



ORIENT GREEN POWER COMPANY LIMITED

25th January 2019

**The BSE Limited
Corporate Relations Department,
P.J. Towers,
Dalal Street,
Mumbai-400 001.
Scrip Code: 533263**

**The National Stock Exchange
of India Limited
Department of Corporate Services,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051.
Scrip Code: GREENPOWER**

Dear Sirs,

Sub: Investor Presentation

We enclosed 9 M & FY19 Investor Presentation.

We request you to kindly take the same on record.

Thanking you.

Yours faithfully,
For Orient Green Power Company Limited

**P Srinivasan
Company Secretary & Compliance Officer**



Encl: as above



ORIENT GREEN POWER

9M FY19 Earnings Presentation
& Update on Strategy

Leading 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

Index

Transformation
Strategy & Operational
Progress



4

Key
Developments:
9M FY19



11

Financial
Highlights



13

Operational
Highlights



16

Outlook &
Regulatory
Overview



18

Appendix:
Financial
Statements

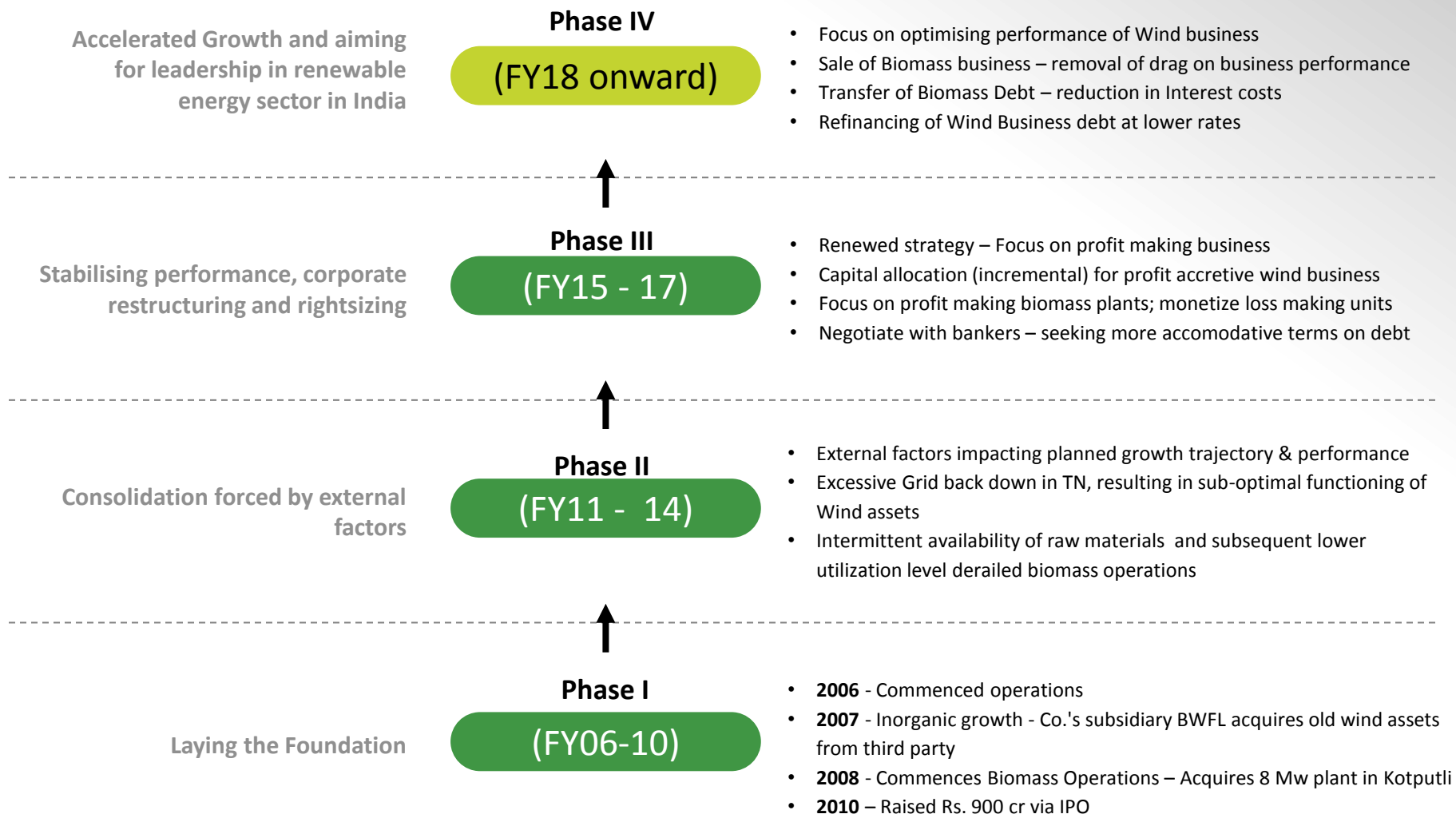


22



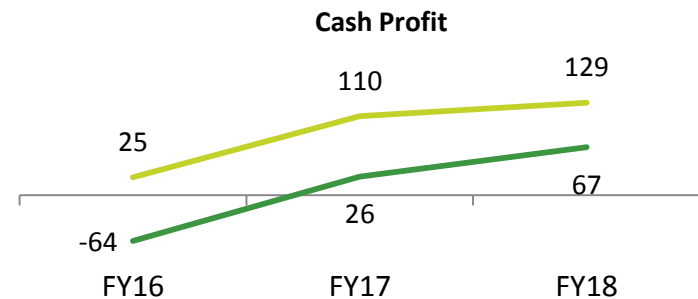
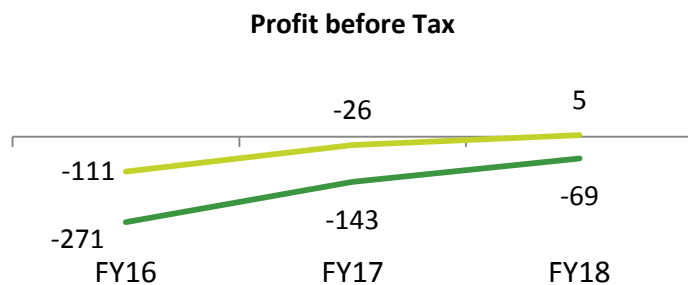
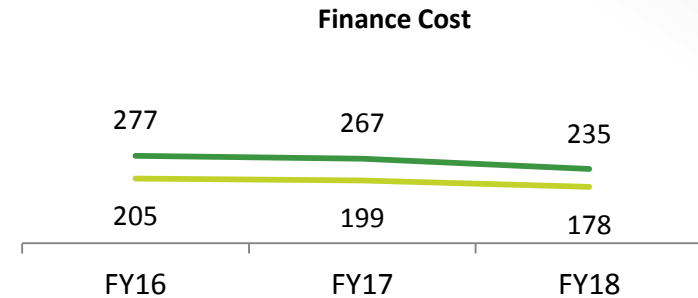
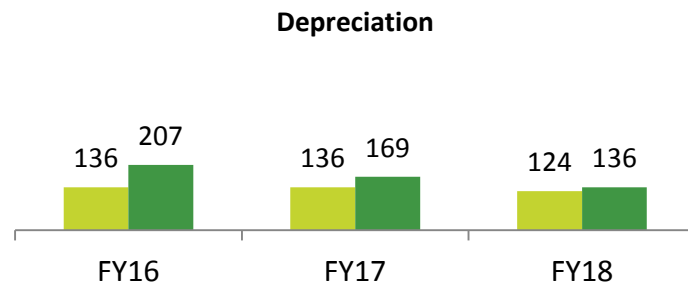
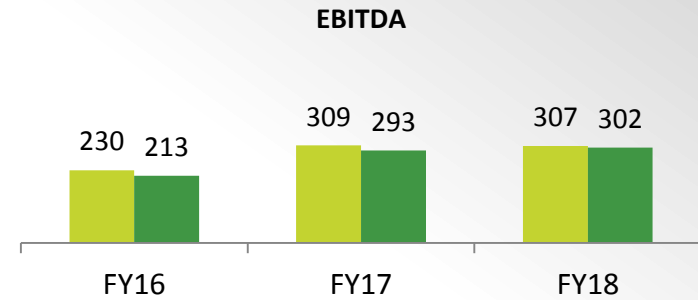
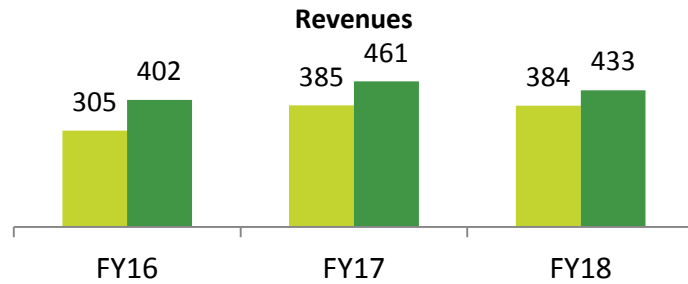
Transformation Strategy & Operational Progress

OGPL Transformation



High Potential disrupted by external factors

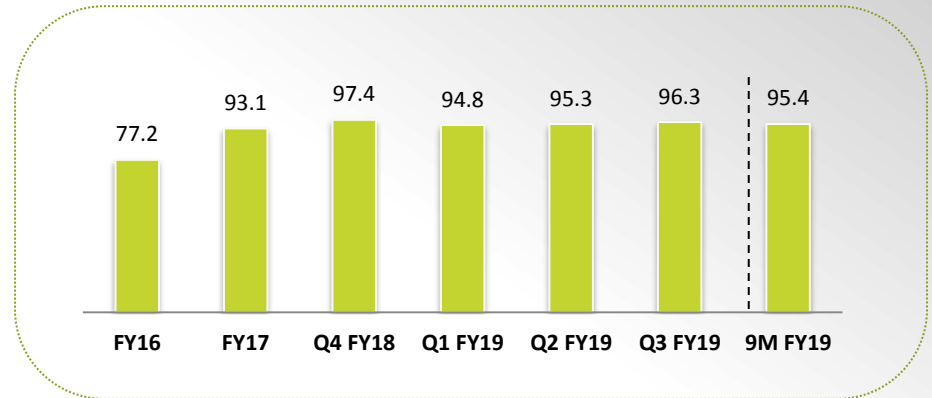
In Rs. cr



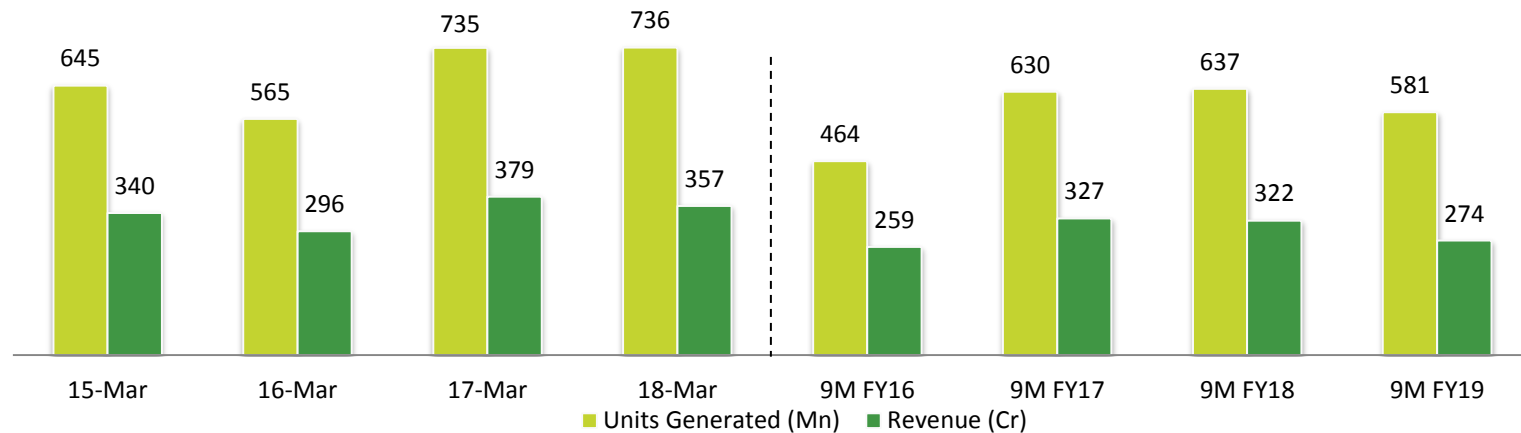
What has changed in recent times

Improvement in grid evacuation level

- Increased frequency bandwidth for renewables
- Phase-wise shutting down of thermal power plants during the wind season
- Request for expedition of 1,000 MW green energy corridor to help 100% evacuation

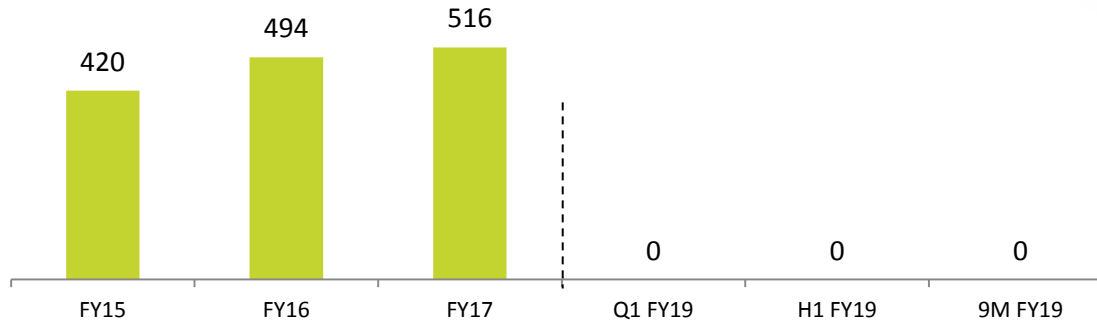


Wind power generation



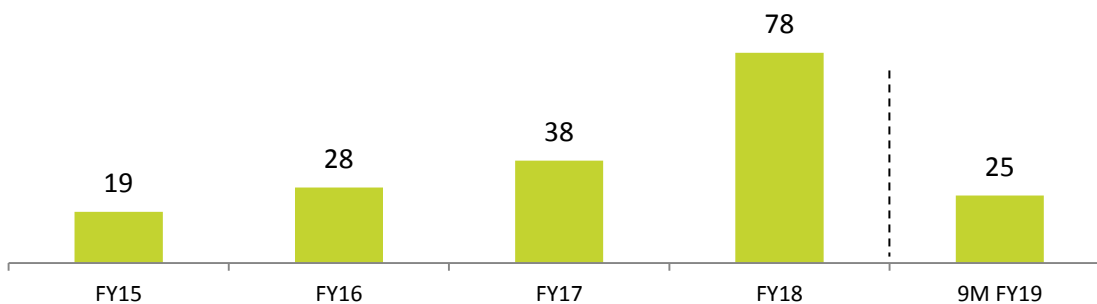
Supported by Improvement in REC Mechanism

REC's Outstanding in thousands



- Sharp increase in RECs traded in FY17 & FY18 on stricter implementation
- REC Trading volumes on energy exchanges set new records in FY18
- 100% realization of REC stocks

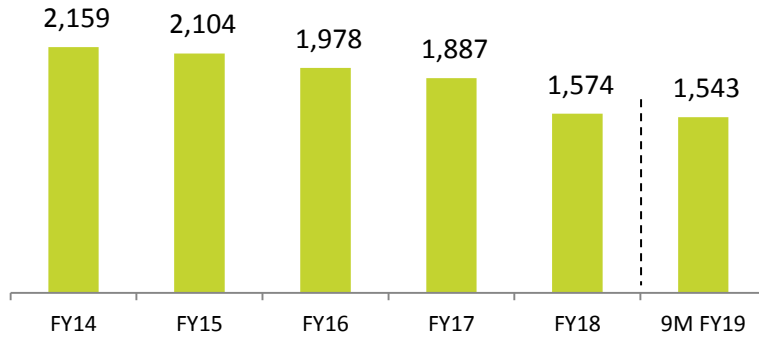
Traded REC Revenue INR Crs



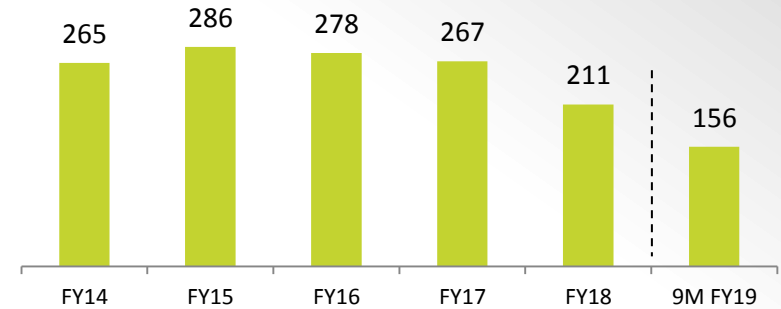
- Zero stock of issued RECs as of Dec 31, 2018
- Amount held in CERC - Rs.21 Crore
- The Supreme Court has granted stay in respect of floor price for REC's issued before 31st March 2017.

Focus on Debt Reduction

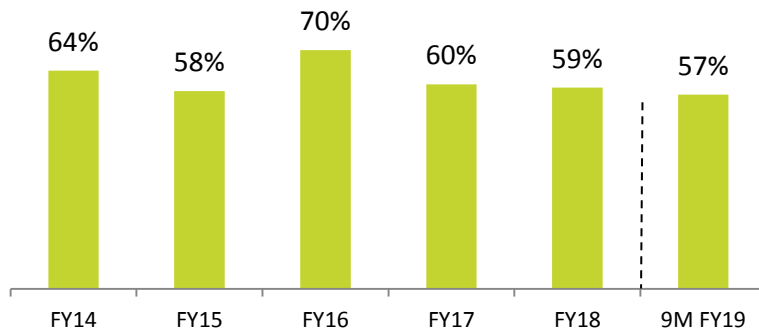
Debt (Rs. Cr)



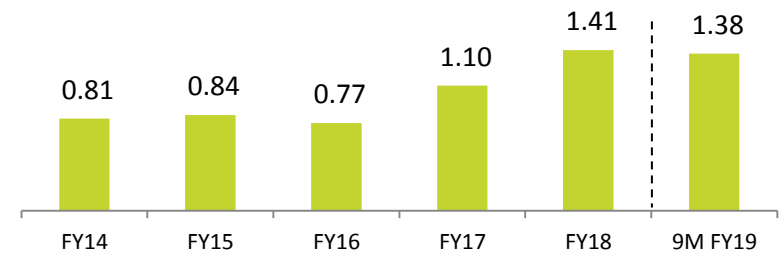
Interest Expense (Rs. Cr)



Interest / Revenue (%)

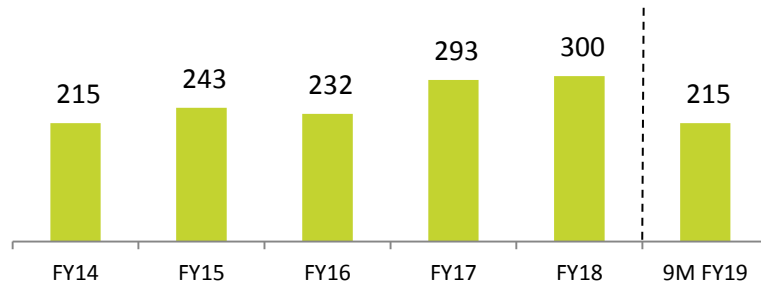


EBITDA / Interest (x)

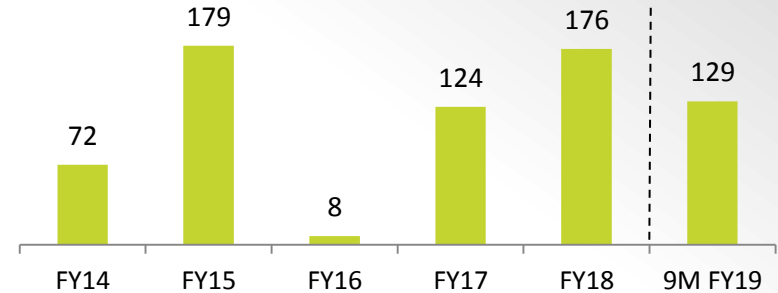


Resulting in Improved Profitability

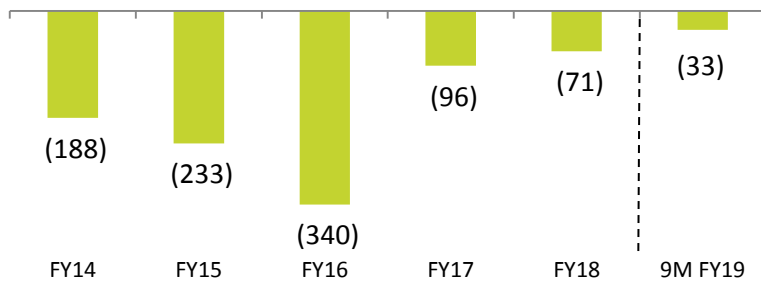
EBITDA (Rs. Cr)



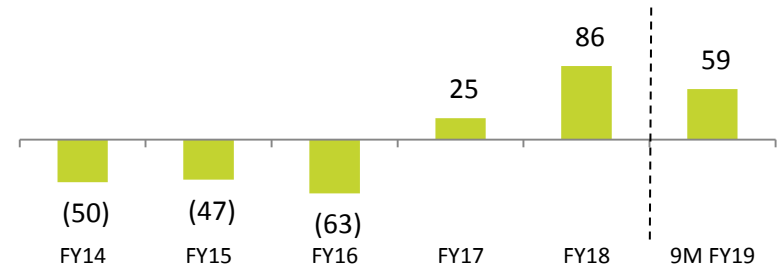
EBIT (Rs. Cr)



PAT (Rs. Cr)



Cash Profit (Rs. Cr)





Key Developments: 9M FY19

Key Developments – 9M FY19

Wind Business – Steady performance despite delayed onset of wind season

- Recent strategic initiatives coupled with improved macros and diversified asset base resulted in delivering steady performance despite delayed onset of wind season
- Marked improvement of Grid Availability (95%) in TN – sharp reduction in frequency of grid back down and consistent grid availability is expected to sustain henceforth resulting in sustainably elevated level of evacuation.

Debt pruning to strengthen balance sheet & improve liquidity profile

- In parleys with bankers to lower credit cost & extend loan maturities.
 - Refinancing existing high debt cost to result in lower interest outgo and profitability improvement.
 - Working towards bringing down average cost of debt from ~13% at present to about 11%.

REC Trading

- Trading volumes remains elevated - all the RECs generated in 9M FY19 have been realised.
- Strong demand for certificates have elevated REC realisations into a reliable revenue stream for the Company.
- Steady demand and limited supply resulting in certificates trading above their floor price
 - **REC trading at Rs.100-Rs.300 above the floor price of Rs.1000 from Apr'2018 onwards.**



Financial Highlights

9M FY19 Consolidated Financial Performance

In Rs. Mn

	9M 2018-19	9M 2017-18
Continued Operations:		
Revenue	2,827.9	3,544.6
EBITDA	2,151.0	2,783.8
Margins %	76.0%	78.5%
EBIT	1,290.0	1,842.9
EBIT %	45.6%	51.9%
PBT	(269.2)	229.2
Discontinued Operations PBT	(61.7)	(208.1)
Consol PBT	(330.9)	21.1

1. The shortfall of 56 Mn units of wind power generation is due to reduced span of wind season during the nine months ended December 2018. It may be noted that the corresponding period in previous year had an exceptional income of Rs.156 Mn and also had a benefit of Rs. 114 Mn Lakhs due to Renewable Energy Certificates (REC's) being traded at Rs.1,500 per certificate as against the present year Rs.1,000 per certificate. Accordingly, the revenue for the comparative period presented is not comparable.
2. It may be noted that grid evacuation in Tamil Nadu is over 95%. Further, REC's are trading at a premium i.e. traded at over Rs.1,320 per certificate in the last session as against the base price of Rs.1,000 per certificate. These two factors bode well for the future.

Key Financial Highlights – 9M FY19

Wind Business:

- Steady performance despite delayed onset of wind season
- Improved macros coupled with strategic initiatives aiding performance
- Expect business momentum to continue:
 - Supportive macros :
 - Consistent grid availability especially in TN; grid availability for the Qtr. Stood at 95%.
 - Strong support from regulators and electricity distribution companies / SEBs is contributing to a favourable outlook for the industry.

Debt rationalization: Initiated discussion with PSU financiers

- Discussions are progressing well for refinancing of debt
- Working towards lowering bringing down average cost of debt from ~13% at present

REC Trading: High volumes on the back of strong demand

- Trading volumes remained elevated on the back of steady demand and limited supply
- Strong demand resulted in trading of certificates above the floor price after a gap of 5 years.
 - REC trading has evolved into a reliable revenue stream for the Company.



Operational Highlights

Wind Operations

Particulars	Unit of Measurement	9M FY19	9M FY18
Capacity (incl. overseas capacity)	Mw	425	425
Units Generated (Gross)	Mn	581	637
Annualized PLF	%	20	23
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.09	5.18

State	Capacity (MW)
Tamil Nadu	308.3
Andhra Pradesh	75.40
Gujarat	29.2
Karnataka	1.25
Europe	10.5
Total	424.65

Grid Availability and Generation

State	Q3 FY19				Q3 FY18			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	308.3	42	6	96	308.3	82	12	94
Andhra Pradesh	75.4	11	7	100	75.4	10	6	99
Gujarat	29.2	9	14	99	29.2	13	21	99
Total	412.9	62	7	97	412.9	105	11	95

State	9M FY19				9M FY18			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	308.3	401	20	95	308.3	461	23	95
Andhra Pradesh	75.4	110	22	99	75.4	105	21	99
Gujarat	29.2	54	28	99	29.2	56	29	99
Total	412.9	566	21	96	412.9	622	23	95



Outlook & Regulatory Overview

Outlook

- **Positive business outlook on the back of improving macros**

- Supportive Govt. policies in terms of improving grid availability, introducing innovative project funding models and working towards developing favorable viable tariff regime.
- Improving macros coupled with Company's strategic initiatives towards delivering growth augurs well for the future.

- **Strengthening balance sheet by paring down debt**

- Discussing with bankers for lowering interest rate & extending loan maturities.
- Focusing on improving cash flow and liquidity profile.
- In active discussions with banks for refinancing debts to the tune of Rs.1,000 crore to 11% (from current average cost of debt of 13%).

Renewable Energy Certificates

- Trading sessions continued to witness higher volumes during the quarter
 - Zero inventory for the fourth consecutive quarter.
- Steady demand and limited supply resulted in most of the certificates getting traded above their floor prices.
- OGPL sold 93,429 RECs in Q3 and 2,20,445 REC's upto 9M FY19 resulting in realization of Rs. 116.5 million in Q3 and Rs.255.6 million upto 9M FY19. OGPL's share in trading on the exchange represented 7.43% of trading volumes during Q3 FY19.
- OGPL had nil inventory of RECs as of Dec 31, 2018 – this is the fourth consecutive quarter in which there has been no inventory carried forward.

Regulatory & Market Developments

■ TSERC / KERC / TNERC announces APPC cost for FY 2018-19 –

- Telangana State Electricity Regulatory Commission (TSERC) announced that the APPC cost of INR 4.097/kWh for FY17-18 will be applicable for this financial year as well.
- Karnataka Electricity Regulatory Commission announced the provisional APPC of Rs. 3.64/ unit for FY 18-19 effective from 1st April 2018. Revised from previous year's APPC of Rs. 3.57/ unit
- TNERC announced the Pooled Cost of Power Purchase payable by the TANGEDCO for the year 2018-19 as Rs.3.97 per unit subject to the maximum of 75% of the preferential tariff fixed by the Commission to that category / subcategory of NCES generators i.e. Rs.3.97 per unit or 75% of the preferential tariff fixed by the Commission to that category / subcategory of NCES generators, whichever is less

■ CERC extends expiry date for RECs due to expire

- CERC had issued an order extending the validity of Renewable Energy Certificates (REC) which were to expire between 15th May 2018 – 30th October 2018, up to 30th October 2018. There has now been an extension in the expiry of these RECs till 30th March 2019

RECs likely to expire between 31.10.2018 - 31.03.2019						
SN	No. of RECs will expire in the month of	No. of Solar RECs likely to expire between 31.10.2018 - 31.03.2019		No. of Non-solar RECs likely to expire between 31.10.2018 - 31.03.2019		Total RECs (Solar+Non-solar) to be expired
1	Oct-18	17,755	0	75,221	0	92,976
2	Nov-18	505	0	252	0	757
3	Dec-18	467	0	3,239	0	3,706
4	Jan-19	1,118	0	690	0	1,808
5	Feb-19	6015	0	21,539	0	27,554
6	Mar-19	12,791	0	44,407	0	57,198
Total FY 18-19		38,651	0	1,45,348	0	1,83,999



Appendix: Financial Statements

Financial Performance – 9M FY19 (Consolidated – IND-AS)

Rs. Million

	9M FY19	9M FY18
Continued Operations		
Sale of Power	2,439	2,820
Other Operating Income	303	407
Total Income	2,742	3,227
O & M and Other costs	677	761
Total Expenditure	677	761
Operational EBITDA	2,065	2,466
EBITDA (%)	75%	76%
Other Income	86	318
Total EBITDA	2,151	2,784
Depreciation	861	941
EBIT	1,290	1,843
Finance Charges	1,510	1,614
Loss on derecognition of hedging instrument	49	-
Profit / (Loss) from continued operations before tax	(269)	229
Profit / (Loss) from continued operations after tax	(271)	223
Profit / (Loss) from discontinued operations after tax	(62)	(208)
Profit / (Loss) for the period	(333)	15
Total Comprehensive Income/(Loss) for the period	(341)	95

1. The shortfall of 56 Mn units of wind power generation is due to reduced span of wind season during the nine months ended December 2018. It may be noted that the corresponding period in previous year had an exceptional income of Rs.156 Mn and also had a benefit of Rs. 114 Mn Lakhs due to Renewable Energy Certificates (REC's) being traded at Rs.1,500 per certificate as against the present year Rs.1,000 per certificate. Accordingly, the revenue for the comparative period presented is not comparable.
2. It may be noted that grid evacuation in Tamil Nadu is over 95%. Further, REC's are trading at a premium i.e. traded at over Rs.1,320 per certificate in the last session as against the base price of Rs.1,000 per certificate. These two factors bode well for the future.

Thank You

For further information please contact

Mr. K.V. Kasturi

Orient Green Power Company Limited

Tel: +91 44 4901 5678

Email: kasturi.kv@orientgreenpower.com

Mayank Vaswani / Suraj Digawalekar

CDR India

Tel: +91 22 6645 1230 / 1219

Email: mayank@cdr-india.com
suraj@cdr-india.com