



ORIENT GREEN POWER COMPANY LIMITED

04th May, 2018

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 & FY18 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

A large white wind turbine is positioned on the left side of the slide. Its blades are spread out, and the hub is visible. The CGP logo, consisting of a green leaf icon and the letters 'CGP' in a bold, green, sans-serif font, is placed near the hub. The background features a bright blue sky with scattered white clouds and a lush green field. In the distance, three more wind turbines are visible, receding into the horizon. A large, stylized green and yellow shape, resembling a drop or a leaf, is overlaid on the left side of the image, partially covering the turbine and the field.

ORIENT GREEN POWER

FY18 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

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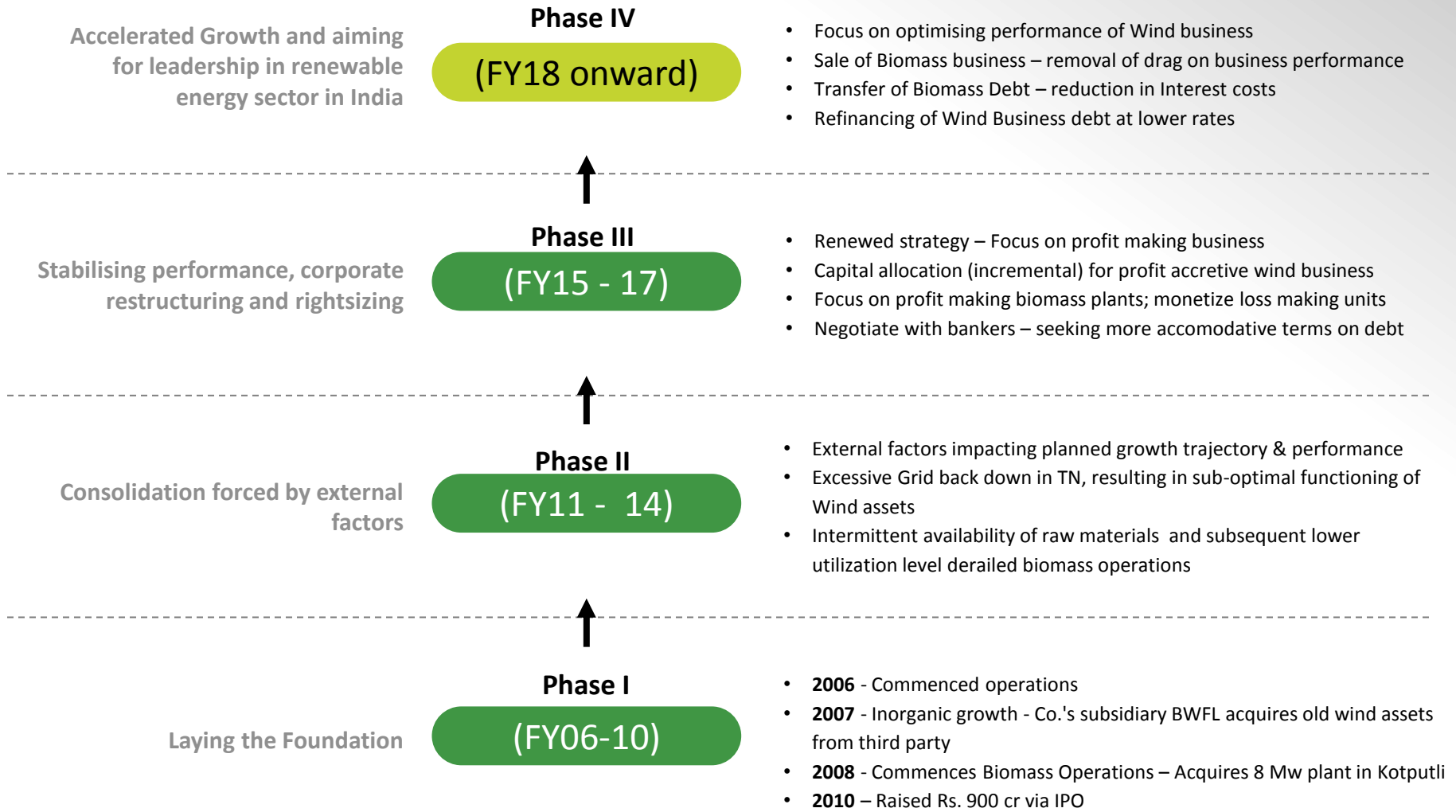


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Transformation Strategy & Operational Progress

OGPL Transformation



High Potential disrupted by external factors

Rs. in Cr

	Wind Business			OGPL Consolidated		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Turnover	384	385	305	433	461	402
EBITDA	307	309	230	302	293	213
Depreciation	124	136	136	136	169	207
Finance Cost	178	199	205	235	267	277
PBT	5	(26)	(111)	(69)	(143)	(271)
Cash profit	129	110	25	67	26	(64)

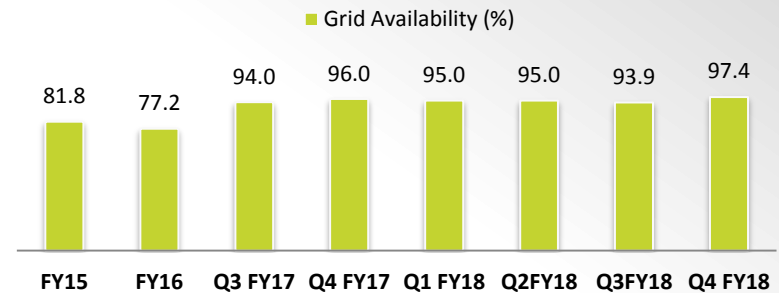
- 100% realization of REC's stock
- Significant reduction of Finance Costs. Further interest rate reduction is in progress.
- Divestment of Biomass business

Turnaround in performance underway

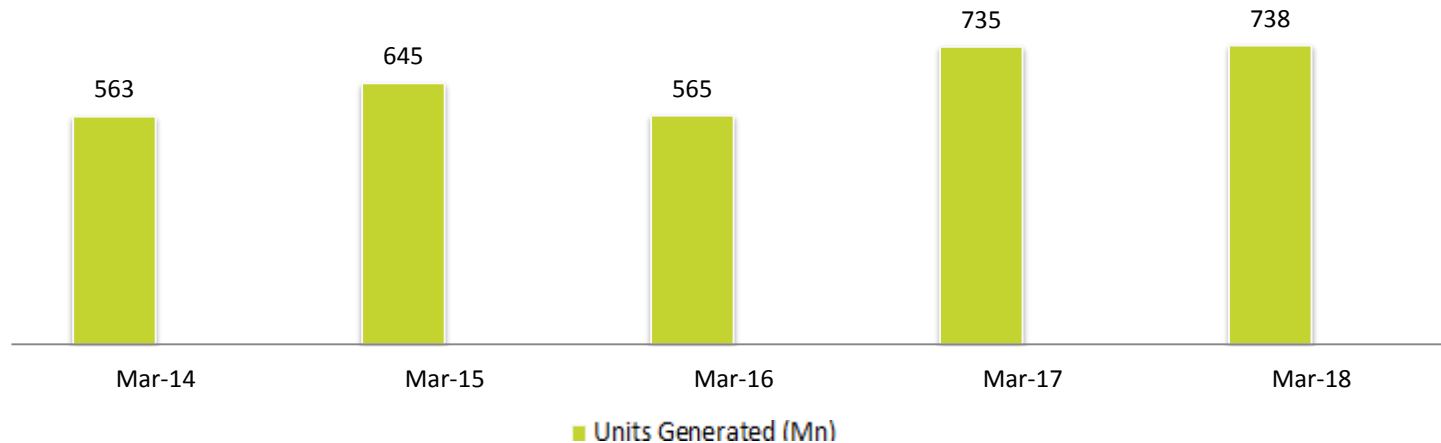
Improvement in grid evacuation level

- 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

Sustained grid availability in recent quarters

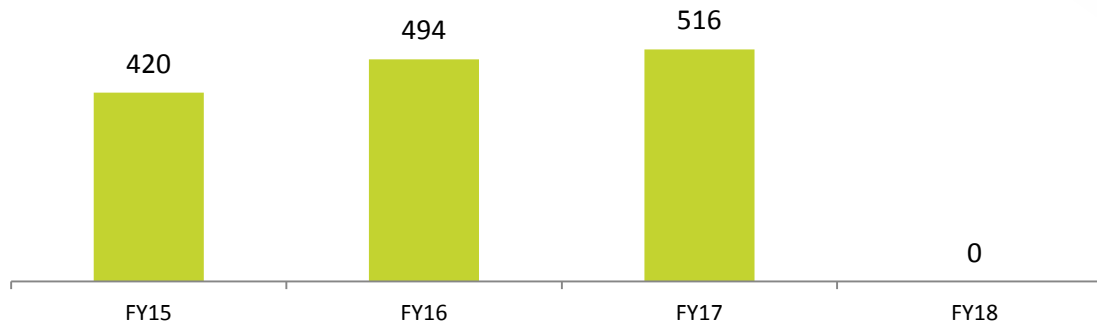


Leading to increase in wind power generation



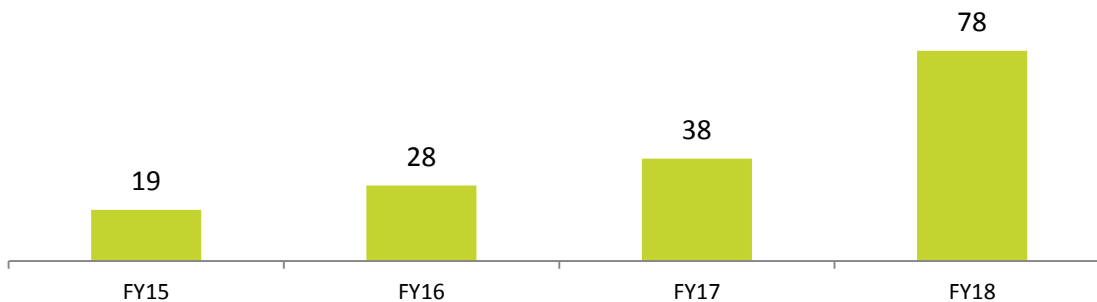
Supported by Improvement in REC Mechanism

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

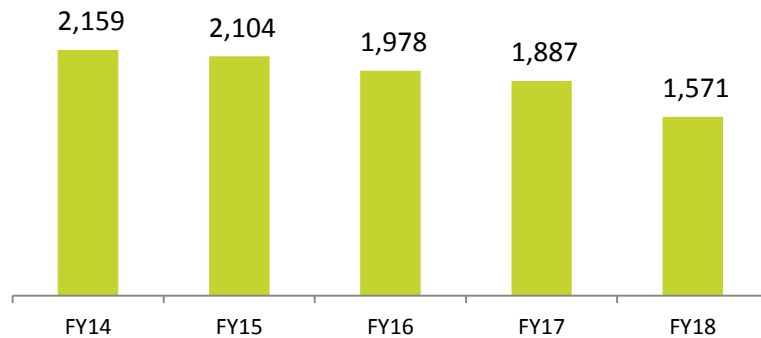
Traded REC Revenue INR Crs



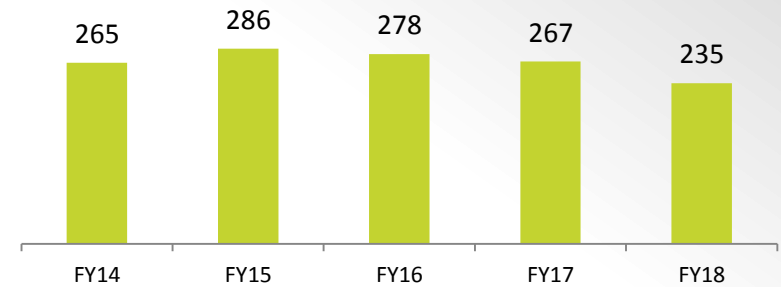
- Zero stock of issued RECs as of Mar 31, 2018
- Amount held in CERC escrowed Rs.38 Crore
- New Floor price Rs.1,000 is being contested

Focus on Debt Reduction

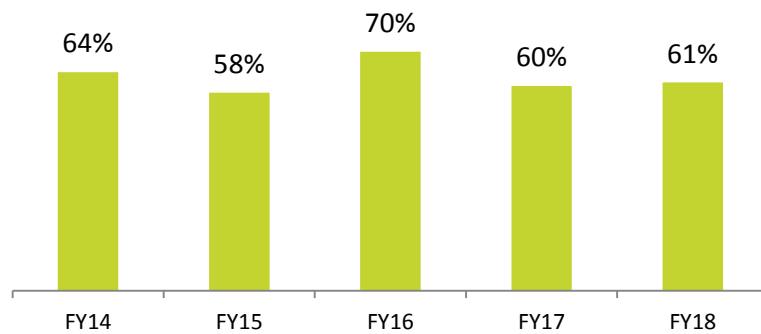
Debt (Rs. Cr)



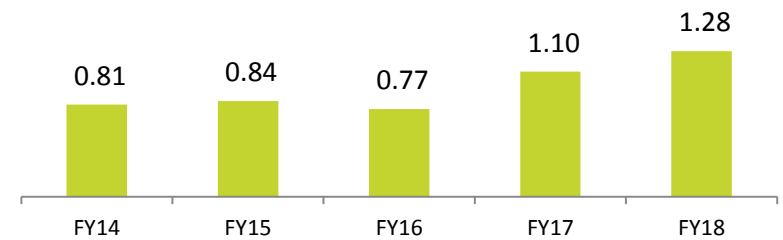
Interest Expense (Rs. Cr)



Interest / Revenue (%)

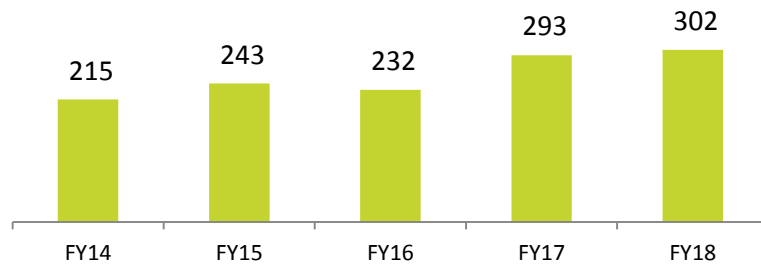


EBITDA / Interest (x)

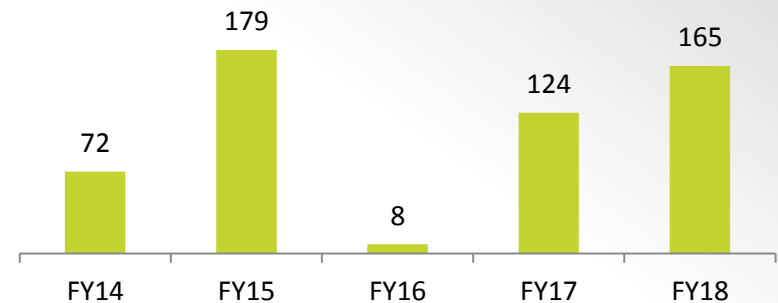


Resulting in Improved Profitability

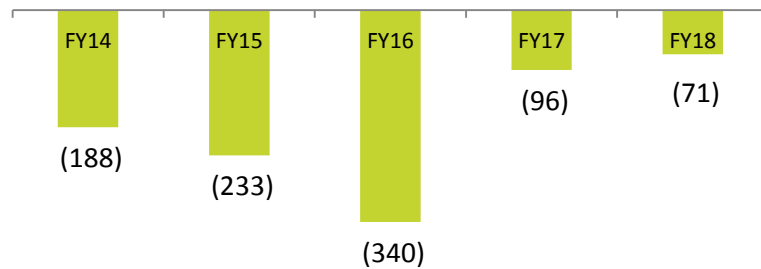
EBITDA (Rs. Cr)



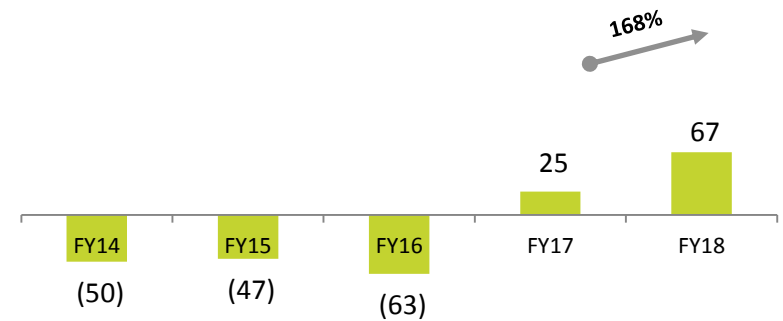
EBIT (Rs. Cr)



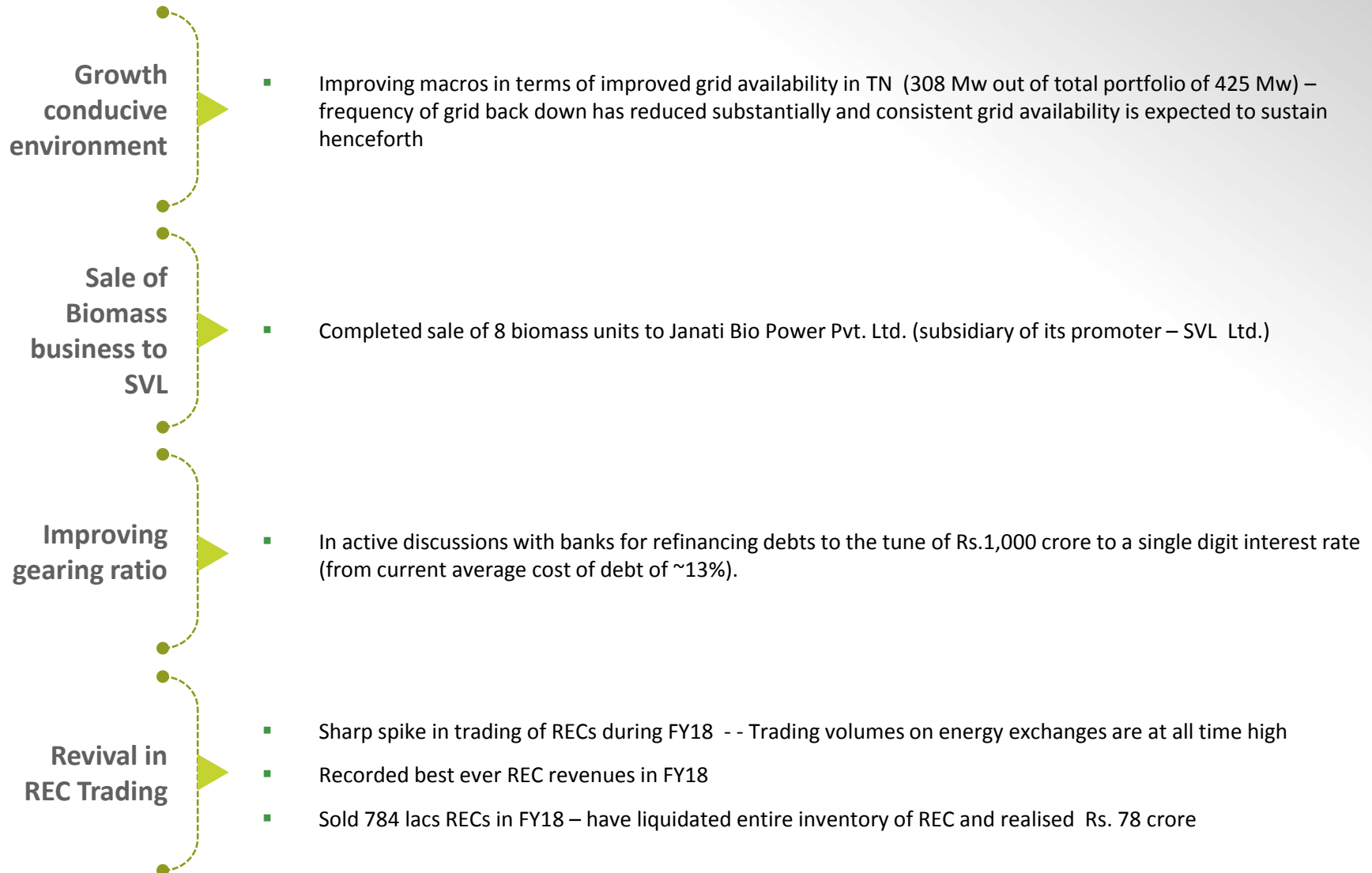
PAT (Rs. Cr)



Cash Profit (Rs. Cr)



Green shoots – on the back of strategic and structural initiatives





Key Developments: FY18

Key Developments – FY18

Turnaround & Performance improvement

- Successful execution of strategic and operational initiatives resulted in delivering improved financials
- Strong performance of Wind business coupled with improved efficiencies resulted in EBITDA growth of 3%

Wind Business – Maintaining growth momentum

- Strong & diversified asset base, timely onset of wind season and improving macros helped deliver revenue and EBITDA growth of 3% & 4% respectively
- Marked improvement of Grid Availability (97%) in TN– sharp reduction in frequency of grid back down and consistent grid availability is expected to sustain henceforth resulting in greater evacuation

Exited Biomass business

- Completed sale of 8 biomass units to Janati Bio Power Pvt. Ltd on Dec 31, 2017; Sale of remaining units continue to remain on track
 - Transfer of debt against assets and proceeds from sales to result in moving out of biomass related debt of Rs. 330 crore



Financial Highlights

FY18 Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	FY18	FY17	%	FY18	FY17	%	FY18	FY17	%
REVENUES	3,938.7	3,836.5	3	393.6	777.4	(49)	4,331.3	4,613.9	(6)
EBITDA	3,023.3	2,916.5	4	(1.1)	13.9	-	3,204.4	2,930.4	3
EBITDA%	77%	76%		-	2%	-	70%	64%	
EBIT	1,787.3	1,553	15	(131.4)	(308.7)	-	1,655.9	1,244.3	33
EBIT%	45%	40%	+500 bps	-	-	-	9%	27.0%	(1800 bps)
PBT	(196.8)	(613.7)	68	(497.8)	(815.7)	39	(694.6)	(1,429.4)	51
PBT%	-	-		-	-	-	-	-	

*PBT before exceptional items

Q4 FY18 Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	Q4 FY18	Q4 FY17	%	Q4 FY18	Q4 FY17	%	Q4 FY18	Q4 FY17	%
REVENUES	381.7	567.1	(33)	57.9	191.0	(70)	439.6	757.1	(42)
EBITDA	185.5	273.3	(32)	-28.4	(57.0)	50	157.1	216.3	27
EBITDA%	49%	49%		-49%	-30%		36%	29%	
EBIT	(109.7)	(89.9)	(22)	(35.9)	(135.1)	73	(145.6)	(225)	35
EBIT%	-	-		-	-		-	-	
PBT	(580.4)	(662.9)	12	(145.6)	(244.2)	40	(726.0)	(907.1)	20
PBT%	-	-		-	-		-	-	

*PBT before exceptional items

Key Financial Highlights – FY18

Wind Business: Growth momentum maintained; positive outlook on the back of supportive macros

- Revenue for FY18 grew by 3% to Rs. 3,937 mn compared to Rs. 3,836 mn; EBITDA improved to Rs. 3,023 mn from Rs. 2,916 mn during the corresponding period last year
- Expect business momentum to continue:
 - Supportive macros :
 - Significant improvement in grid availability especially in TN; grid availability for the Qtr. Stood at 97.4%
 - Solid support from regulators and electricity distribution companies / SEBs is contributing to a favorable outlook for the industry.
 - Higher share of new wind assets

Biomass business: Completed the sale of 8 biomass units to Janati Bio Power Pvt. Ltd; sale of remaining units in progress.

- Completed the sale of 8 biomass units to Janati Bio Power Pvt. Ltd. (subsidiary of its promoter – SVL Ltd.). OGPL will receive a consideration of Rs. 80 crore while Rs. 193 crore of debt will be taken over by the buyer
- Reduction of Rs. 330 crore due to this transaction will strengthen its financial position and also result in accelerating value creation for Shareholders

Debt Management: Better liquidity and cash flow movement

- In discussion with bankers to lower credit cost
- Reduction of loans following sale of Biomass units coupled with refinancing of existing high cost debt will help in significantly lowering interest expense
- Cumulative impact of the above measures to reduce annual interest expense by Rs. 30 - 35 crore



Operational Highlights

Wind Operations

Particulars	Unit of Measurement	FY18	FY17
Capacity (incl. overseas capacity)	Mw	425	425
Units Generated (Gross)	Mn	738	735
Annualized PLF	%	20	20
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.19	5.44

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	Q4FY18				Q4FY17			
	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	97	308	68	10	96
Andhra Pradesh	75	15	9	98	75	17	11	99
Gujarat	29	8	13	100	29	11	21	100
Total	413	92	10	98	413	98	11	97

State	FY18				FY17			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	308	529	20	97	308	506	19	96
Andhra Pradesh	75	120	18	98	75	135	21	99
Gujarat	29	64	25	100	29	66	25	100
Total	413	713	20	98	413	707	20	97



Outlook & Regulatory Overview

■ Improving Fundamentals – Structurally positive

- Improving grid infrastructure, a structurally positive development for the industry and business aiding greater transmission of power from generating unit to grid for distribution
- Improving operating environment coupled with supportive Govt. policies contributing to overall positivity of the sector

■ Improving gearing ratio & liquidity position

- For one tranche of loan amounting to Rs. 100 crore, have completed refinancing at a reduced rate of 12.75% from 18% p.a. earlier w.e.f. 1st July 2017. The reduction in interest cost will be Rs. 5 crore p.a
- In active discussions with banks for refinancing debts to the tune of Rs.1,000 crore to a single digit interest rate (from current average cost of debt of 13%)
- The combinations of these initiatives are expected to reduce annual interest expense by Rs.30 - 35 crore

■ Scaling up capacities to drive future growth

- The 43.5 MW expansion in Andhra Pradesh which will come on-stream in wind season 2019 provides scope for growth and operating leverage benefits

Outlook - Biomass

- **Completed sale of 8 biomass units to Janati Bio Power Pvt. Ltd, subsidiary of promoter - SVL**
 - Completed sale of 8 biomass units to Janati Bio Power Pvt. Ltd. (subsidiary of its promoter – SVL Ltd.) on December 31, 2017 for an equity consideration of Rs. 80 crore
 - Completed sale of Kolhapur plant
 - In addition to the sales proceeds, biomass related debt amounting to Rs. 193 crore will move out of OGPL's book.
 - The transaction will not only help in strengthening the balance sheet but will also help accelerate value creation for Shareholders
 - Sale of remaining units continue to remain on track

Renewable Energy Certificates

- Trading volumes remained high during the quarter on the back of strong demand and regulatory pressure
- The period saw total demand REC exceeding the available supply, first time since 2012. March's trading session also witnessed 100% clearances on both the power exchanges
- March 2018, trading session saw a volume of 27.69 lakh certificates (211.63% higher than March 2017, and 17.43% higher than in February 2018), and clearing ratios on IEX and PXIL were 100% and 100% respectively. Total traded value was Rs 415 crore
- OGPL sold 7,84,237 RECs sold during FY18 resulting in realization of Rs. 116.5 crore (of this RS.38 crore retained by CERC pending court Order) as against 255,605 RECs amounting to Rs. 38.3 crore during FY17. OGPL's share in trading on the exchange represented 4.91% of trading volumes during FY18.
- OGPL had zero unsold issued inventory of RECs as of March 31, 2018.

Regulatory & Market Developments

- Telangana State Electricity Regulatory Commission (TSERC) releases its maiden draft RPO policy. The state used to follow RPO percentages determined by APERC (Andhra Pradesh Electricity Regulatory Commission) prior to the policy

Year	Total RPO (%)
2018-19	6.0
2019-20	6.5
2020-21	7.0
2021-22	7.5

- Ministry of Power extends waiver of inter – state transmission charges and losses for electricity generated from solar and wind sources.
 - The waiver has been extended till March 2022 for electricity transmitted both the sources of renewable energy
 - The waiver shall be applicable for 25 years from the date of commissioning of the projects and only on those projects entering into PPAs with distribution licensees for sale of electricity for compliance of their RPO.
- APTEL order on banking arrangement on REC WEG's is continuing



Appendix: Financial Statements

Financial Performance – FY18 (Consolidated – IND-AS)

Rs. Million

	FY18	FY17	Y-o-Y (%)
Sale of Power	3,496.50	3,993.40	(12)
Other Operating Income	372.10	490.30	(24)
Total Income	3,868.60	4,483.70	(14)
Expenditure			
Cost of biomass fuel	172.20	349.30	(51)
O&M and other costs	1,137.00	1,334.20	(15)
Total Expenditure	1,309.20	1,684.00	(22)
Operational EBITDA	2,559.40	2,800.20	(9)
EBITDA (%)	66.16	62.45	6
Other Income	462.70	130.20	255
Total EBITDA	3,022.10	2,930.40	3
Depreciation	1,366.30	1,686.14	(19)
EBIT	1,655.80	1,244.30	33
Finance charges	2,350.40	2,673.70	(12)
Profit /(loss) after Int before exp. Item	(694.60)	-1429.40	(51)
Exceptional Item	-	(480.25)	
Profit /(loss) after tax	(714.30)	968.12	
Comprehensive Income	82.50	9.50	
Profit / (Loss) after Minority Interest	(649.13)	(954.21)	

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