

ORIENT GREEN POWER

Investor Presentation

Q3 & 9M FY15 Results



Leading Diversified Renewable Energy Generation Company



Financial & Operational Highlights – Q3 & 9M FY15

Performance Highlights

- Q3 FY15 witnessed a sales growth of 11% on a Y-o-Y basis and for 9M FY15, sales growth was at **30%** aided by higher PLFs and increase in operational capacities across wind and biomass businesses
- Sales and other operating income during 9M FY15 increased to Rs. 4,021.79 Million as against Rs. 3,095.49 Million registered during 9M FY14
- Increase in tariffs across all biomass operating plants in Rajasthan has positively impacted turnover and margins in the biomass business
- Operational EBITDA after one-time expenses and provisions increased by **28.7%** from Rs. 1,778.1 Million during 9M FY14 to Rs. 2,287.72 Million during 9M FY15 mainly due to improvement in generation in Tamil Nadu in Q2 and also aided by increase in capacities across both businesses and improved operational efficiencies
- Operational EBITDA before considering one-time expenses and provisions increased to a level of Rs. 2,503.2 Million
- Loss after Tax before Minority Interest for 9M FY15 was at a level of Rs. 1,293.4 Million as against Loss after Tax of Rs. 1,075.3 Million during 9M FY14
- Loss after Tax and Minority Interest for 9M FY15 stood at Rs. 1,219.7 Million as against Rs. 952.2 Million during 9M FY14
- Aggregate capacity available and generating during 9M FY15 was 510.2 Mw across both businesses as against 484.5 Mw in 9M FY14
- Extension of tenor of some of the loans by banks across some subsidiaries helped in mitigating the cash flow situation during 9M FY15

Financial Performance – Q3 & 9M FY15

Rs. Million

	Q3 FY15	Q3 FY14	Y-o-Y (%)	9M FY15	9M FY14	Y-o-Y (%)	FY14
Sale of Power	737.38	664.87	10.91	3,559.00	2711.31	31.26	3,595.40
Other Operating Income	94.74	87.00	8.90	462.79	384.18	20.46	533.18
Total Income	832.12	751.87	10.67	4,021.79	3,095.49	29.92	4,128.58
Expenditure							
Cost of biomass fuel	235.42	177.16	32.89	653.36	527.60	23.84	815.97
O&M and other costs	409.56	243.23	68.38	1,080.71	789.75	36.84	1,244.12
Total Expenditure	644.98	420.39	53.42	1,734.07	1,317.35	31.63	2,060.09
Operational EBITDA	187.14	331.48	-43.54	2,287.72	1,778.14	28.66	2,068.49
EBITDA (%)	22.49%	44.09%	-48.99	56.88%	57.44%	-0.97	50.10%
Other Income	23.19	22.57	2.75	65.93	71.50	-7.79	82.91
Total EBITDA	210.33	354.05	-40.59	2,353.65	1,849.64	27.25	2151.40
Depreciation	421.57	376.73	11.90	1,272.83	1,008.62	26.20	1,433.38
EBIT	-211.24	-22.68	831.39	1,080.82	841.02	28.51	718.02
Finance charges	712.83	756.51	-5.77	2,185.20	1,941.75	12.54	2,651.57
Profit /(loss) before tax	-924.07	-779.19	18.59	-1,104.38	-1,100.73	0.33	-1,933.55
Profit /(loss) after tax	-1,125.41	-753.54	49.35	-1,293.55	-1,075.28	20.30	-2,077.86
Profit / (Loss) after Minority Interest	-978.23	-627.72	-255.84	-1,219.73	-952.21	28.09	-1,876.37

Operational EBITDA for 9M FY15 would have been Rs. 2,503.2 Mn but for certain one – item expenses and provisions

Balance Sheet as at December 31, 2014

Rs. Million

EQUITY AND LIABILITIES	As at 31.12.2014	As at 31.03.2014
Shareholders' Funds	5,681	5,681
Reserves and Surplus	3,691	4,876
Sub-Total Shareholders Funds	9,372	10,557
Share Application Money	---	8
Minority Interest	125	193
Non Current Liabilities		
Long term bank borrowings	14,109	15,198
Loans from Promoters	4,355	3,620
Other liabilities	621	293
Current Liabilities		
Loans due within one year	2,778	2,774
Short Term borrowings	532	675
Other current liabilities	1,900	1,812
TOTAL LIABILITIES	33,792	35,130

ASSETS	As at 31.12.2014	As at 31.03.2014
Non Current Assets		
Fixed Assets	28,963	29,555
Goodwill on consolidation	299	359
Other Non Current assets	1,821	2,508
Current Assets		
Current investments	3	3
Inventories	136	142
Trade Receivables	975	1,014
Cash and Cash equivalents	52	503
Short term loans and advances and other current assets	1,543	1,046
TOTAL ASSETS	33,792	35,130

Renewable Energy Certificates

- Supply of REC's continued to outstrip the demand during the quarter, resulting in trading of certificates at its floor price during the quarter
- Government is actively considering stringent measures for enforcement of Renewable Purchase Obligation (RPO)
- The Joint Electricity Regulatory Commission (JERC) for Goa and Union Territories, in its order, has asked all the distribution companies to comply with their RPO and submit a report on the compliance
- Central Electricity Regulatory Commission (CERC) in its recent amendment on REC Regulations (Third Amendment) has decided to extend the validity of REC for a period of three years (CERC order amending the REC regulations)
- OGPL's share in trading on the exchange represented 4.7% of trading volumes during the last 6 months
- The trading in January 2015 was much better with OGPL being able to sell 26,416 RECs at the floor price
- The overall trading in January 2015 was better with clearing ratio of 4.8% for non-solar RECs
- OGPL had an unsold inventory of 474,399 issued RECs as of December 31, 2014

REC Trading and Revenue – Apr 2014 to Dec 2014

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 – 14	79,354	4,059	5.1%	60.89	1,500
May – 14	29,255	1,309	4.5%	19.64	1,500
Jun – 14	1,39,454	6,618	4.8%	99.27	1,500
Jul-14	31,809	1,308	4.1%	19.62	1,500
Aug – 14	50,681	2,275	4.5%	34.13	1,500
Sep – 14	22,650	974	4.3%	14.61	1,500
Oct – 14	74,002	3,443	4.3%	51.65	1,500
Nov – 14	196,013	8,691	4.6%	130.37	1,500
Dec – 14	335,723	14,915	4.4%	223.73	1,500
Total	958,941	43,592	4.5%	653.91	1,500

Total no. of unsold issued RECs available (Biomass + Wind) as on 31st Dec. 2014 is 474,399 RECs

Source	No. of RECs traded (Apr 2014 to Dec. 2014)	REC Revenue (Apr 2014 to Dec. 2014) (Rs. Lacs)
BIOMASS	15,395	230.94
WIND	28,197	422.96
TOTAL	43,592	653.90



Wind Operations

Wind Operations

Particulars	Unit of Measurement	Q3 FY15	Q3 FY14	9M FY15	9M FY14
Capacity	Mw	421.70	405.46	421.70	405.46
Units Generated (Gross)	Mn	74.10	83.57	548.22	444.03
Annualized PLF	%	8.05	9.38	20.02	17.61
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.50	5.59	5.26	5.02

- Improved grid availability in 9M FY15 as compared to same period of previous year due to
 - a) Commissioning of 400KV line and substation during the year
 - b) Measures taken by the state to help evacuate more wind energy
- During the quarter, wind availability was lower than expected in Tamil Nadu leading to lower PLF

Grid availability data

- Although wind availability was lower in Tamil Nadu and A.P. during Q3, there had been improvement in grid availability as illustrated in the table below :

State	Q3 FY2015				Q3 FY2014			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	315.8	48.6	7.0	82.9	315.6	65.4	9.4	81.1
Andhra Pradesh	70.5	12.5	8.0	99.0	69.5	12.1	7.9	98.8
Gujarat	29.2	12.4	19.3	99.9	17.2	5.5	14.4	100.0
Total	415.5	73.6	8.0	89.8	402.2	83.0	9.3	84.9

State	YTD FY2015				YTD FY2014			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	314.7	373.4	18.0	82.3	315.6	379.2	18.2	79.7
Andhra Pradesh	69.6	120.6	26.2	97.0	51.0	43.1	12.8	98.8
Gujarat	29.2	52.1	27.1	99.7	14.3	19.5	20.6	100.0
Total	413.6	546.1	20.0	86.0	380.8	441.7	17.6	83.0

Capacity Expansion

Wind

States	Capacity (Mw)	Remarks
Andhra Pradesh	47.1	3.6Mw planned in March 2015 Balance 43.5Mw planned
Madhya Pradesh	14.0	Planned
TOTAL	61.1	

Biomass

Location	Capacity (Mw)	Estimated date of Completion
Kolhapur	20.00	Feb'2015
TOTAL	20.0	

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 FY15	Q3 FY14	9M FY15	9M FY14
Capacity (operational during the year)	Mw	78.0	68.50	78.0	68.50
Units Exported	Mn	54.5	39.68	164.2	127.45
Average Realisation	Rs./ Unit	6.75	5.68	6.44	5.99
Specific Fuel Consumption per unit	Kg/ Unit	1.91	2.16	1.78	2.04
Fuel Cost	Rs./ Unit	4.46	4.04	4.08	4.02
O&M and other Costs	Rs./ Unit	1.78	2.56	2.49	2.58

- During the quarter, two plants in Tamil Nadu recommenced operations with a much higher tariff while operations at the other two units continued to be muted in view of fuel availability issues during monsoon season in November and December
- One unit in M.P. also recommenced operations during the end of Q3 with feedstock being available at a very attractive price. Significant improvement seen in PLF in January 2015
- Out of two operating plants in Rajasthan, there was significant improvement in operations at one of the units leading to improved revenues and bottom line
- During the year, all Rajasthan plants have been enjoying a higher tariff due to the approximate 10% hike announced by RERC
- All four units in Tamil Nadu continued to get REC benefits during the quarter
- Besides, Ministry of New and Renewable Energy is considering numerous measures to support biomass industry

Existing Projects – Biomass power plants

Name	Capacity	Location	Fuel	Sale Model	Blended Gross tariff (Rs./ Kwh)				
					Q3 FY15	Q2 FY15	Q1 FY15	Q4 FY14	Q3 FY14
Chippabarod	8	Rajasthan	Mustard Husk	Grid 100%	5.57	5.64	5.64	5.04	5.06
Kishanganj	8	Rajasthan	Mustard Husk	Grid 100%	6.52	6.54	6.54	5.97	5.90
Narsinghpur	10	Madhya Pradesh	Bagasse	Grid 100%	5.64	5.64	5.64	5.64	
Hanumangarh	10	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	6.02	6.02	No sale (tariff increased to 6.02)	No Sale	No Sale
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Group Captive	6.40	5.33	6.30	5.06	5.05
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Group Captive	6.40	5.75	6.80	5.12	5.15
Pollachi	10	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	8.05	---	7.59	7.77	6.51
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	8.05	---	8.04	7.63	6.99
Maraikal	7.5	Andhra Pradesh	Julie Flora, Rice Husk	Merchant	5.38	5.38	5.38	5.38	
Kopargaon	2	Maharashtra	Co-generation biogas	Captive	3.50	3.50	3.50	3.50	3.50

Besides the above gross tariff, 4 Tamil Nadu units continue to be eligible for REC benefits

Capacity Expansion Trend

BUSINESS	2010-11	2011-12	2012-13	2013-14 / Dec. 2014	Planned	Total Capacity (including planned)
WIND (INDIA)	179.5	317.1	339.0	421.7	61.1	482.8
BIOMASS	40.5	60.5	60.5	86.0	20.0	106.0
TOTAL (INDIA)	220.0	377.6	399.5	507.7	81.1	588.8

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



Regulatory Environment

Regulatory Impact and other challenges

- The Government is planning on introducing a Renewable Energy Act to streamline power generation, transmission and tariff and help attract more investment towards the sector
- Further, the Government is also working towards introducing a Renewable Generation Obligation (RGO) wherein companies which are setting up new projects would be required to have 10% renewable component. The same is to be introduced in the new Act
- TNERC hikes power tariff in the state by 15% for FY 2014-15 (effective from 12/12/2014) applicable to all categories of consumers
- APTEL has directed KERC to revise wind tariff in Karnataka after hearing the petition filed by Indian Wind Power Association & Indian Wind Turbine Manufacturers. The revision should result in improving the tariff from present level of Rs. 4.20 /unit
- Maharashtra has announced increase in cogen tariff to a level of Rs. 6.27 per Kwh which would be the tariff applicable for the upcoming 20Mw cogen plant in that state. It has also announced an attractive tariff of Rs. 6.53 per Kwh for biomass based units during the off season



Thank You

Leading Diversified Renewable Energy Generation Company