



ORIENT GREEN POWER

Leading Diversified Renewable Energy Generator

Investor Presentation

Q2 and H1 FY14 Results



Biomass



Wind

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Performance Highlights

WIND BUSINESS

- 54.0 Mw was added during the quarter and aggregate of 73.0 Mw were added up to Q2 FY14; taking the total operating wind assets capacity to 413 Mw as of October 31, 2013
- Due to improved hydel generation and purchase of power from outside Tamil Nadu, the quarter witnessed sustained machine back down in almost all locations in the state leading to loss of revenue and margins. During the quarter, the cumulative loss on account of grid back down across three subsidiaries had been to the extent of 110.61 Million Kwh during the quarter. Petition filed before Madras High Court by Indian Wind Power Association which is awaiting judgment
- This year, increase in hydel generation and higher volume of power purchase during the peak wind season resulted in power surplus in the state. WEGs were backed down to curtail supply severely, thus affecting the generation in Q2
- Operating revenues in Q2 fell to ₹937.87 Million from ₹1,062.34 Million (<12%) and operational EBITDA fell to ₹821.15 Million from ₹941.60 Million on the back of sustained grid back down in Tamil Nadu
- Fall in revenues was mitigated by reduced transmission charges as a result of lower charges effective 21st June 2013 onwards
- Aggressively pursuing further capacity additions in potentially good wind sites outside Tamil Nadu
- Generation Based Incentive (GBI) has been finally notified which would entitle the company to get GBI benefit of up to ₹10 Million per Mw leading to improved viability of eligible projects

BIOMASS BUSINESS

- Poor off take by TN consumers due to lifting of R&C measures in Q2 FY14 led to shutdown of three T.N. plants for part of the quarter
- One unit in Rajasthan which faced fuel issues earlier has turned around with continued improvement in performance in Q2
- Commissioned one biomass unit in Rajasthan of 8 Mw during the quarter with a record tariff of ₹5.92 per Kwh from the state utility
- Plans on to commission balance 37.5 Mw units over the next 3 months
- Tariff levels in Tamil Nadu remained at a level of ₹6.50/ ₹6.75 per kwh
- Operations continued to be suspended in two units in Rajasthan due to very low tariff levels and high cost of fuel. Efforts are on to revive the operations in these units
- Operating revenues for Q2 were at ₹181.26 Million
- Indian Biomass Power association (IBPA) continued its active engagement with the Ministry for New and Renewable Energy (MNRE) and Ministry of Finance for following measures and benefits:
 - Introduction of Generation Based Incentive (GBI) for biomass industry
 - Interest subvention of at least 2% p.a. for all loans to this sector
 - According Priority sector status for lending to this industry



Financial Highlights – Q2 and H1 FY14

₹ Million

	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13	FY12-13
Sale of Power	996.54	1,316.27	2,084.36	2,479.07	3,682.93
Other Operating Income	122.59	199.30	297.99	388.83	671.57
Total Income	1,119.13	1,515.57	2,382.34	2,867.91	4,354.50
Expenditure					
Cost of biomass fuel	110.13	263.72	361.97	588.73	1,142.27
O&M and other costs	290.57	286.48	573.70	655.22	1,342.94
Total Expenditure	400.70	550.20	935.67	1,243.95	2,485.21
Operational EBITDA	718.43	965.37	1,446.67	1,623.96	1,869.29
EBITDA (%)	64.20%	63.70%	60.72%	56.63%	42.93%
Other Income	16.66	136.65	48.93	219.25	376.05
TOTAL EBITDA	735.08	1,102.02	1,495.60	1,843.21	2,245.34
Depreciation	347.41	275.45	631.89	535.84	1,100.20
EBIT	387.67	826.57	863.71	1,307.36	1,145.14
Finance charges	643.04	542.51	1,185.25	935.89	1,891.72
Profit / (Loss) before Tax	-255.37	284.06	-321.54	371.47	-746.58
Profit / (Loss) after Tax	-250.67	317.97	-321.74	360.81	-817.11
Profit / (Loss) after Minority Interest	-237.34	225.43	-324.50	248.00	-698.88

During H1 FY 14, power sales from biomass units was at ₹637.18 Million and EBITDA of operational plants was at ₹66.86 Million while power sales from wind units was at ₹1,745.16 Million and EBITDA was at ₹1,525.51 Million



Balance sheet as at September 30, 2013

₹ Million

	As at 30 Sep 13 (Unaudited)	As at 31 Mar 13 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	5,680.78	4,680.78
(b) Reserves and surplus	6,463.57	6,208.39
Sub-Total Shareholders Funds	12,144.35	10,889.17
Share Application Money Pending Allotment	73.57	1,523.00
Minority Interest	347.42	295.12
Non-current liabilities		
(a) Long-term borrowings	17,369.36	15,871.64
(b) Deferred Tax Liabilities	110.04	109.84
(c) Other long-term liabilities	6.91	2.54
(d) Long-term provisions	19.81	14.34
Sub - Total Non - Current Liabilities	17,506.12	15,998.36
Current liabilities		
(a) Short term borrowings	901.18	1,034.96
(b) Trade payables	597.00	472.73
(c) Other current liabilities	5,172.71	5,131.26
(d) Short term provisions	5.45	11.15
Sub - Total Current Liabilities	6,676.34	6,650.11
TOTAL LIABILITIES	36,747.81	35,355.76



Balance sheet as at September 30, 2013 (contd.)

ASSETS	As at 30 Sep 13 (Unaudited)	As at 31 Mar 13 (Audited)
Non-current assets		
(a) Fixed assets	29,769.42	29,575.51
(b) Goodwill on Consolidation	543.26	511.85
(c) Non-current Investments	0.13	0.13
(d) Long-term loans and advances	2,858.39	2,560.86
(e) Other non Current Assets	418.33	164.99
Sub - Total Non - Current Assets	33,589.53	32,813.34
Current assets		
(a) Current Investments	2.73	2.78
(b) Inventories	246.58	186.42
(c) Trade receivables	992.45	794.33
(d) Cash and cash equivalents	575.93	725.81
(e) Short-term loans and advances	417.74	449.15
(f) Other Current Assets	922.85	383.93
Sub - Total Current Assets	3,158.28	2,542.42
TOTAL ASSETS	36,747.81	35,355.76



Renewable Energy Certificate

- Supply of RECs continued to be more than demand in the market so far in FY13-14 due to poor enforcement of RPO by all States, leading to RECs being sold at floor price during the quarter
- Trading has now picked up with July 2013 recording the highest sale in a single months so far in the financial year 2013-14 and in October 2013, demand has increased by 300% over the previous month thereby promising to usher a better trend during the balance of the year
- With RPO compliance drive initiated by states like Punjab, Uttarakhand, Maharashtra and Chhattisgarh State Regulators, it is expected that buyer's participation shall increase in forthcoming trading sessions
- Entry of other discoms in the REC market and improved thrust on compliance of RPO would certainly drive REC trading volumes in the medium term. More petitions have been filed with APTEL by Industry bodies and we expect a positive outcome in the coming months. Matter is expected to be taken up for final arguments in January 2014. We expect RPO compliance to significantly improve after the orders are passed
- Another key positive was that the CERC in its recent order has extended the validity of RECs issued on or after November 1, 2011 from 365 days to 730 days



OGPL - REC Trading Receipts upto Oct 2013

REC Trade Results - Consolidated (IEX + PXIL)

Month	Market Clearing Volume - Non Solar	REC traded from OGPL Projects	Market Share of OGPL (%)	REC Revenue (₹Lacs)	Average Price (₹/ REC)
Jan - 12	171,524	6,768	3.95%	206	3,051
Feb - 12	206,188	18,694	9.07%	573	3,066
Mar - 12	199,737	20,025	10.03%	581	2,902
Apr - 12	71,226	20,939	29.40%	461	2,201
May - 12	168,675	15,878	9.41%	374	2,355
Jun - 12	236,485	18,621	7.87%	447	2,402
Jul - 12	158,220	16,223	10.25%	330	2,031
Aug - 12	273,893	46,524	16.99%	705	1,514
Sept - 12	264,446	70,896	26.81%	1,063	1,500
Oct - 12	222,700	33,096	14.86%	496	1,500
Nov - 12	132,352	7,770	5.87%	117	1,500
Dec - 12	273,644	11,096	4.05%	166	1,500
Jan -13	193,337	10,598	5.48%	159	1,500
Feb - 13	152,952	6,222	4.07%	93	1,500
Mar - 13	427,871	31,193	7.29%	468	1,500
Apr - 13	44,459	3,308	7.44%	50	1,500
May - 13	52,968	4,111	7.76%	62	1,500
Jun - 13	72,486	5,740	7.92%	86	1,500
Jul - 13	161,402	12,850	7.96%	193	1,500
Aug-13	40,889	2,965	7.25%	44	1,500
Sep-13	49,831	3,621	7.27%	54	1,500
Oct-13	150,640	10,465	6.95%	157	1,500
GRAND TOTAL	3,725,925	377,603	10.13%	6,885	1,823

Wind units	Unit of Measurement	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13
Capacity	Mw	401.51	337.41	401.51	337.41
Units Generated	Mn Kwh	184.69	234.00	360.71	393.88
PLF	%	22.06	32.29	22.91	29.00
Average Realisation	₹/ Unit	5.03	4.55	4.99	4.47

The drop in PLF for the quarter as well as for the half year ended September 2013 has been due to rampant grid back down ranging between 12 hours and 20 hours a day at the behest of the state utility

Biomass Units	Unit of Measurement	Q2 FY14	Q2 FY13	H1 FY14	H1 FY13
Capacity	Mw	60.5	60.5	60.5	60.5
Units Exported	Mn Kwh	27.05	87.77	59.02	144.32
PLF *	%	23.07	37.12	52.10	63.40
Average Realisation	₹/ Unit	5.85	6.14	6.31	6.02
Specific Fuel Consumption per unit	Kg/ Unit	1.89	1.84	1.84	1.79
Fuel Cost	₹/ Unit	4.07	4.12	3.49	3.43
O&M and other Costs **	₹/ Unit	3.08	2.37	2.38	2.00

- Significant turnaround in one of the Rajasthan plants during the quarter and half year ended September 2013
- Poor off take by TN consumers due to lifting of R&C measures in Q2 FY14 resulted in shut down of T.N. plants thereby affecting generation



Key data – Bio-mass power plants

Name	Capacity (Mw)	Location	Fuel	Customer details	Blended Tariff				
					Q2 FY14	Q1 FY14	Q4 FY13	Q3 FY13	Q2 FY13
Kopargaon	2.0	Maharashtra	Co-generation biogas	Captive	3.50	3.50	3.50	3.50	3.50
Dindigul	7.5	Tamil Nadu	Plywood wastes, julieflora, corn stalks and other agri - residues	Merchant	6.53	6.75	7.00	6.74	6.76
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	6.67	6.77	6.63	6.38	6.31
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	No sale	6.89	7.18	7.08	7.20
Pollachi	10.0	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	6.74	6.71	6.50	6.56	6.29
Kotputli	8.0	Rajasthan	Mustard Husk	Grid 100%	No sale		No sale	No Sale	5.44
Chippabarod	8.0	Rajasthan	Mustard Husk	Grid 100%	5.13	5.13	5.13	5.00	5.01
Hanumangarh	10.0	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	No sale	4.29	3.79	3.73	4.25



CAPACITY ADDITION PLANS (in Mw)

2010-11	2011-12	2012-13	BUSINESS	2013-14 (till October 30, 2013)	Planned before season of 2014
179.5	317.1	339.0	WIND	413.3	494.6
40.5	60.5	60.5	BIOMASS	68.5	106.0
220.0	377.6	399.5	TOTAL	481.8	600.6



Geographic Capacity Expansion

States	Wind Capacity (Mw)	Remarks
Tamil Nadu	12.80	Commissioned in July / August 2013
Andhra Pradesh	43.20 41.20	43.20 Mw commissioned in August 2013 and balance 41.20 Mw planned before the season of 2014
Gujarat / Tamil Nadu / Maharashtra	12.60 12.60 34.00	12.60 Mw has been commissioned in May 2013 12.60 Mw to be commissioned in Q3 FY14 6 Mw commissioned in September Balance 25.20 Mw planned before the season of 2014
Addition for FY 2014	156.40	

Projects	Biomass Capacity (Mw)	Estimated date of Completion
Maraikal	7.5	Q3 FY14
Narsinghpur	10.0	Q3 FY14
Kolhapur	20.0	Q3 FY14
Kishanganj	8.0	Commissioned in Q2 FY14
Addition for FY 2014	45.5	

- Projects have been delayed primarily due to issues associated with right of way issues, PPA approval, connectivity to the grid and resistance of States in allowing units to opt for REC Mechanism

- Petition filed before TNERC on grid back down issue in Tamil Nadu last year is yet to be disposed
- Petition has been filed in Q2 FY14 before the High Court of Madras by Indian Wind Power Association (IWPA) seeking relief on exemption from grid back down for WEGS based on Grid Code which confers Must Run status to WEGs – Order is awaited in this case
- Biomass Tariff revision has been notified for Kishanganj plant and this unit which went into generation in September 2013 shall be eligible for a higher tariff of ₹5.92 per Kwh leading to improved viability
- Recently, Central Electricity Regulatory Commission (CERC) has issued an order on Scheduling and Forecasting as per which wind power generators are to forecast their generation of the next day, for every 15 minute interval and face penalty if the actual generation is 30 per cent more or less than the submitted forecast. This is indeed an onerous requirement and Petitions filed before the High Courts through the Associations on stalling the Forecasting and scheduling of wind power are yet to be decided



Key mitigants and initiatives that would positively impact performance in coming quarters / years

Wind Business

- Grid infrastructure is expected to improve significantly in Tamil Nadu over the next 2 years which would lead to improved PLFs from 2015-16 onwards. Kayathar line expected to be commissioned in Q1 FY15 which would help in improving PLF in 2014-15 itself
- Appellate Tribunal for Electricity's (APTEL) order has been given effect to from June 2013 thereby granting relief from excessive transmission charges in Tamil Nadu would go a long way in improving margins
- Exploring more viable locations with attractive tariff and returns for the last phase of the present expansion plan
- Reintroduction of Generation based incentive (GBI) with higher eligibility amount would significantly improve viability of eligible projects
- Actively pursuing refinancing / securitization of receivables in respect of the entire loan of about ₹300 Cr. relating to old wind assets with intent to reduce cost of borrowing besides a more staggered repayment schedule



Key mitigants and initiatives that would positively impact performance in coming years

Biomass Business

- Actively pursuing regulatory agencies in Rajasthan and elsewhere for annual tariff fixation based on fuel price
- Group Captive model for optimizing and getting sustained sales realization in South Plants; Two plants in T.N. restart operations in November 2013 and another unit to restart shortly
- Energy Plantation as a means for fuel security – 250 acres planned from Q4 to harvest 10,000 MT during Q1 of FY15
- Initiatives taken through Indian Biomass Power Association along with MNRE for following measures and benefits: Better Tariff from SERC/CERC
 - Better Tariff from SERC/CERC
 - Annual resetting of Fuel prices for the tariff
 - Introduction of Generation Based Incentive (GBI) for biomass industry
 - Interest subvention of at least 2% p.a. for all loans to this sector
 - According Priority sector status for lending to this industry
- Operational improvements for enhanced efficiencies in progress across all units
- Focusing on measures to refinance existing high cost debt at lower rates of interest

Thank
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