

ORIENT GREEN POWER

Investor Presentation

FY16 Results



Leading Diversified Renewable Energy Generation Company

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Financial & Operational Highlights – Mar 2016

Key Highlights

- The initiatives to elevate the operating profile of the business have shown initial results as **the EBITDA Margin improved by 349 basis points to 51.3% in FY16** compared to 47.8% in FY15.
- The **Operational EBITDA in Q4FY16 increased 3.5 times to Rs. 238 million** compared to Rs. 68 million in Q4FY15.
- The **EBITDA margin in Q4FY16 improved significantly to 32.0% compared to 7.5% in Q4FY15**. This has been achieved by multiple initiatives to improve the operating profile of the business and provides **strong momentum in profitability going into financial year 2016–17**.
- Finance Cost in FY16 has reduced by 3% due to initiatives to rationalise its debt including:
 - refinancing of existing debt at lower rates
 - extension of tenure resulting in lower outgo and improved cash flow
 - monetization of identified assets to generate funds.
- The Company expects significant reduction in Finance Costs going forward and is confident that **Finance Costs have peaked out in FY15**.
- The Demerger of the Biomass business is progressing on schedule – the Court application has been filed and the Court Convened meeting is scheduled on 6th June 2016

Performance Update

- Grid availability during FY16 was around 77.2% against 81.8% in FY15. Generation during FY16 was affected by low wind during the wind season and low grid availability during Q1 & Q3.
- FY16 Revenues of Rs. 3,456 Million, down by 20.5% (Y-o-Y), were impacted by trends in both businesses - Biomass and Wind.
- In the Biomass Business, the decision to close down non profitable units resulted in a reduction in average operating biomass capacity by ~10% which impacted generation of units and revenues. However, average realisation for FY16 was higher by ~5% on a year on year basis.
- In the Wind Business, power generation was impacted by low wind availability resulting in reduced PLF. Grid availability, which has significantly improved now, also impacted evacuation of units generated in Wind Season 15. Realisation in the wind business was stable in FY16 compared to FY15.
- The Operational EBITDA for FY16 has come down to Rs. 1,992 Million from a level of Rs. 2,356 Million due to the reduction in revenue. However, EBITDA margin EBITDA Margin improved to 51.3% in FY16 compared to 47.8% in FY15.
- Finance Cost in FY16 has reduced by 3% to Rs. 2,769 million compared to Rs. 2,859 Million during FY15.
- Loss after Tax was at Rs. 3,403 Million as against loss of Rs. 2,437 Million during FY15. The loss after tax in FY16 includes an amount of Rs.718.67 million as an exceptional item on account of provisioning for diminution in value of some of the biomass investments. Adjusting for this exceptional item, the Loss after tax is largely stable in light of the reduced revenue during the year.

Outlook

- Grid availability significantly improved in Tamil Nadu during April and the first half of May 2016 to 100% - this bodes well for FY2016-17.
- The Company is in the process of finalising a 5:25 scheme with existing bankers to extend the tenure of eligible loans by 17 years, i.e. upto 2033. The new payment schedule effective March 30 will result in lower outgo due to the increased tenure which will help to strengthen the cash flow position of the company.
- The Company is working on refinancing the balance of the existing debt which will help in reduction of interest costs as well as extend the tenure of repayment.
- The rationalization of biomass assets is also progressing well. Sale of the 20MW DY Patil unit located in Kolhapur, Maharashtra is expected to conclude in June, 2016 bringing in a net inflow of Rs. 20 crore. Discussions around the sale of the Sanjog Unit are also underway and the sale of this unit will result in no cash inflow but reduction in debt of approx. Rs. 34 crore being transferred to the buyer.
- The MNRE has launched an awareness campaign on RPO compliance. This is expected to positively impact compliance and improve REC purchases by OA customers.

Financial Performance – Q4 & FY16 (Consolidated)

Rs. Million

	Q4 FY16	Q4FY15	Q-o-Q	FY16	FY15	Y-o-Y
Sale of Power	674	790	-14.7%	3,456	4,349	-20.5%
Other Operating Income	69	113	-38.9%	426	576	-26.2%
Total Income	743	904	-17.8%	3,882	4,926	-21.2%
Expenditure						
Cost of biomass fuel	176	347	-49.2%	547	1,000	-45.3%
O&M and other costs	329	489	-32.7%	1,342	1,569	-14.5%
Total Expenditure	505	836	-39.6%	1,890	2,569	-26.4%
Operational EBITDA	238	68	250.0%	1,992	2,356	-15.4%
EBITDA (%)	32.0%	7.5%		51.3%	47.8%	
Other Income	42	12	250.0%	139	78	78.2%
Total EBITDA	281	80	251.3%	2,131	2,434	-12.4%
Depreciation	746	521	43.2%	2,067	1,793	-15.3%
EBIT	(466)	(441)	-	64	640	-90.0%
Finance charges	655	674	-2.7%	2,769	2,859	-3.2%
Profit /(loss) after Int before excep	(1,121)	(1,114)	-0.6%	(2,705)	(2,219)	21.9%
Exceptional Items	(465)	-	-	(719)	(210)	-
Profit /(loss) after tax	(1,586)	(1,144)	-	(3,423)	(2,428)	-
Tax Expense	(8)	-	-	(20)	(9)	-
Minority Interest / Share of Associate	4	(34)	-	36	108	-
Profit / (Loss) after Minority Interest	(1,582)	(1,110)	-	(3,366)	(2,330)	-

Balance Sheet as on March 31, 2016 (Consolidated)

Rs. Million

EQUITY AND LIABILITIES	As on 31.03.2016	As on 31.03.2015
Shareholders' Funds	7,398	5,681
Reserves and Surplus	28	2,579
Minority Interest	77	81
Non Current Liabilities		
Long term bank borrowings	12,148	14,041
Loans from Promoters	4,712	4,654
Other liabilities	391	682
Current Liabilities		
Loans due within one year	2,915	2,352
Short Term borrowings	810	538
Other current liabilities	1,948	2,042
TOTAL LIABILITIES	30,427	32,649

ASSETS	As on 31.03.2016	As on 31.03.2015
Non Current Assets		
Fixed Assets	25,448	28,311
Goodwill on consolidation	128	298
Other Non Current assets	2,474	2,105
Current Assets		
Current investments	3	3
Inventories	134	178
Trade Receivables	985	913
Cash and Cash equivalents	213	103
Short term loans and advances and other current assets	1,044	737
TOTAL ASSETS	30,427	32,649

Renewable Energy Certificates

- Trading volumes during the quarter firmed up considerably as has been the trend in Q4 of each financial year given the deadline for compliance.
- REC trading has been stable and continuous through the year with no major increase. However, the trend is favourable given heightened regulatory actions in the form of compliance orders and/ or proceedings in several states like Orissa, Kerala, UP, MP and Maharashtra
- OGPL's share in trading on the exchange represented 4.46% of trading volumes in FY16.
- OGPL had an unsold inventory of 494,156 RECs as of March 31, 2016 which are valued at approx. Rs 750 million at the floor price. Given the expected validity of RECs these are expected to be fully encashed over the remaining trading periods.

REC Trading and Revenue – April 2015 to March 2016

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 – 15	55,612	2,244	4.00%	34	1,500
May – 15	256,579	10,849	4.23%	163	1,500
Jun – 15	161,845	7,310	4.52%	110	1,500
Jul – 15	155,271	6,247	4.02%	94	1,500
Aug – 15	107,281	4,847	4.52%	73	1,500
Sept – 14	183,599	8,331	4.54%	125	1,500
Oct – 15	211,442	9,942	4.70%	149	1,500
Nov – 15	231,545	10,031	4.33%	150	1,500
Dec – 15	898,439	48,231	5.37%	723	1,500
Jan – 16	344,519	14,379	4.17%	216	1,500
Feb – 16	586,501	24,124	4.11%	362	1,500
Mar – 16	1,114,319	45,576	4.09%	684	1,500
Total	4,306,952	192,111	4.46%	2,882	1,500

Total no. of unsold issued RECs available (Biomass + Wind) as on 31st March 2016 is 494,156 RECs

Source	No. of RECs traded (Apr 2015 to Mar 2016)	REC Revenue (Apr 2015 to Mar 2016) (Rs. Lacs)
BIOMASS	58,035	871
WIND	134,076	2,011
TOTAL	192,111	2,882



Wind Operations

Wind Operations

Particulars	Unit of Measurement	Q4FY16	Q4FY15	FY16	FY15
Capacity	Mw	425	428	425	428
Units Generated (Gross)	Mn	81	81	559	645
Annualized PLF	%	9	9	15	17
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.28	5.68	5.50	5.52

- The wind sites in Gujarat (29 Mw) performed well with improved PLF resulting in increase in units generated and improved revenue.
- There was a reduction in the wind availability due to unexpected monsoon during the year in Tamil Nadu. This is reflected in the reduced PLF. The Grid availability issues were prevalent in wind season 2015 but have largely been resolved since April 2016.

Grid Availability Data

State	FY 2016				FY 2015			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	309	346	13	77	315	418	15	82
Andhra Pradesh	75	128	19	99	71	139	22	98
Gujarat	29	68	26	99	29	64	25	100
Total	413	542	15	83	405	621	17	86

Capacity Expansion

Wind

States	Capacity (Mw)	Remarks
Andhra Pradesh	43.5	To be operationalised between Dec 2016 and March 2017
Madhya Pradesh	14.0	On Hold
TOTAL	57.5	

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	Q4FY16	Q4 FY15	FY16	FY15
Capacity (operational during the year)	Mw	59.5	81.5	90.5	98.0
Units Exported	Mn	49.1	61.2	143.8	225.1
PLF	%	50.4	41.8	21.8	30.7
Average Realisation	Rs./ Unit	6.15	6.77	6.61	6.33
Specific Fuel Consumption per unit	Kg/ Unit	1.52	1.87	2.10	1.84
Fuel Cost	Rs./ Unit	3.64	4.56	3.98	4.60
O&M and other Costs	Rs./ Unit	1.77	2.92	2.62	2.57

Existing Projects – Biomass power plants

Name	Capacity	Location	Fuel	Sale Model	Blended Gross tariff (Rs./ Kwh)				
					Q4 FY16	Q3 FY16	Q2 FY16	Q1 FY16	Q4 FY15
Kishanganj	8	Rajasthan	Mustard Husk	Grid 100%	6.72	6.81	6.81	6.52	6.52
Narsinghpur	10	Madhya Pradesh	Bagasse	Grid 100%	5.45	5.32	5.32	5.32	5.32
Hanumangarh	10	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Grid	6.26	-	-	-	-
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Merchant	6.42	6.39	-	7.74	6.51
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	-	-	-	6.77	6.73
Pollachi	10	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	6.75	6.57	6.66	8.55	8.69
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	-	-	-	8.66	8.46
Maraikal	7.5	Andhra Pradesh	Julie Flora, Rice Husk	Merchant	-	-	-	-	-
Kopargaon	2	Maharashtra	Biogas	Captive	3.5	3.5	3.5	3.5	3.5
DY Patil	20	Maharashtra	Co-generation	Grid	6.53	-	-	-	6.27

Besides the above gross tariff, five units - 4 Tamil Nadu units are eligible for REC benefits

Capacity Expansion Trend

BUSINESS	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
WIND	179.5	305	339	424	428	425
BIOMASS	40.5	61	61	86	106	106
TOTAL	220	366	400	510	533	530



Thank You

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