



ORIENT GREEN POWER COMPANY LIMITED

22nd May, 2017

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 enclose Q4 & FY17 Investor Presentation.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For Orient Green Power Company Limited,

P. Srinivasan



P Srinivasan
Company Secretary & Compliance Officer

ORIENT GREEN POWER

FY17 Earnings Presentation



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

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Key Developments

Key Highlights – FY17

Best ever annual performance

- Sharp improvement in revenue generation & profitability of the business on the back of strategic initiatives and improving macro environment

Conducive environment for Wind Business

- Significant improvement of Grid Availability in TN – frequency of grid back down has reduced substantially and consistent grid availability is expected to sustain henceforth
- Supportive measures of Tamil Nadu Regulatory Authorities; such as sale of excess power outside the state, phase-wise shutting down of thermal power plants during wind season, scheduling & forecasting wind power generation to ensure stable availability of grid and increase in frequency of bandwidth for renewables, have enhanced the performance of wind sites located in TN.

Renewed Strategy for Biomass business

- Restarted 4 plants (2 in North and 2 in South) – expect to sustain high PLFs as fuel stocks have been secured for entire season
- Plan to monetize stake in unviable business units – proceeds to be used to reduce debt and enhance working capital position
- Plan to demerge biomass business – Separate and dedicated management team to execute and grow the business

Deleveraging Balance Sheet

- Shifted sizeable proportion of debt in the wind business under 5/25 scheme – working on shifting remaining debt
- Negotiating with bankers for refinancing and extending tenures for existing loans
- Deploying proceeds from sale of selected biomass units towards debt repayment and working capital enhancement

Improvement in REC Trading

- REC trading hit an all time high in Jan 2017
- Existing Certificates are expected to be monetised given that compliance is being made more stringent

Key Developments

OGPL & IL&FS to evaluate merging of Wind Businesses – Joint capacity of 1.2 Gw :

- On Jan 19th, 2017 OGPL's Board approved entering into an exclusivity agreement of 90 days for discussion with IL&FS Wind to evaluate a potential merger of the Wind energy generation businesses of both entities. On April 13, 2017 the Board approved further extension of this Confidentiality and Exclusivity agreement between both parties.

Sale of Biomass Unit at Kolhapur:

- The Company had executed an MoU with Sindicatum Captive Energy Singapore Pte Limited for a total consideration of Rs. 81 crore. However, M/s. Padmashri Dr. D. Y. Patil Sahakari Sakhar Karkhana Ltd. (PDDPSSKL) exercised its option of first right to purchase the shares.
- Subsequently, in April, a MoU was signed between OGPM and PDDPSSKL for the sale of 20 MW co-generation power plant at Kolhapur and has been approved by the Board of OGPL.
- The entire sale process should get completed in Q2FY18.
- Total consideration of Rs. 81 crore which will be partly used to reduce debt and the remainder will be deployed towards funding the working capital requirement of profit accretive units



Financial Highlights

Improved Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	FY17	FY16	%	FY17	FY16	%	FY17	FY16	%
REVENUES	3,836.5	3,078.4	25%	777.4	1,021.7	-24%	4,613.9	4,100.1	13%
EBITDA	2,921.0	2,161.0	35%	12.3	-23.3	-153%	2,933.3	2,137.7	37%
<i>EBITDA%</i>	76%	70%		2%	-2%		64%	52%	
EBIT	1,553	801	94%	-305.8	-725.4	-57%	1,247.2	75.6	1550%
<i>EBIT%</i>	40%	26%		-39%	-71%		27.03%	2%	
PBT*	-613.7	-1,325.5	-54%	-812.8	-1,378.6	-41%	-1,426.5	-2,704.1	-47%
<i>PBT%</i>	-16%	-43%		-105%	-135%		-31%	-66%	

*PBT before exceptional items

Improved Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	Q4FY17	Q4FY16	%	Q4FY17	Q4FY16	%	Q4FY17	Q4FY16	%
REVENUES	567.1	486.9	16%	191.0	338.8	-44%	758.1	825.7	-8%
EBITDA	277.8	229.2	21%	-58.6	45.7	-228%	219.2	274.9	-20%
<i>EBITDA%</i>	49%	47%		-31%	-13%		29%	33%	
EBIT	-89.9	-102.4	-12%	-132.2	-364.2	-64%	-222.1	-466.6	-52%
<i>EBIT%</i>	-16%	-21%		-69%	-107%		-29%	-57%	
PBT*	-662.9	-592.6	12%	-241.3	-535.5	-55%	-904.2	-1,128.1	-20%
<i>PBT%</i>	-117%	-122%		-126%	-158%		-119%	-137%	

*PBT before exceptional items

Key Financial Highlights – FY17

Wind Business:

- Revenue for FY17 grew by 25% to Rs. 3,837 mn compared to Rs. 3,078 mn; EBITDA improved to Rs. 2,921 mn from Rs. 2,161 mn during the corresponding period last year.
- Strong performance by Wind business was due to:
 - Best grid availability in TN over the last 3 years, resulting in greater evacuation of power
 - Good and timely onset of wind season
 - Greater proportion of new wind assets

Biomass:

- The Company was able to run 4 Biomass plants (2 in North, 2 in South India) for part of the fourth quarter as it has secured substantial stocks of fuel. Hence, due to reduced impact from divested plants, curtailment of costs and improved operating profile of active plants, the EBITDA increased to Rs. 12.3 mn compared to Rs. (23.3) mn.

Consolidated:

- Consolidated revenues were higher by 12.5 % at Rs. 4,614 million in FY17 from Rs. 4,100 million in FY16
- Consolidated EBITDA for FY 17 improved 37.3% to Rs.2933.3 million from Rs. 2,138 million on the back of higher capacities, steady wind patterns, improved grid availability and recommencement of operations at 4 biomass plants from March, 2017
- Tariffs remained fairly stable across our key markets



Operational Highlights

Wind Operations

Particulars	Unit of Measurement	Q4FY17	Q4FY16	FY17	FY16
Capacity (incl. overseas capacity)	Mw	425	425	425	425
Units Generated (Gross)	Mn	105	84	735	565
Annualized PLF	%	11	9	20	15
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.58	5.28	5.44	5.50

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

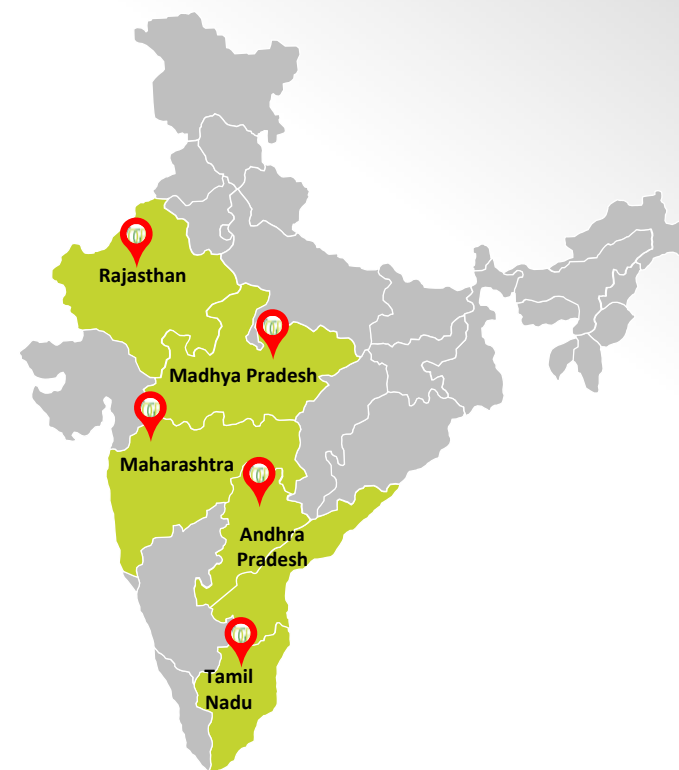
Grid Availability Data

State	Q4FY17				Q4FY16			
	Effective installed capacity (Mw)	Generation (Million kWh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million kWh)	PLF (%)	Grid availability (%)
Tamil Nadu	308	68	10	96	308	51	8	82
Andhra Pradesh	75	17	11	99	75	15	9	99
Gujarat	29	11	21	100	29	10	16	100
Total	413	98	11	97	413	76	8	83

Biomass Operations

Particulars	Unit of Measurement	Q4 FY17	Q4 FY16	FY17	FY16
Capacity (operational during the year)	Mw	65.5	59.5	65.5	90.5
Units Exported	Mn	40	49.1	154	143.8
PLF	%	32.6	50.4	29.9	21.8
Average Realisation	Rs./ Unit	6.61	6.15	6.39	6.61
Specific Fuel Consumption per unit	Kg/ Unit	1.75	1.52	1.75	2.10
Fuel Cost	Rs./ Unit	3.69	3.64	3.53	3.98
O&M and other Costs	Rs./ Unit	2.06	1.77	2.02	2.62

State	Capacity (MW)	Revenue Model
Tamil Nadu	32.5	Group Captive, Merchant
Andhra Pradesh /Telangana	7.5	Merchant
Rajasthan	34.0	PPA
Maharashtra	22.0	Merchant, PPA
Madhya Pradesh	10.0	PPA
Total	106.0	





Outlook & Regulatory Overview

Outlook - Wind

- **Improved macro-environment – structurally positive for the business**
 - Improvement in grid infrastructure and supportive policies and initiatives have greatly reduced losses due to grid evacuation and have enhanced sustainability of the outlook
 - Wind availability to be consistent this year based on expectations of stable monsoon for 2nd consecutive year
 - Availability and cost of capital have improved in recent quarters

- **Stronger financial position**
 - Completed flexible loan structuring (5:25) scheme to the tune of Rs. 765 crore and the tenure of the loan is getting extended by 17 years.
 - Working towards refinancing part of the debt drawn for old Wind assets – aiming for longer tenure and reduction in interest rate. The combination of these initiatives will greatly improve the liquidity position and cash flow profile.
 - Generating positive cash flow since Q1FY17 and overall liquidity position has been significantly enhanced

- **REC market contributed well in 2017, hoping to sustain buoyancy**
 - Higher revenue generation under REC mechanism to support liquidity and cash flow position
 - Stringent actions on the part of regulatory and state government to help maintain the momentum in REC purchases
 - Favourable outcome on REC pricing which is to be decided by the Hon'ble Supreme Court to help sustain this revenue stream

- **Capacity addition to further strengthen performance in the wind business**
 - The 43.5 MW expansion in Andhra Pradesh which will come onstream in wind season 2018 provides scope for growth and operating leverage benefits

Outlook - Biomass

▪ Monetising stake in unviable units - resources to be redirected towards profit accretive ventures

- Working towards monetizing stake in economically unviable units
 - Had executed Securities Purchase Agreement (SPA) with Sindicatum Captive Energy Singapore Pte Limited for a total consideration of Rs. 81 crore. However, M/s. Padmashri Dr. D. Y. Patil Sahakari Sakhar Karkhana Ltd. (PDDPSSKL) exercised its option of first right to purchase the shares.
 - MoU has been signed between OGPML and PDDPSSKL for the sale of 20 MW co-generation power plant at Kolhapur and has been approved by the Board of OGPL
- In parleys with interested parties for monetizing stake in three additional units.
- Focused on deploying resources on biomass plants with higher potential profitability and ability to generate positive cash flows

▪ Addressing debt issues

- To deploy proceeds from sale of selected biomass business units to repay part of the debt
- Proceeds also to be deployed towards meeting the working capital requirements of profit generating units

▪ Renewed business profile

- Have restarted 4 plants (2 in North, 2 in South) in March, 2017 by securing substantial quantities of fuel. Since a large proportion of fuel required for the full season has already been sourced and remainder will be sourced by Q1FY18, expect these plants to operate at high PLFs through the season resulting in improved revenues & healthy profitability
- Deployment of sale proceeds to reduce debt and Improve working capital position will lead to lower finance costs
- Combination of improved operating profile and lower finance costs to result in higher profitability for the business
- Demerger of biomass business in progress – will result in a separate and a dedicated management team which can then work towards enhanced operational improvements and implementation of growth strategies

Renewable Energy Certificates

- Total RECs sold during FY17 stood at 59 lakh as against 43 lakhs last year – an increase of almost 37.7%. REC trading also hit new high in January 2017 – with volumes of 15.2 lakhs. Improved performance was primarily owing to stricter enforcement.
- OGPL sold 1,55,249 RECs sold during the quarter resulting in realization of Rs. 229.30 million and for FY 17 sold 2,55,605 RECs fetching Rs.383.4 million.
- OGPL's share in trading on the exchange represented 4.50 % of trading volumes during Q4FY17
- OGPL had an unsold inventory of 5,16,424 RECs as of March 31, 2017 which are valued at approx. Rs 774.6 million at the floor price (old regime).
- In March, 2017 the CERC reduced the range for non-solar RECs from Rs. 1.5-3.5 earlier to Rs. 1.0-2.9 per unit. This action has been petitioned in the Appellate Tribunal of Electricity (APTEL) by the Association of Wind Power Producers. The Hon'ble Supreme Court has ordered a stay on trading in RECs and also on the new price regime suggested by the CERC until a viable solution is arrived at for clearing the existing stocks of RECs. The position of the producers is believed to be favourable and the Company expects to fully encash its stock of RECs over the remaining trading periods

Regulatory & Market Developments

- India has set a new national record with 3.6 GW of new installations in Calendar 2016, pushing it into fourth place in terms of annual capacity growth, and cementing its fourth place position in cumulative terms, after China, the US and Germany.
- For the eighth year in a row, Asia was the world's largest regional market for new wind power development in 2016, with capacity additions totalling just over 27.7 GW.
- The Government's Green Energy Corridor initiative which aims to facilitate interstate transmission or facilitate the transfer of power from the high renewable energy installation states to other parts of the country is progressing quite well. This will change the dynamics of supply-demand for wind power as wind-power surplus states located around coastal areas will be able to freely transfer larger amounts of wind power generated to other states around the country.
- India's first ever wind power auction, held in February, 2017, saw a record low tariff of INR 3.46 per kWh, a significant fall compared to previous rates of INR 4-6. In line with the direction of tariffs in the solar power auctions, it is expected that there will be downward pressure on tariffs for the industry.



Update on Demerger of Biomass business

Demerger Update

- Awaiting NOC from Secured creditors

Activity	Timelines	Status
Announcement of Demerger	June 10, 2015	✓
Filing with Stock Exchanges / SEBI		✓
Receipt of NOC from Stock Exchanges	January 15, 2016	✓
Court convened Meeting	June 6, 2016	✓
NOC from Bankers		Awaited
NCLT's approval to the Scheme		
Filing with ROC		
Board meeting for deciding the book closure date		
Listing of the Equity shares		



Appendix: Financial Statements

Financial Performance – FY17 (Consolidated – IND-AS)

Rs. Million

	FY17	FY16	Y-o-Y
Sale of Power	3,993.38	3,534.13	12.99%
Other Operating Income	490.3	425.51	15.23%
Total Income	4,483.68	3,959.64	13.23%
Expenditure			
Cost of biomass fuel	347.21	624.59	-44.46%
O&M and other costs	1,333.37	1,339.77	0.48%
Total Expenditure	1,680.58	1,964.36	-14.46%
Operational EBITDA	2,803.1	1,995.28	50.40%
EBITDA (%)	62.52	50.4	
Other Income	130.22	140.45	-7.28%
Total EBITDA	2,933.32	2,135.73	37.34%
Depreciation	1,686.14	2,062.14	-18.23%
EBIT	1,247.18	73.59	1,594.76%
Finance charges	2,673.73	2,779.71	-3.81%
Profit /(loss) after Int before exp. Item	-1426.54	-2,706.12	-47.28%
Exceptional items	-480.25	715.47	
Loss before Tax	-946.28	-3,421.59	
Tax Expense	-12.65	20.16	-
Loss after tax	-958.94	-3,401.43	
Profit / (Loss) after Minority Interest	-954.21	-3,385.08	-



Thank You

For further information please contact

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