



ORIENT GREEN POWER COMPANY LIMITED

25th January, 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 and Press release

We enclose Q3 & 9M FY18 Investor Presentation and Press release.

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

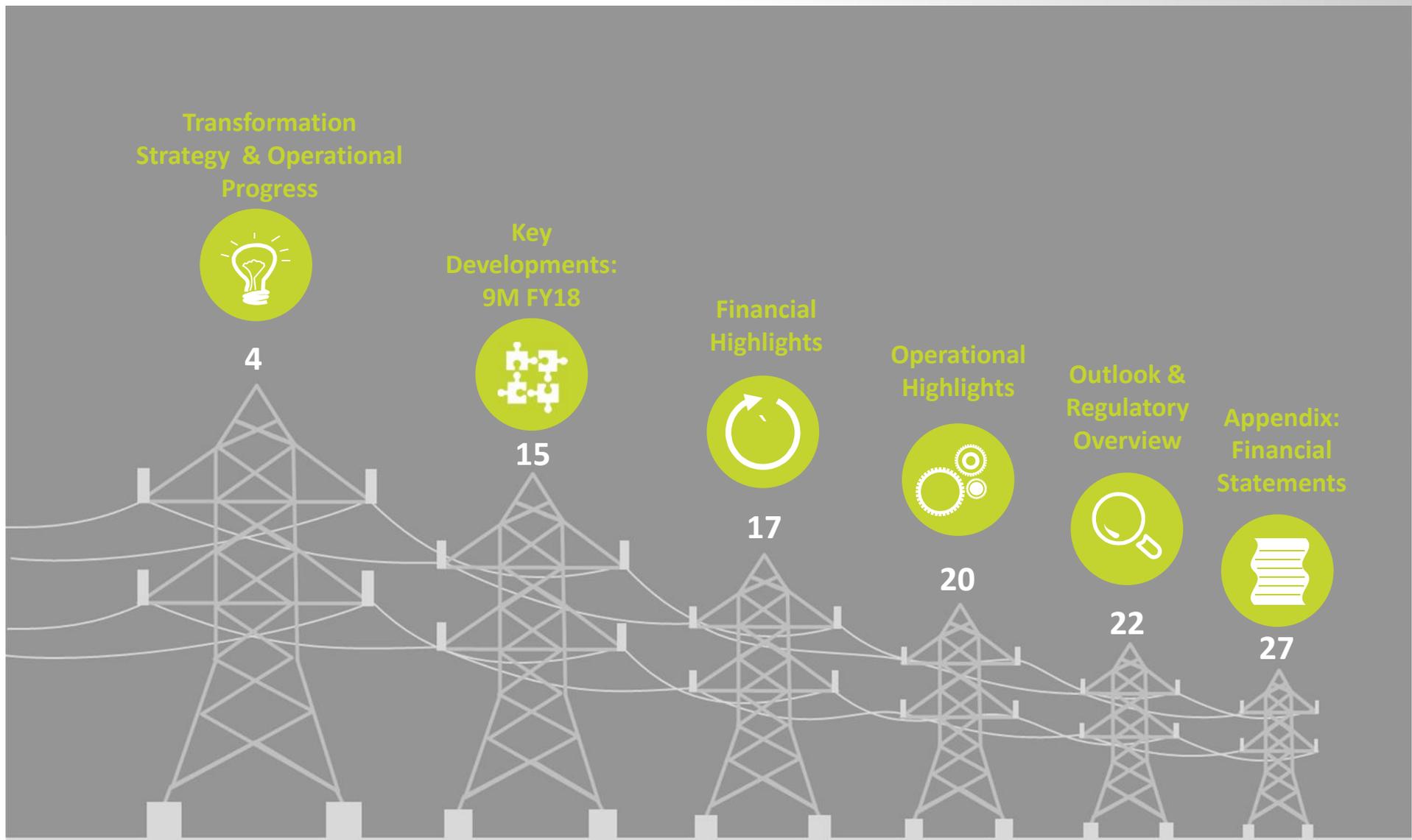
Q3 & 9MFY18 Earnings Presentation
& Update on Strategy

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

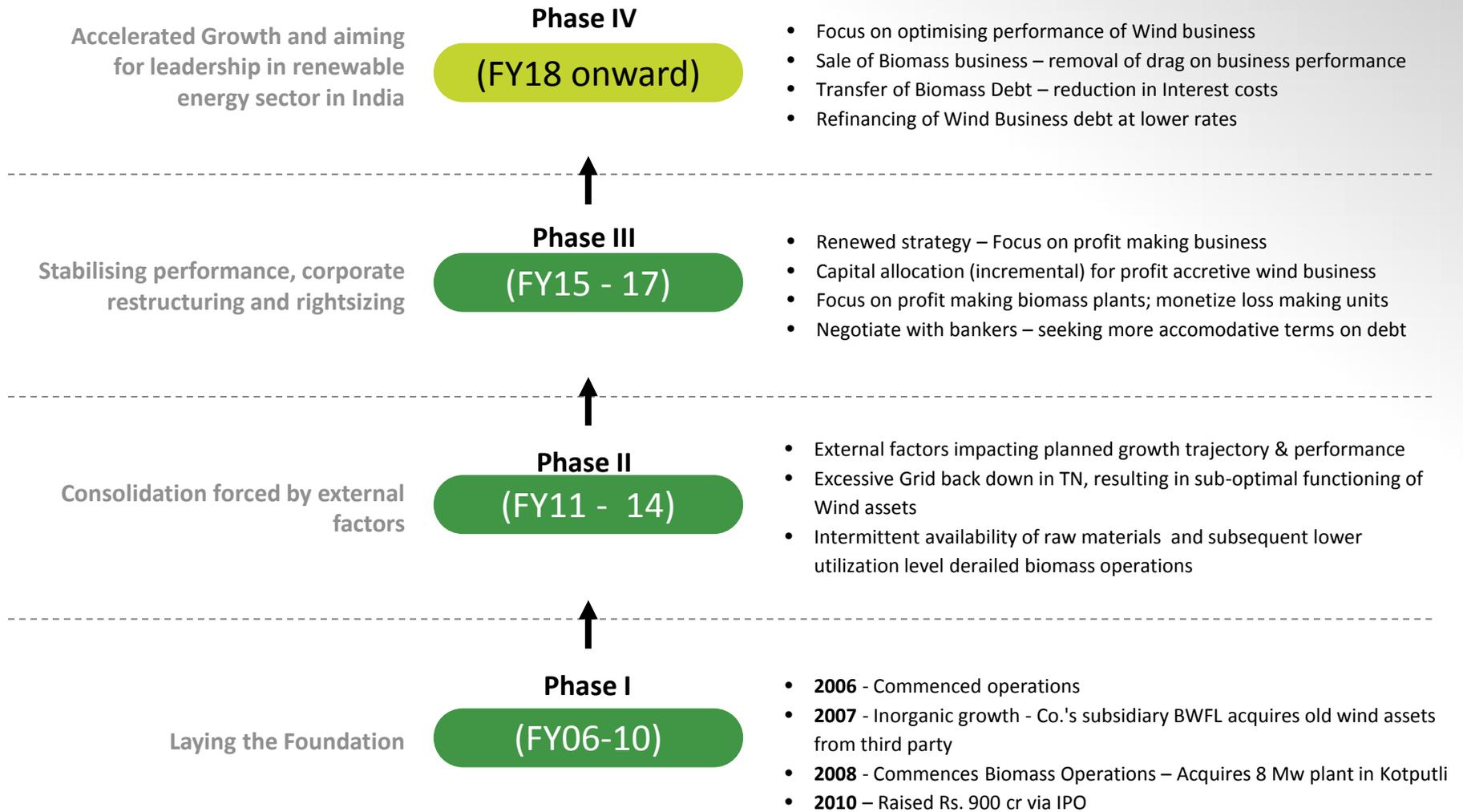
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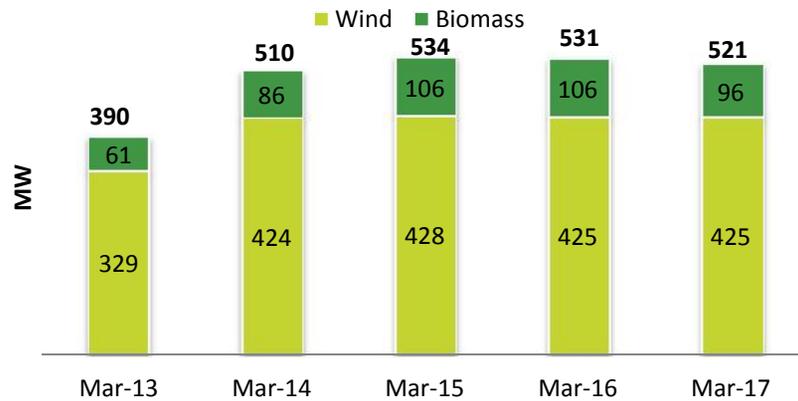
Transformation Strategy & Operational Progress

OGPL Transformation

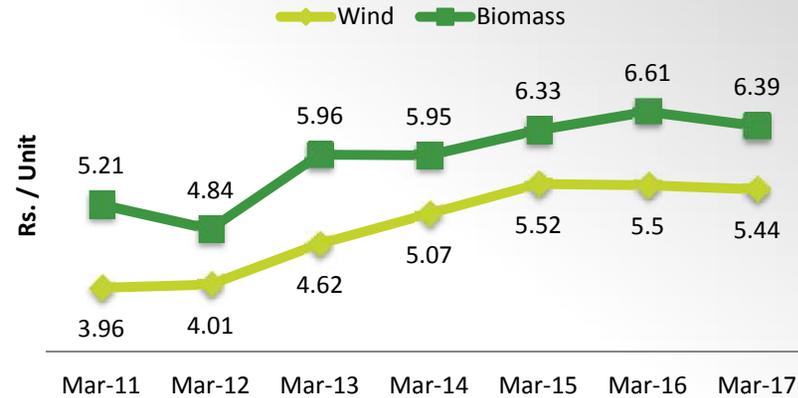


High Potential disrupted by external factors

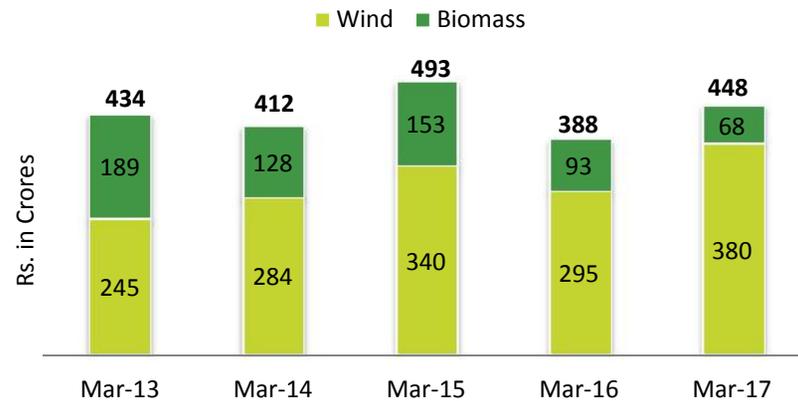
Capacity addition



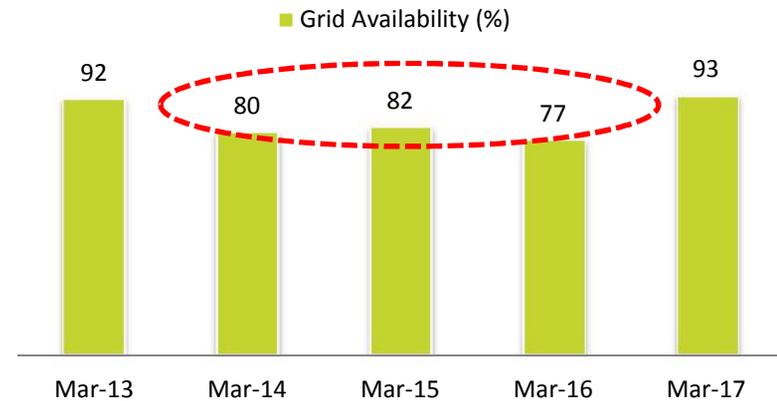
..and rising tariffs



Did not translate into strong growth in Revenue from operations, as...



..Potential disrupted by acute grid backdown

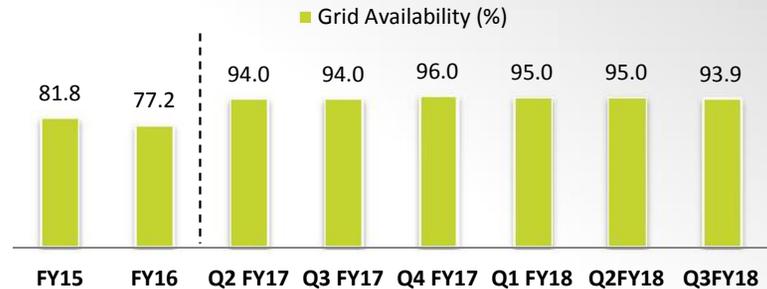


Turnaround in performance underway

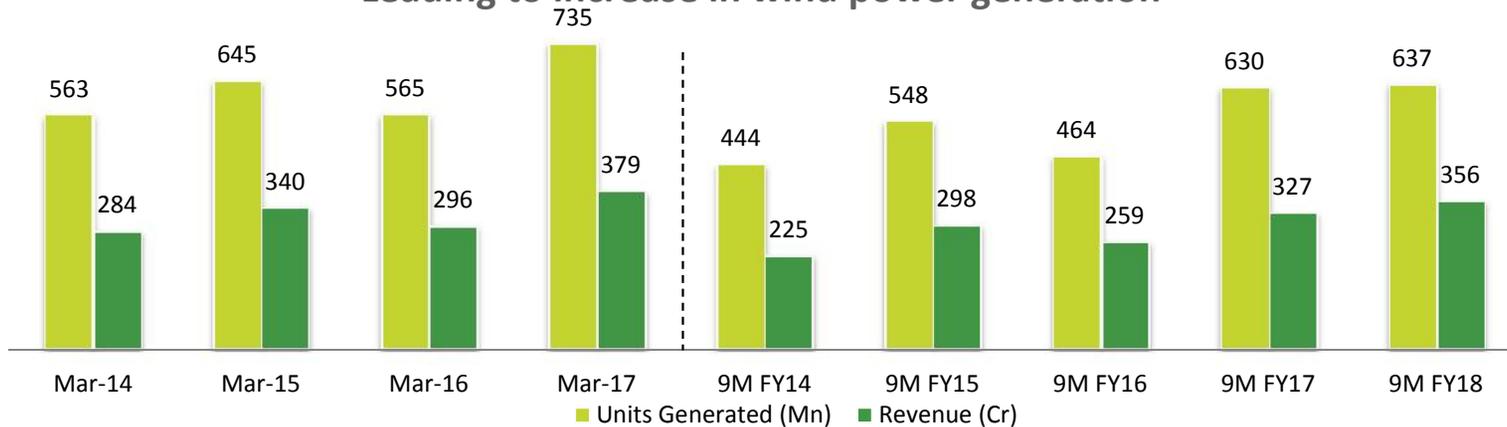
Improvement in grid evacuation level

- 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

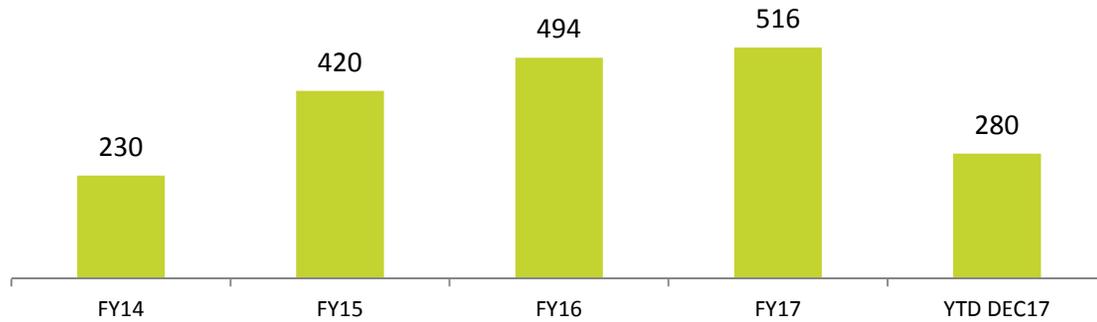


Leading to increase in wind power generation



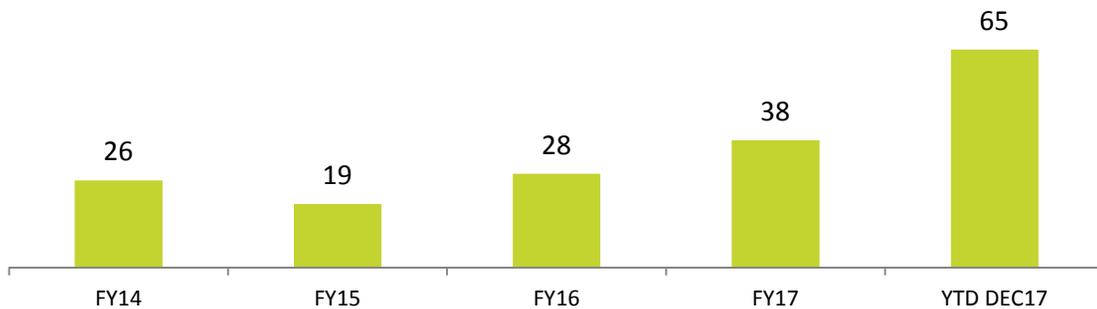
Supported by Improvement in REC Mechanism

REC's Outstanding in thousands



- Sharp increase in RECs traded in FY17 & FY18 on stricter implementation
- OGPL recorded best ever REC Revenues of INR 65 crore in FY18
- REC Trading volumes on energy exchanges set new records in FY18

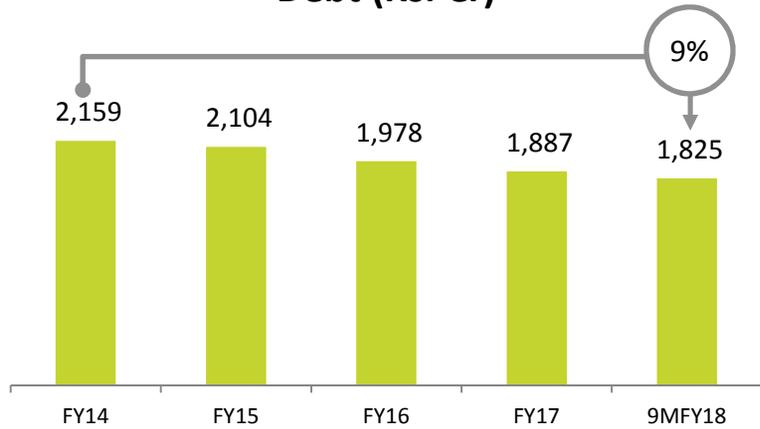
Traded REC Revenue INR Crs



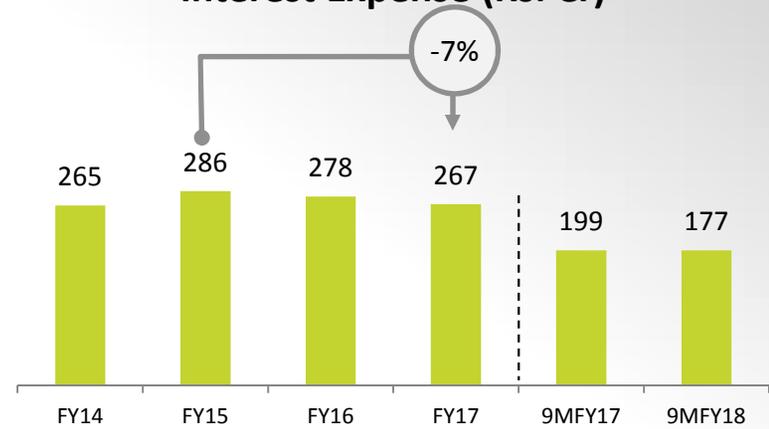
- Unsold Inventory of 0.28 million RECs as of Dec 31, 2017
- Valued at approx. INR 42 Crore at floor price under the old regime
- New Floor price Rs.1,000 is being contested in APTEL.

Focus on Debt Reduction

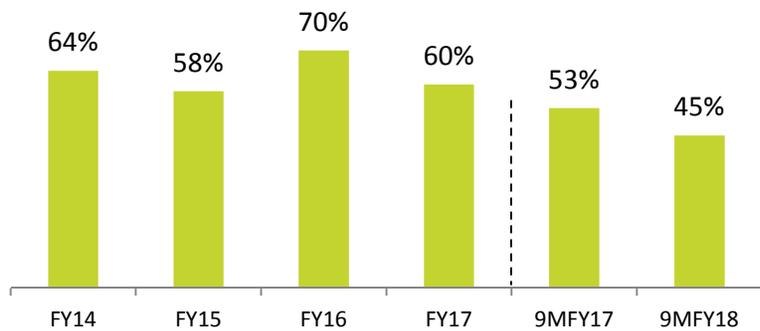
Debt (Rs. Cr)



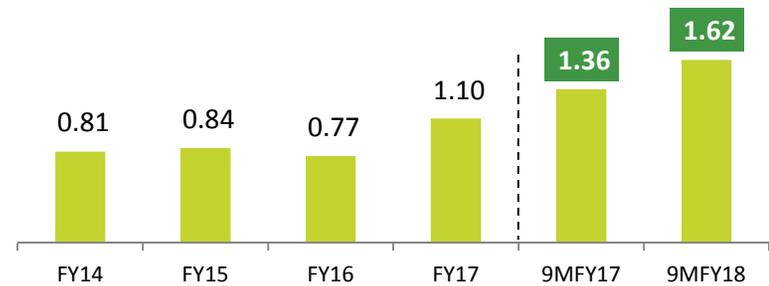
Interest Expense (Rs. Cr)



Interest / Revenue (%)



EBITDA / Interest (x)

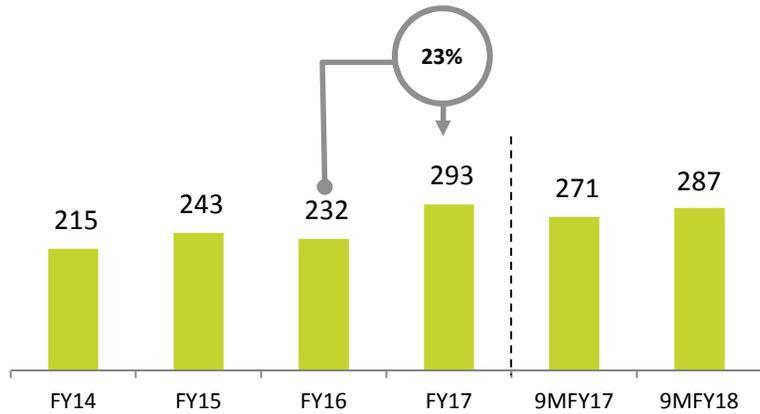


Interest cost reduction to be visible henceforth

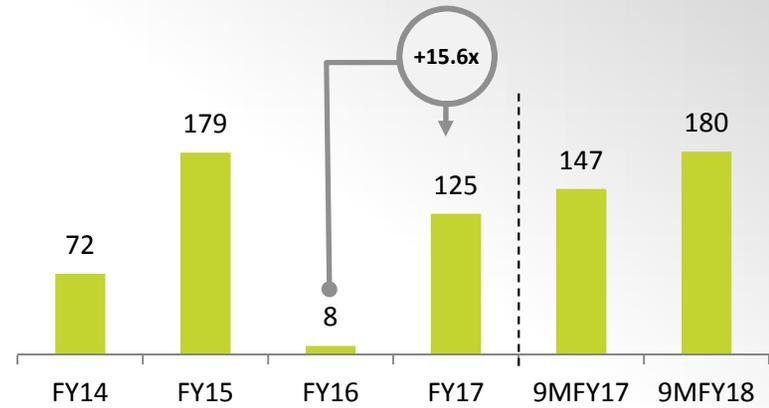
Component	Amount (Rs.cr)	FY16		FY17		FY18		FY19
		Interest Rate (%)	Cost (Rs.cr)	Interest Rate (%)	Cost (Rs.cr)	Interest Rate (%)	Cost (Rs.cr)	
Biomass Debt	350	18%	63	18%	63	TRANSFERRED		To work on further reduction in cost of debt based on prevailing interest rates for RE
Wind Debt								
5/25 Scheme Implemented	~765	14%	107	13%	100	12%	92	
1 tranche of High cost debt	~100	18%	18	18%	18	12.75%	13	
Balance debt in Wind business	~350	12%	42	12%	42	12%	42	
Promoter Group	~300	10.5%						
Avg. cost of debt		16%		15%		13%		
Total Interest Cost		278		267		230		

Resulting in Improved Profitability

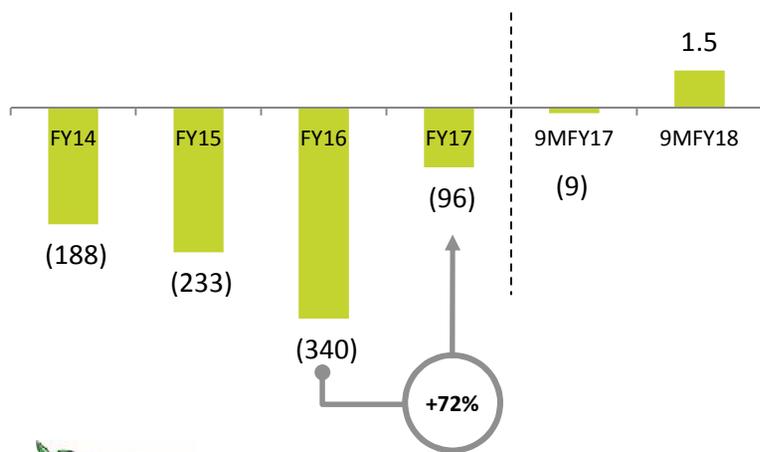
EBITDA (Rs. Cr)



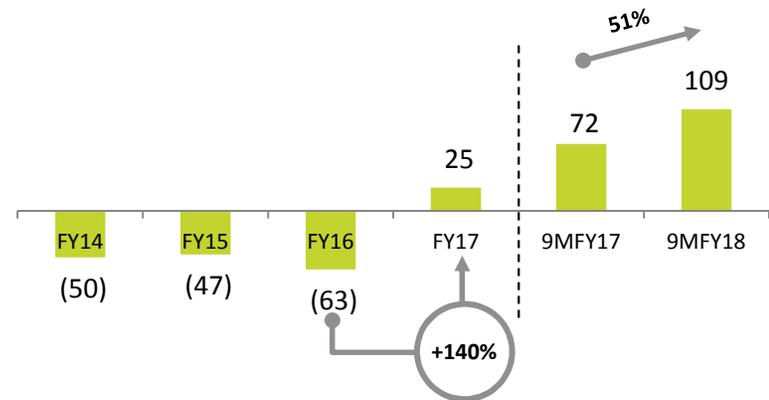
EBIT (Rs. Cr)



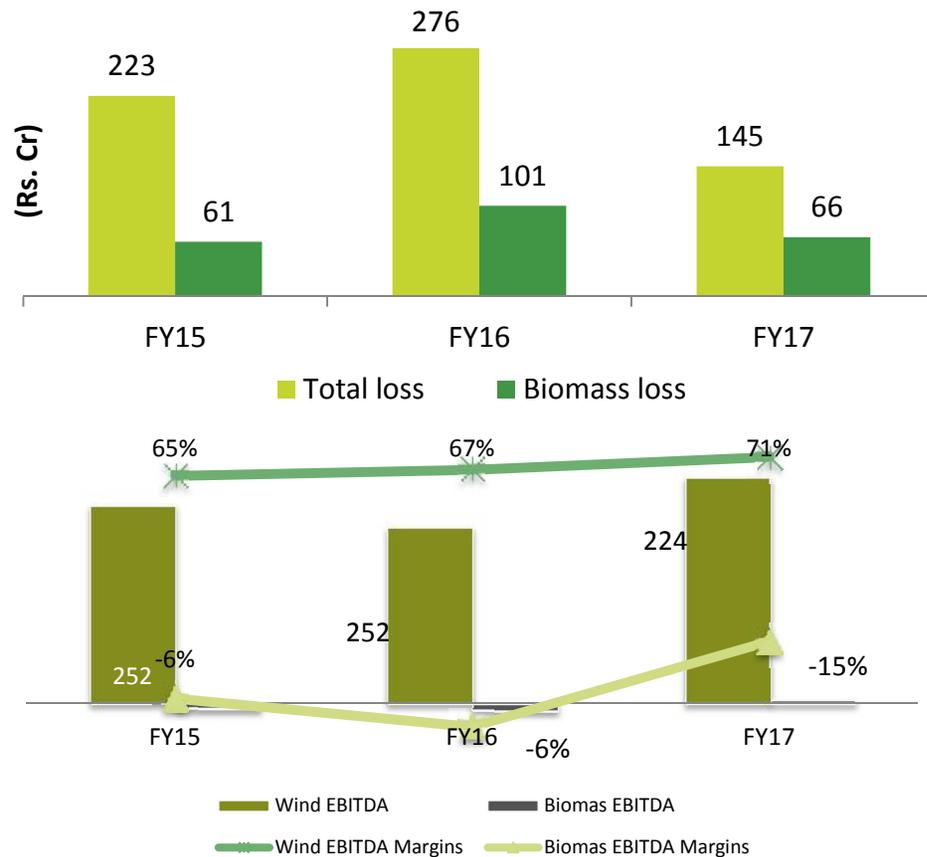
PAT (Rs. Cr)



Cash Profit (Rs. Cr)



Rationale – Sale of Biomass business



- Biomass business contributed to about 30 to 40% of the Co.'s losses over last 3 years

- Average EBITDA margin of wind business has been 68% as against negative 3% for biomass in the last 3 years

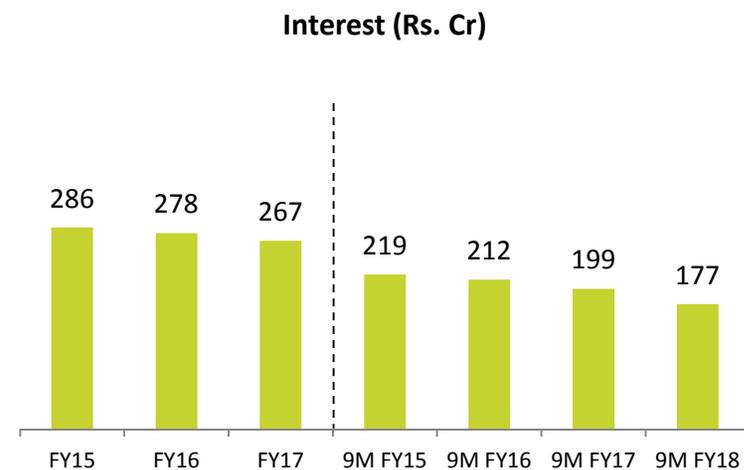
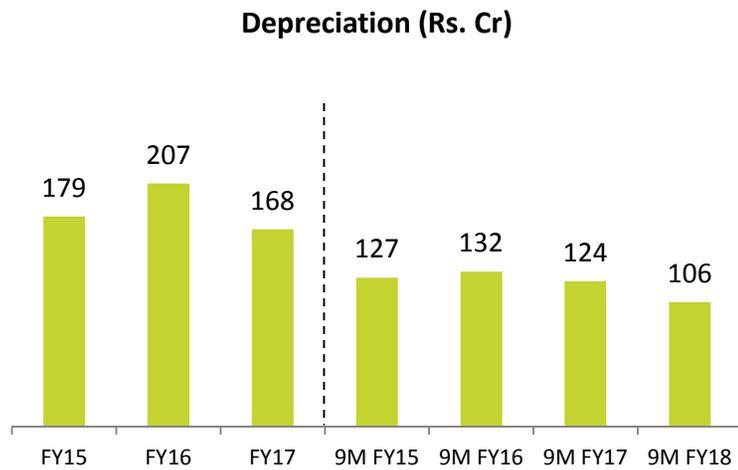
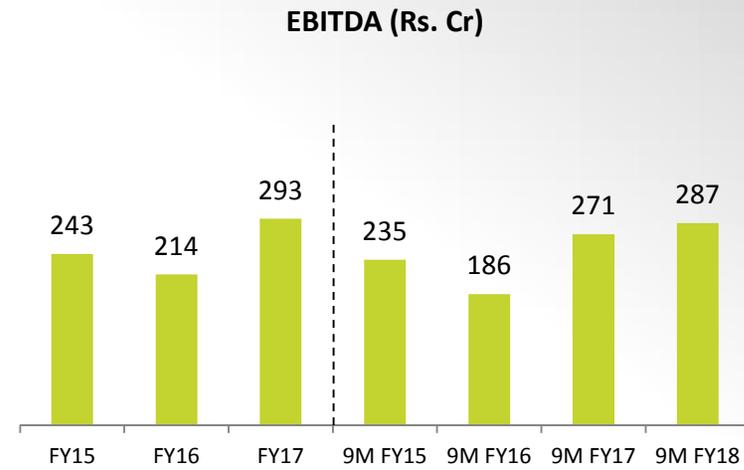
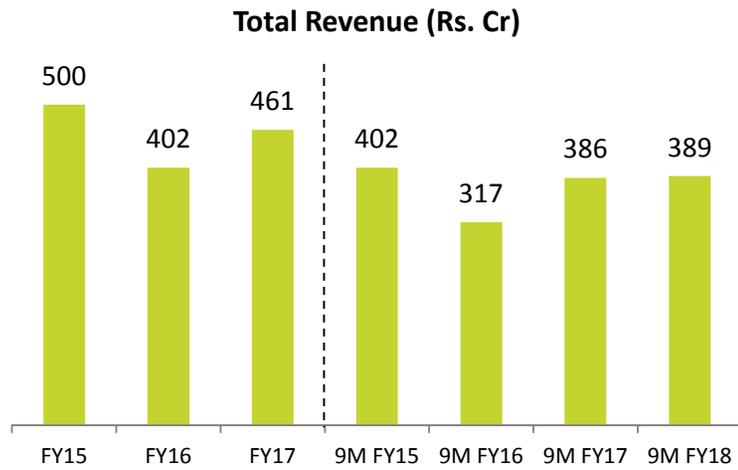
Biomass units functioning at sub-optimal utilisation levels resulting in –

- Lower profitability
- Lower return ratios
- Impacting cash flows and ability to service loans

Completed sale of Biomass business to subsidiary of SVL Ltd. on Dec 31, 2017 for an Enterprise Value of Rs.272 Crore



OGPL is now firmly on a path towards profitability



Green shoots – on the back of strategic and structural initiatives

- 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
- Sale of Biomass business to SVL**
 - Completed sale of 8 biomass units to Janati Bio Power Pvt. Ltd. (subsidiary of its promoter - Shriram Ventures Ltd.)
 - OGPL to receive equity consideration of Rs. 80 crore while Rs. 193 crore of debt against Biomass assets transferred to the buyer – Total debt reduction due to this transaction estimated at Rs. 330 crore
 - Transaction will help strengthen the balance sheet and result in accelerating value creation for shareholders
- Deleveraging Balance Sheet**
 - Restructuring of 765 Crores wind debt under 5/25 scheme.
 - 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%).
- Revival in REC Trading**
 - Sharp spike in trading of RECs during 9M FY18 -- Trading volumes on energy exchanges are at all time high
 - Recorded best ever REC revenues in FY18
 - Sold 4.45 lacs RECs in 9M FY18 – have liquidated a large part of REC inventory



Key Developments: 9M FY18

Key Developments – 9M FY18

Improved operational performance and recent strategic initiatives help deliver strong performance

- Strong performance of Wind business coupled with recent initiatives aimed towards improving cost efficiencies and debt rationalization helped in delivering higher profitability
- EBITDA growth of 6% on the back of higher revenues and improved efficiencies

Wind Business – Delivering Impressive Growth

- Steady availability of wind along with improving macros help in delivering revenue & EBITDA growth of 9% & 7% respectively
- 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 greater evacuation

Completed sale of 8 Biomass Assets to Subsidiary of SVL Ltd

- Accomplished 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

9MFY18 Financial Performance

In Rs. Mn

	Wind			Biomass			TOTAL		
	9M FY18	9M FY17	%	9M FY18	9M FY17	%	9M FY18	9M FY17	%
REVENUES	3556.0	3269.4	9%	335.7	586.4	-43%	3891.7	3855.8	1%
EBITDA	2837.8	2643.2	7%	27.3	70.9	-61%	2865.1	2714.1	6%
<i>EBITDA%</i>	80%	81%		8%	12%		74%	70%	
EBIT	1897.0	1642.9	15%	-95.4	(173.6)	-45%	1801.6	1469.3	23%
<i>EBIT%</i>	53%	50%		-	-		46%	38%	
PBT	383.6	49.2	680%	(352.2)	(571.5)	-38%	31.4	(522.3)	106%
<i>PBT%</i>	11%	2%		-	-			-	

**PBT before exceptional items*

Key Financial Highlights – 9M FY18

Wind Business: Delivered strong performance; supportive macros to help sustain the momentum

- Revenue for 9M FY18 grew by 9% to Rs. 3556 mn compared to Rs. 3,269 mn; EBITDA improved to Rs. 2837 mn from Rs. 2,643 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 3 Stood at 94%
 - 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 Rationalization: Better liquidity and cash flow management

- 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

State Wind Operations

Particulars	Unit of Measurement	9M FY18	9M FY17
Capacity (incl. overseas capacity)	Mw	425	425
Units Generated (Gross)	Mn	637	630
Annualized PLF	%	23	23
Average Gross Realisation (before charges and without REC)	Rs./ Unit	4.42	4.51

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	Q3FY18				Q3FY17			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	310	82	12	94	310	71	10	94
Andhra Pradesh	75	10	6	99	75	13	8	99
Gujarat	29	13	21	99	29	7	12	98
Total	414	105	11	95	414	92	10	95

State	9M FY18				9M FY17			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	310	460.7	22.6	94.8	310	438.3	21.5	92.3
Andhra Pradesh	75	105.0	21.1	98.5	75	118.6	23.8	99
Gujarat	29	56.0	29.2	99	29	54.8	28.6	98.4
Total	414	621.7	26.9	95	414	611.7	20.7	95



Outlook & Regulatory Overview

Outlook - Wind

▪ Improving macros – structurally positive for the business

- Sharp improvement in grid infrastructure a structurally positive development for the business enabling smooth & greater transmission of power from generating unit to grid for distribution
- Encouraging operating environment, supportive Govt. policies and improving infrastructure contributing to overall positivity of the sector

▪ Easing liquidity pressure – In dialogue with Bankers

- Loan amounting to Rs. 100 crore, have completed refinancing at a reduced rate of 12.75% from 18% p.a. and 8 years tenure 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 2018 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
 - 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

- Improved demand from Discoms as well as captive generators resulted in strong trading in REC's during the quarter. Volumes are expected to remain elevated over the coming months on the back of regulatory pressure.
- December 2017, trading session witnessed highest ever trade in the REC markets with 52.17 lakh RECs getting traded (1,136% higher than December 2016, and 136% higher than in November 2017).
- OGPL sold 445,890 RECs sold during 9M FY18 resulting in realization of Rs. 657 million (of this Rs.21 crore retained by CERC pending court Order) as against 100,356 RECs amounting to Rs. 150.5 million during 9M FY17. OGPL's share in trading on the exchange represented 4.63% of trading volumes during 9MFY18.
- OGPL had an unsold inventory of 281,281 RECs as of December 31, 2017 which are valued at approx. Rs 420 million at the floor price (old regime).

Regulatory & Market Developments

- TNERC revises rate of power purchase with respect to Wind Energy REC generators ([source](#))

	REC WEGs availed Accelerated Depreciation		REC WEGs not availed Accelerated Depreciation	
	2016-17	2017-18	2016-17	2017-18
APPC Rate	3.96	3.70	3.96	3.70
Revised Pref. Tariff as per RA No. 6	3.70	3.70	4.16	4.16
75% of the revised Pref. tariff as per RA No.6	2.78	2.78	3.12	3.12
Revised power purchase / unit (APCC or 75% Pref. Tariff whichever is less)	2.78	2.78	3.12	3.12



Appendix: Financial Statements

Financial Performance – 9M FY18 (Consolidated – IND-AS)

Rs. Million

	9M FY18	9M FY17	Y-o-Y (%)
Sale of Power	3098.24	3345.43	-7
Other Operating Income	427.60	387.03	10
Total Income	3525.84	3732.46	-6
Expenditure			
Cost of biomass fuel	171.73	273.02	-37
O&M and other costs	854.92	868.75	-2
Total Expenditure	1026.65	1141.77	-10
Operational EBITDA	2499.19	2590.74	-4
EBITDA (%)	70.88	69.41	2
Other Income	365.88	123.42	196
Total EBITDA	2865.07	2714.16	6
Depreciation	1063.68	1244.85	-15
EBIT	1801.39	1469.31	23
Finance charges	1770.00	1991.61	-11
Profit /(loss) after Int before exp. Item	31.39	(522.35)	106
Exceptional Item	-10.25	-423.37	
Profit /(loss) after tax	15.17	-99.11	
Comprehensive Income	79.78	-	
Profit / (Loss) after Minority Interest	115.71	(93.35)	

Thank You

For further information please contact

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