

ORIENT GREEN POWER

Investor Presentation

Q2 & H1 FY15 Results



Leading Diversified Renewable Energy Generation Company



Financial & Operational Highlights – Q2 & H1 FY15

Performance Highlights

- The first half witnessed a sales growth of 38% (Y-o-Y) due to the increase in operational capacities in both wind and biomass businesses
- Sales and other operating income during H1 FY15 increased to Rs. 3,189.7 Million as against Rs. 2,343.6 Million registered during H1 FY14
- Operational EBITDA improved from a level of Rs. 1,446.7 Million during H1 FY14 to Rs. 2,100.6 Million during H1 FY15 mainly due to revenues from increased capacities across both businesses and improved operational efficiencies. The operational EBITDA for H1 FY 2015 has exceeded the operational EBITDA registered for the full year 2013-14
- Profit after Tax before Minority Interest for Q2 was at a level of Rs. 110.97 Million as against Loss after Tax of Rs. 250.67 Million during Q2 FY 2014
- Loss after Tax and Minority Interest for H1 stood at Rs. 241.5 Million as against Rs. 324.5 Million during H1 FY 2014
- Aggregate capacity available and generating during the Q2 was at a level of 510 MW across both businesses as against 472 Mw in Q2 FY 2014
- Increase in tariffs across all biomass operating plants in Rajasthan has positively impacted margins in the biomass business
- While there was delay in onset of the wind season in Q1 FY15, however, better grid availability during Q2 favourably impacted revenues for Q2 and H1

Financial Performance – Q2 & H1 FY15

Rs. Million

	Q2 FY15	Q2 FY14	Y-o-Y (%)	H1FY15	H1FY14	Y-o-Y (%)	FY14
Sale of Power	1514.28	988.62	53	2821.62	2046.43	38	3,595.40
Other Operating Income	201.86	122.24	65	368.05	297.19	24	533.18
Total Income	1716.48	1,110.86	54	3189.67	2,343.62	36	4,128.58
Expenditure							
Cost of biomass fuel	138.60	112.36	23	417.93	369.49	13	815.97
O&M and other costs	321.98	280.08	15	671.14	527.46	27	1,244.12
Total Expenditure	460.58	392.44	17	1089.07	896.95	21	2,060.09
Operational EBITDA	1255.56	718.42	75	2100.60	1,446.67	45	2,068.49
EBITDA (%)	73.16%	64.67%	13	65.85%	61.72%	7	50.1%
Other Income	15.36	16.66	-8	42.73	48.93	-13	82.91
Total EBITDA	1270.92	735.08	73	2143.33	1,495.60	43	2,151.40
Depreciation	427.43	347.41	23	851.26	631.89	35	1,433.38
EBIT	843.49	387.67	118	1292.07	863.71	50	718.02
Finance charges	742.18	643.04	15	1472.37	1,185.25	24	2,651.57
Profit /(loss) before tax	101.31	-255.37	-	-180.03	-321.54	-	-1,933.55
Profit /(loss) after tax	110.97	-250.67	-	-168.13	-321.74	-	-2,077.86
Profit / (Loss) after Minority Interest	19.70	-237.34	-	-241.50	-324.50	-	-1,876.37

Balance Sheet as at Sept. 30, 2014

Rs. Million

EQUITY AND LIABILITIES	As at 30.09.2014	As at 31.03.2014
Shareholders' Funds	5,681	5,681
Reserves and Surplus	4,667	4,876
Share Application Money	-	8
Minority Interest	273	193
Non Current Liabilities	-	-
Long term bank borrowings	14,493	15,198
Loans from Promoters	4,081	3,620
Other liabilities	506	293
Current Liabilities		
Loans due within one year	3,401	3,388
Short Term borrowings	506	675
Other current liabilities	1,129	1,198
TOTAL LIABILITIES	34,737	35,130

ASSETS	As at 30.09.2014	As at 31.03.2014
Non Current Assets		
Fixed Assets	29,393	29,555
Goodwill on consolidation	400	359
Other Non Current assets	1,927	2,508
Current Assets		
Current investments	3	3
Inventories	162	142
Trade Receivables	1,134	1,014
Cash and Cash equivalents	76	503
Short term loans and advances and other current assets	1,641	1,047
TOTAL ASSETS	34,737	35,130

Renewable Energy Certificates

- Excess supply of REC's continued to outstrip the demand during the quarter, resulting in trading of certificates at its floor price during the quarter
- Madhya Pradesh Electricity Regulatory Commission (MPERC) imposes penalty for non compliance of RPO
- MNRE proposes to the state electricity regulatory commissions (SERCs) to consider exercising their statutory authority and issue directions to state distribution companies (discoms) for ensuring renewable power obligation (RPO) compliance - through purchase of renewable energy certificates and enforce the same by invoking penal provisions of the regulations against defaulting entities
- Additionally, MNRE has made a strong case in favour of providing a "must run" status for generation from RE and all the electricity generated should be absorbed by the grid
- OGPL's share in trading on the exchange represented 4.7% of trading volumes during the last 6 months
- OGPL had an unsold inventory of 391,794 issued RECs as of Sept. 30, 2014

REC Trading and Revenue – April 2014 to Sept 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
Total	3,53,203	16,543	4.7%	248.16	1,500
Total no. of unsold issued RECs available (Biomass + Wind) as on 30 th Sept. 2014 is 391,794 RECs					

Source	No. of RECs traded (Apr 2014 to Sept. 2014)	REC Revenue (Apr 2014 to Sept. 2014) (Rs. Lacs)
BIOMASS	7,210	108.15
WIND	9,333	140.01
TOTAL	16,543	248.16



Wind Operations

Wind Operations

Particulars	Unit of Measurement	Q2 FY15	Q2 FY14	H1 FY15	H1 FY14
Capacity	Mw	413.86	401.51	413.86	401.51
Units Generated (Gross)	Mn	287.00	184.69	474.79	360.71
Annualized PLF	%	31.39	22.06	26.10	22.91
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.08	5.03	5.19	4.99

- Capacities in A.P. (43.2Mw) and Gujarat (25.2Mw) were available and generating for the full quarter and this, coupled with improved PLF of the good wind sites provided the push in sales value growth during the quarter on a Y-o-Y basis
- 400KVA substation has been commissioned in July at Kayathar, Tamil Nadu
- Improvement in grid as well as wind availability seen in Q2 FY 2015 v/s Q2 FY 2014 in all states in India and is illustrated in the table below :

State	Q2 FY2015				Q2 FY2014			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	314.2	191.8	27.9	78.8	311.8	151.3	22.2	67.1
Andhra Pradesh	69.2	74.5	49.3	99.5	56.8	22.9	18.5	95.8
Gujarat	29.2	19.6	30.7	99.6	16.6	9.4	26.1	99.5
Total	412.6	285.9	31.7	83.7	385.1	183.7	21.8	72.8

Capacity Expansion

Wind

States	Capacity (Mw)	Remarks
Andhra Pradesh	50.70	7.2Mw planned in FY 2015 Balance 43.5Mw planned
Tamil Nadu	3.00	Planned in December 2014
Madhya Pradesh	14.00	Planned
TOTAL	67.70	

Biomass

Location	Capacity (Mw)	Estimated date of Completion
Kolhapur	20.0	Q3 FY 15
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	Q2 FY15	Q2 FY14	H1 FY15	H1 FY14
Capacity (operational during the year)	Mw	86	60.5	86	60.5
Units Exported	Mn	39.65	27.05	108.27	59.02
PLF	%	23.96	23.07	32.39	52.10
Average Realisation	Rs./ Unit	7.13	5.85	6.78	6.31
Specific Fuel Consumption per unit	Kg/ Unit	1.87	1.89	1.77	1.84
Fuel Cost	Rs./ Unit	3.53	4.07	3.96	3.49
O&M and other Costs	Rs./ Unit	3.53	3.08	2.49	2.38

- Out of 4 plants in Rajasthan, 3 plants have benefited from an about 10% increase in tariff announced by RERC. Of these 3 units, 2 have been operational and the third recommenced operations in end July 2014 with a new PPA signed with the Rajasthan Discoms
- Operations at two units in Tamil Nadu and one unit in M.P. were suspended due to non-availability of fuel
- In Tamil Nadu, 2 units are on Group Captive model which have 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 FY15	Q1 FY15	Q4 FY14	Q3 FY14	Q2 FY14
Chippabarod	8	Rajasthan	Mustard Husk	Grid 100%	5.64	5.64	5.04	5.06	5.13
Kishanganj	8	Rajasthan	Mustard Husk	Grid 100%	6.54	6.54	5.97	5.90	No sale
Narsinghpur	10	Madhya Pradesh	Bagasse	Grid 100%	5.64	5.64	5.64		
Hanumangarh	10	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	6.02	No sale (tariff increased to 6.02)	No Sale	No Sale	No sale
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Merchant	5.33	6.30	5.06	5.05	6.53
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	5.75	6.80	5.12	5.15	6.67
Pollachi	10	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	---	7.59	7.77	6.51	6.74
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	---	8.04	7.63	6.99	No Sale
Maraikal	7.5	Andhra Pradesh	Julie Flora, Rice Husk	Merchant	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 / Oct. 2014	Planned	Total Capacity (including planned)
WIND (INDIA)	179.5	317.1	339.0	413.86	67.70	481.56
BIOMASS	40.5	60.5	60.5	86.00	20.0	106.0
TOTAL (INDIA)	220.0	377.6	399.5	499.86	87.70	587.56

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



Regulatory Environment

Regulatory Impact and other challenges

- Rajasthan Electricity Regulatory Commission has revised upwards the tariffs effective April 2014. Three of our biomass plants now enjoy higher tariff levels (5.76 v/s 5.04 for Chippabarod, 6.54 v/s 5.97 for Kishanganj and 6.02 in Hanumangarh)
- 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
- The recent announcement in the Budget of funding Green Corridor in the state of Tamil Nadu would help the state in bringing sustained improvement in evacuation of wind power
- APTEL has directed TNERC to consider generation from wind while approving the purchases of power by TNEB in order to improve the evacuation of wind power
- APTEL has directed MPERC to review on two points, i.e.. Gross Calorific Value (GCV) and Station Heat Rate (SHR) for the purpose of re-fixing the tariff applicable for biomass units in the state.. Hearings have been held and order awaited
- TNERC has initiated the tariff revision exercise recently for all categories of customers



Thank You

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