ORIENT GREEN POWER

Investor Presentation

Q3 and YTD FY14 Results

Leading Diversified Renewable Energy Generation Company

Disclaimer

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Financial & Operational Highlights – Q3 & YTD FY14

Performance Highlights

WIND BUSINESS

- 4.2 Mw was added during the quarter and aggregate of 78.8 Mw were added up to Q3 FY14; taking the total operating wind assets capacity to 416 Mw as of February 8, 2014
- Due to improved hydel generation and purchase of power from outside Tamil Nadu, the quarter continued to witness sustained machine back down in almost all locations in the state leading to loss of revenue and margins. Petition filed before Madras High Court by Indian Wind Power Association has been heard and the matter has been remanded to TNERC with a direction to dispose off the case expeditiously
- Despite grid back down, the Operating revenues in Q3 was at a level of Rs. 500.2 Million (growth of 63%) on the back of increased capacities, better wind availability and improved machine upkeep and performance. Revenues for the 9 month period ended December 2013 increased by 5% to Rs. 2,245.4 Million despite significant grid back down in the last two quarters
- Operational EBITDA expanded to Rs. 1,918.7 Million (> 7%) for the 9 month period ended December 2013
- Aggressively pursuing further capacity additions in potentially good wind sites outside Tamil Nadu
- Generation Based Incentive (GBI) has been finally notified which would entitle the company to get GBI benefit of up to Rs. 10 Million per Mw leading to improved viability of eligible projects

Performance Highlights

BIOMASS BUSINESS

- During the quarter, one biomass plant commissioned in Kishanganj, Rajasthan (8Mw) with a record tariff of Rs. 5.90 per KwH. Further, two more units aggregating to 17.5 Mw have been commissioned in A.P. and M.P. in January 2014
- Poor off take by TN consumers due to lifting of R&C measures continued in Q3 FY14 forced the shutdown of three T.N. plants for part of the quarter. Action taken to restart two of the units by migrating to Group captive model which is expected to stabilise operations in the long run. Two other units in T.N. continue to operate on merchant basis
- One unit in Hanumnagarh, Rajasthan continued to be non-operational since Rajasthan Electricity Regulatory Commission's (RERC) order on new tariff is awaited. Confident of reviving operations very soon after RERC order.
- Plan to commission balance 20.0 Mw unit over the next 3 months
- Tariff levels in Tamil Nadu remained at a level of Rs. 6.50/ Rs. 7.00 per kwh on merchant basis while it was lower on group captive model
- Operations continued to be suspended in two units in Rajasthan due to very low tariff levels and high cost of fuel. Efforts are on to revive the operations in one of the units
- Operating revenues for Q3 were at Rs. 255.1 Million and Rs. 884.3 Million for the 9 month period ended December 2013
- Indian Biomass Power association (IBPA) continued its active engagement with the Ministry for New and Renewable Energy (MNRE) and Ministry of Finance for following measures and benefits:
    - Introduction of Generation Based Incentive (GBI) for biomass industry
    - Interest subvention of at least 2% p.a. for all loans to this sector
    - According Priority sector status for lending to this industry

Financial Performance – Q3 & YTD FY14

Rs. Million

	Q3FY14	Q3FY13	YTDFY14	YTDFY13
Sale of Power	671.00	582.12	2755.35	3061.19
Other Operating Income	88.34	136.94	386.33	525.77
Total Income	**759.34**	**719.06**	**3141.68**	**3586.96**
Expenditure				
Cost of biomass fuel	146.57	248.43	508.54	837.16
O&M and other costs	281.29	268.20	855.00	923.09
Total Expenditure	**427.86**	**516.63**	**1363.54**	**1760.25**
Operational EBITDA	**331.48**	**202.43**	**1778.14**	**1826.71**
EBITDA (%)	**43.65%**	**28.15%**	**56.60%**	**50.93%**
Other Income	26.67	35.61	75.60	254.86
Total EBITDA	358.15	238.04	1853.74	2,081.57
Depreciation	376.731	281.75	1008.62	817.59
EBIT	**-18.585**	**-43.71**	**845.114**	**1,263.98**
Finance charges	756.51	467.53	1941.75	1403.75
Profit /(loss) before tax	**-775.09**	**-511.24**	**-1096.64**	**-139.77**
Profit /(loss) after tax	**-753.54**	**-536.60**	**-1075.28**	**-175.8**
Profit / (Loss) after Minority Interest	**-627.72**	**-419.79**	**-952.21**	**-171.798**

Balance Sheet as at December 31, 2013

Rs. Million

	As at Dec'13	As at Mar'13
Equity and Liabilities		
Shareholders' Funds		
(a) Share Capital	5680.78	4,680.78
(b) Reserves & Surplus	5802.71	6,208.39
Sub-Total Shareholders Funds	**11,483.49**	**10,889.17**
Share Application Money Pending Allotment	72.87	1523.00
Minority Interest	277.67	295.12
Non- current liabilities		
(a) Long - term borrowings	17,980.46	15,871.64
(b) Deferred tax liabilities (net)	103.25	109.85
(c) Other long term liabilities	6.71	2.54
(d) Long - term provisions	19.54	14.34
Sub Total - Non - Current Liabilities	**18,109.95**	**15,998.37**
Current Liabilities		
(a) Short - term borrowings	959.97	1,034.97
(b) Trade Payables	588.01	472.73
(c) Other current liabilities	4,311.83	5,131.26
(d) Short - term provisions	4.64	11.15
Sub Total Current Liabilities	**5,864.45**	**6,650.11**
Total	**35,808.44**	**35,355.77**

Balance Sheet as at December 31, 2013 (contd.)

Rs. Million

	As at Dec'13	As at Mar'13
ASSETS		
Non - Current Assets		
Fixed assets	29,440.54	29,575.51
Goodwill on Consolidation	533.38	511.86
Non-current Investments	0.13	0.13
Long-term loans and advances	2687.93	2,560.86
Other non Current Assets	406.87	164.99
Sub total Non - Current Assets	**33,068.85**	**32,813.35**
Current assets		
Current Investments	2.73	2.78
Inventories	175.70	186.42
Trade receivables	1063.89	794.32
Cash and cash equivalents	386.27	725.81
Short-term loans and advances	391.17	449.15
Other Current Assets	719.82	383.94
Sub total Current Assets	**2,739.58**	**2,542.42**
TOTAL ASSETS	**35,808.44**	**35,355.77**

Renewable Energy Certificates

- RECs market underwent significant revival during the quarter, as the demand for certificates rose for fourth straight month as companies seek to comply with renewable targets amid enforcement by government regulators
- The demand surged almost 10-fold since a low in August as regulators in Punjab, Uttarakhand, Maharashtra, Chhattisgarh and Goa began exerting pressure on companies flouting rules
- Further, key development is the CERCs order of extending the validity of RECs issued on or after November 1, 2011 from 365 days to 730 days
- OGPL's share in trading represented 7.2% of trading volumes during the quarter on the exchange
- OGPL had an unsold inventory of 2,46,026 RECs as of end December'13

REC Trading and Revenue upto December 2013

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)
Jan – 13	193,337	10,598	5.48%	159	1,500
Feb – 13	152,952	6,222	4.07%	93	1,500
Mar – 13	427,871	31,193	7.29%	468	1,500
Apr – 13	44,459	3,308	7.44%	50	1,500
May – 13	52,968	4,111	7.76%	62	1,500
Jun – 13	72,486	5,740	7.92%	86	1,500
Jul – 13	161,402	12,850	7.96%	193	1,500
Aug – 13	40,889	2,965	7.25%	44	1,500
Sept – 13	49,831	3,621	7.27%	54	1,500
Oct – 13	150,640	10,465	6.95%	157	1,500
Nov – 13	308,928	25,971	8.41%	390	1,500
Dec – 13	403,862	25,746	6.37%	386	1,500
GRAND TOTAL	**20,59,625**	**1,42,790**	**6.93%**	**2,142**	**1,500**

	No. of RECs traded (Jan to Dec 13)	**REC Revenue (Jan to Dec 2013) (Rs. Lacs)**
BIOMASS	**68,996**	1,035
WIND	**73,794**	1,107
TOTAL	**1,42,790**	**2,142**

Wind Operations

Wind Operations - India

Particulars	Unit of Measurement	Q3 FY 14	Q3 FY 13	YTD FY 14	YTD FY 13
Capacity	Mw	405.46	337.41	405.46	337.41
Units Generated (Gross)	Mn	83.57	67.95	444.03	466.84
Annualized PLF	%	9.28	9.19	17.84	21.34
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.59	5.03	5.02	4.53

- Old assets of 179.5 Mw constitute operating assets acquired at low capital cost (approx. Rs. 35.5 Mn per Mw)
- Although grid back down continued in the quarter, there was a significant improvement in the PLF on a Y-o-Y basis due to better than expected wind availability as well as greater proportion of new machines with higher sustainable PLF. Lastly, initiatives such as preventive maintenance of machines resulted in lower downtime and higher PLF.
- Selling prices were somewhat lower during the quarter mainly due to more sales in A.P. and Gujarat in the overall product mix

Capacity Expansion

States	Wind Capacity (Mw)	Remarks
Tamil Nadu	12.80	Commissioned in July / August 2013
Andhra Pradesh	43.20 41.20	43.20 Mw commissioned in August 2013 and balance 7.20 Mw planned before the season of 2014 34.00 Mw planned in FY 2015
Gujarat / Tamil Nadu / Maharashtra	12.60 12.60 34.00	12.60 Mw has been commissioned in May 2013 12.60 Mw to be commissioned in Q4 FY14 6 Mw commissioned in September 2013 Balance 25.20 Mw planned in FY 2015
Addition for FY 2014	156.40	

Projects	Biomass Capacity (Mw)	Estimated date of Completion
Maraikal	7.5	Commissioned in January 2014
Narsinghpur	10.0	Commissioned in January 2014
Kolhapur	20.0	Q1 FY 15
Kishanganj	8.0	Commissioned in Q2 FY14
Addition for FY 2014	45.5	

Biomass Operations

Existing Biomass Operations

Particulars	Unit of Measurement	Q3 FY14	Q3 FY13	YTD FY14	YTD FY13
Capacity	Mw	68.50	60.50	68.50	60.50
Units Exported	Mn	39.68	55.96	127.45	207.04
PLF	%	34.00	47.00	36.00	57.90
Average Realisation	Rs./ Unit	5.68	5.78	5.99	5.76
Specific Fuel Consumption per unit	Kg/ Unit	2.16	1.83	2.04	1.81
Fuel Cost	Rs./ Unit	4.04	4.84	4.02	4.12
O&M and other Costs	Rs./ Unit	2.56	1.86	2.58	1.90

- Performance in Q3 FY14 was negatively impacted due to partial shut down of Tamil Nadu units and continued suspension of operations at two Rajasthan plants
- In Tamil Nadu, realisation across units supplying on merchant basis continued to be robust while it was lower in units which migrated to group captive model during the quarter which would however lead to more stable operations
- All four units in Tamil Nadu and Sanjog in Rajasthan continue to get REC benefits during the quarter.
- Fuel Cost somewhat moderated during the quarter mainly due to more proportion of operations in Rajasthan where fuel is available at lower cost. The prices are expected to remain high for some more time in Tamil Nadu while it would be cheaper in Rajasthan during the forthcoming mustard season
- O&M and other costs rose steeply during the quarter mainly due to lower output of power from the various units

Existing Projects – Biomass power plants

Name	Capacity (Mw)	Location	Fuel	Customer details			Blended tariff		
					Q3 FY14	Q2 FY14	Q1 FY14	Q4 FY13	Q3 FY13
Kopargaon	2.0	Maharashtra	Co-generation biogas	Captive	3.50	3.50	3.50	3.50	3.50
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Merchant	5.05	6.53	6.75	7.00	6.74
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	5.15	6.67	6.77	6.63	6.38
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	6.99	No Sale	6.89	7.18	7.08
Pollachi	10.0	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	6.51	6.74	6.71	6.50	6.56
Kotputli	8.0	Rajasthan	Mustard Husk	Grid 100%	No sale	No Sale		No Sale	No Sale
Chippabarod	8.0	Rajasthan	Mustard Husk	Grid 100%	5.06	5.13	5.13	5.13	5.00
Hanumangarh	10.0	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	No sale	No Sale	4.29	3.79	3.73
Kishanganj (commissioned in Oct 2013)	8.0	Rajasthan	Mustard Husk	Grid 100%	5.90	No sale	No sale	No sale	No sale

Capacity Expansion Trend

2010-11	2011-12	2012-13	BUSINESS	2013-14 (as on 8th February 2014)	Planned in FY 2015
179.5	317.1	339.0	WIND	**416.0**	494.6
40.5	60.5	60.5	BIOMASS	86.0	106.0
220.0	**377.6**	**399.5**	TOTAL	**502.0**	**600.6**

Regulatory Environment & Outlook

Regulatory Impact and other challenges

- Petition filed before TNERC on grid back down issue in Tamil Nadu last year is yet to be disposed
- Petition filed in Q2 FY14 before the High Court of Madras by Indian Wind Power Association (IWPA) seeking relief on exemption from grid back down for WEGS based on Grid Code which confers Must Run status to WEGs – Order has been remanded by the High Court to TNERC with a direction to pass orders expeditiously. The industry believes that appropriate relief shall be provided which would augur well for 2014 season and thereafter
- In a first, the Uttarakhand ERC has imposed penalty on the state Discom for non-compliance with RPO. More state ERCs exp3cted to follow suit with similar actions which would help improve REC trading in coming months
- Recently, Central Electricity Regulatory Commission (CERC) has issued an order on Scheduling and Forecasting as per which wind power generators are to forecast their generation of the next day, for every 15 minute interval and face penalty if the actual generation is 30 per cent more or less than the submitted forecast. This is indeed an onerous requirement and Petitions filed before the High Courts through the Associations on stalling the Forecasting and scheduling of wind power are yet to be decided. In the meantime, CERC vide its recent order, has deferred the commercial implementation till further orders and has called for suggestions of all concerned parries before reviewing the Renewable Regulatory Fund (RRF) mechanism
- Rajasthan ERC has passed order on our petition in respect of Hanumangarh unit for generic determination of tariff for switch over to Preferential tariff mechanism. Process has been started and it is expected to be completed within the next 2 months
- Petition file with APTEL seeking a direction to SERCs to enforce RPO and impose penalties.

Wind Business Outlook

- Grid infrastructure is expected to improve significantly in Tamil Nadu over the next 2 years which would lead to improved PLFs from 2015-16 onwards. Kayathar line expected to be commissioned in Q1 FY15 which would help in improving PLF in 2014-15 itself. This coupled with the synchronization of south grid with the national grid would ensure that grid back down do not recur in the coming years
- Appellate Tribunal for Electricity's (APTEL) order has been given effect to from June 2013 thereby granting relief from excessive transmission charges in Tamil Nadu would go a long way in improving margins
- TNBERC order awaited on Must Run status of wind mills and a favorable verdict would go a long way to improve top line and margins from coming season
- Exploring more viable locations with attractive tariff and returns for the last phase of the present expansion plan
- Reintroduction of Generation based incentive (GBI) with higher eligibility amount would significantly improve viability of eligible projects
- Actively pursuing refinancing / securitization of receivables in respect of the entire loan of about Rs. 300 cr. relating to old wind assets with intent to reduce cost of borrowing besides a more staggered repayment schedule

Biomass Business Outlook

- Rajasthan ERC process for fixation of generic tariff under preferential tariff mechanism for Hanumangarh plant would enable the unit to restart operations within 2 months at a more viable tariff
- Switch over to group captive mechanism in T.N. plant would bring about more stability in operations at the units throughout the year
- Actively pursuing regulatory agencies in Rajasthan and elsewhere for annual tariff fixation based on fuel price
- Energy Plantation as a means for fuel security – 250 acres planned from Q4 to harvest 10,000 MT during Q1 of FY15
- Initiatives taken through Indian Biomass Power Association along with MNRE for following measures and benefits: Better Tariff from SERC/CERC
    - Better Tariff from SERC/CERC
    - Annual resetting of Fuel prices for the tariff
    - Introduction of Generation Based Incentive (GBI) for biomass industry
    - Interest subvention of at least 2% p.a. for all loans to this sector
    - According Priority sector status for lending to this industry
- Operational improvements for enhanced efficiencies in progress across all units
- Focusing on measures to refinance existing high cost debt at lower rates of interest

Thank You

Leading Diversified Renewable Energy Generation Company