014			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	311.1	180.4	26.3	86.2	314.2	191.8	27.9	78.8
Andhra Pradesh	75.4	65.0	39.1	95.6	69.2	74.5	49.3	99.5
Gujarat	29.2	25.7	39.8	99.2	29.2	19.6	30.7	99.6
Total	415.7	271.1	29.5	88.8	412.6	285.9	31.7	83.7

Capacity Expansion

Wind

States	Capacity (Mw)	Remarks
Andhra Pradesh	43.5	Project just commenced
Madhya Pradesh	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	Q2 FY16	Q2 FY15	H1 FY16	H1 FY15
Capacity (operational during the year)	Mw	106	86	106	86
Units Exported	Mn	131	39.65	618.0	108.27
PLF	%	6.28	23.96	14.99	32.39
Average Realisation	Rs./ Unit	6.15	7.13	6.44	6.78
Specific Fuel Consumption per unit	Kg/ Unit	1.44	1.87	1.66	1.77
Fuel Cost	Rs./ Unit	3.8	3.53	4.08	3.96
O&M and other Costs	Rs./ Unit	5.92	3.53	3.11	2.49

- Out of 4 plants in Rajasthan, 2 plants have benefited from 6% increase in tariff announced by RERC.
- In Tamil Nadu, 3 units are on Group Captive model which will start performing from third quarter will lead to stable operations.
- All four units in Tamil Nadu continued to get REC benefits during the quarter

Existing Projects – Biomass power plants

Name	Capacity	Location	Fuel	Sale Model	Blended Gross tariff (Rs./ Kwh)				
					Q2 FY16	Q1 FY16	Q4 FY15	Q3 FY15	Q2 FY15
Chippabarod	8	Rajasthan	Mustard Husk	Grid 100%	---	5.56	5.56	5.57	5.64
Kishanganj	8	Rajasthan	Mustard Husk	Grid 100%	6.81	6.52	6.52	6.52	6.54
Narsinghpur	10	Madhya Pradesh	Bagasse	Grid 100%	5.3	5.32	5.41	5.64	5.64
Hanumangarh	10	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	---	---	---	6.02	6.02
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Merchant	---	7.56	5.95	6.4	5.33
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	---	7.91	6.7	6.4	5.75
Pollachi	10	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	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	5.38
Kopargaon	2	Maharashtra	Co-generation biogas	Captive	3.5	3.5	3.5	3.5	3.5
Dy Patil	20	Maharashtra	Bagasse and Biomas	Discom	---	---	---	---	6.27

Besides the above gross tariff, (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

Wind Business Outlook

- Grid availability in TN was better in Q 2 FY 16 at 86.2% against 78.8% in the corresponding quarter.
- However due to low wind overall generation was lower than the corresponding quarter.
- Initiated forecasting exercise on trial for the state as a whole in phased manner. Grid operator finds this useful for planning and this is expected to improve through better visibility .
- Represented through Association for relaxation of regulatory impediments for improving evacuation. Honble CERC has come out with draft amendments for public comments. The draft does not propose a significant relaxation as suggested by the Association and efforts are being made for increasing this in the final regulations

Biomass Business Outlook

- 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.
- During Q2 one of the plant located in pollachi was transferred from OGPL to a separate entity and was moved to group captive mechanism . The unit has started the operation and started generating power.
- Operational improvements for enhanced efficiencies in progress across all units resulting in higher plant availability
- IREDA has announced that it will refinance 30% of loan outstanding in biomass unit with 2% interest and 10 years of repayment.
- There is improvement in the availability of fuel for the south plant and will improve the working in the coming quarter.
- Three electricity commission has enforced RPO compliance and on account of this company is expecting improved realization on REC.



Thank You

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