

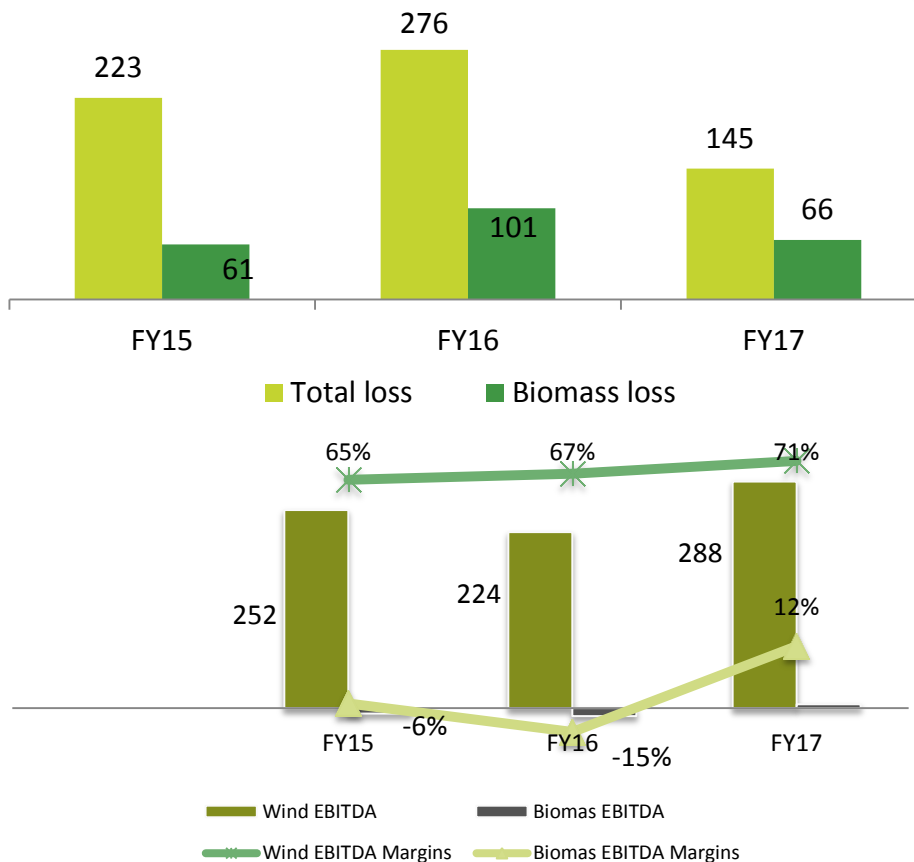


Rationale for Separation of Biomass business and Sale to SVL Limited

8/7/2017

SECTION 1: RATIONALE FOR SEPARATION OF BIOMASS BUSINESS

Rationale – Segregation 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

Initial Proposal – Demerger of Biomass Business with listing

- Demerge Wind and Biomass business into two separate entities – both to be listed.
- For every 10 Shares of Orient Green Power Company Ltd a shareholder of OGPL will get 1 Share in the new entity.
- Filed application with High court for approving the scheme which is still pending.



CHALLENGES

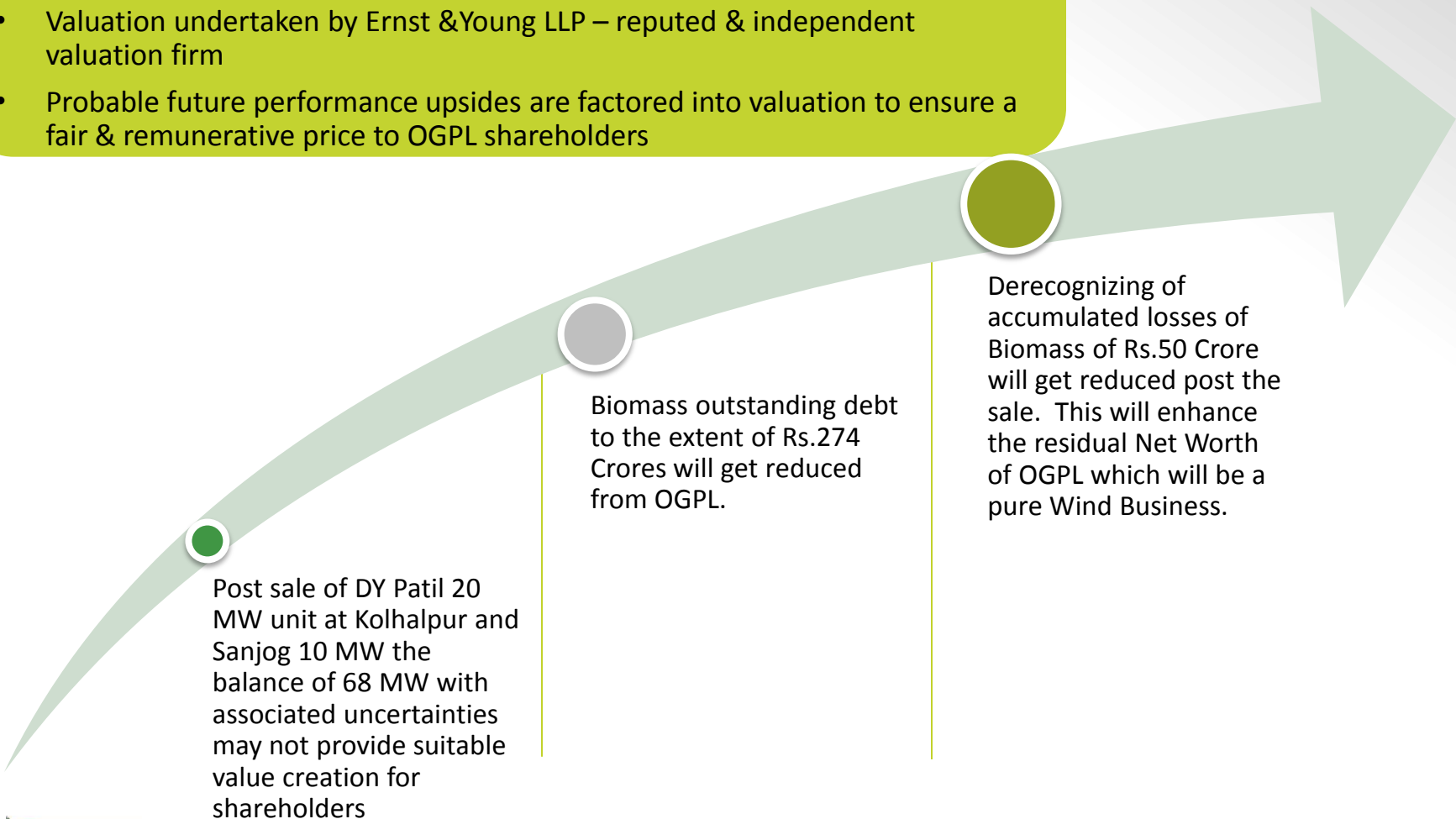
Due to change in the prevailing regulation, all pending petitions before the Hon'ble High Court would need to be withdrawn and filed afresh before the NCLT. This reboots the process and is likely to be time consuming.

Due to sale of units at Kolhapur and Sanjog which are currently in progress, the resulting biomass entity would have capacity of 68 MWs and would find it challenging to enhance shareholder values due to the following reasons:

- Sub-optimal utilisation resulting in below par EBITDA
- Focus on meeting interest payments and loan repayment obligations leaving negligible headroom and resources for growth

Revised Proposal – Sale of Biomass business to SVL Ltd

- Board approves a revised proposal involving sale of 68 MW of OGPL's Biomass Operations to its Promoter Company – SVL Ltd or its subsidiaries
- This will be comparatively faster process that can be achieved within 90 days
- Valuation undertaken by Ernst & Young LLP – reputed & independent valuation firm
- Probable future performance upsides are factored into valuation to ensure a fair & remunerative price to OGPL shareholders



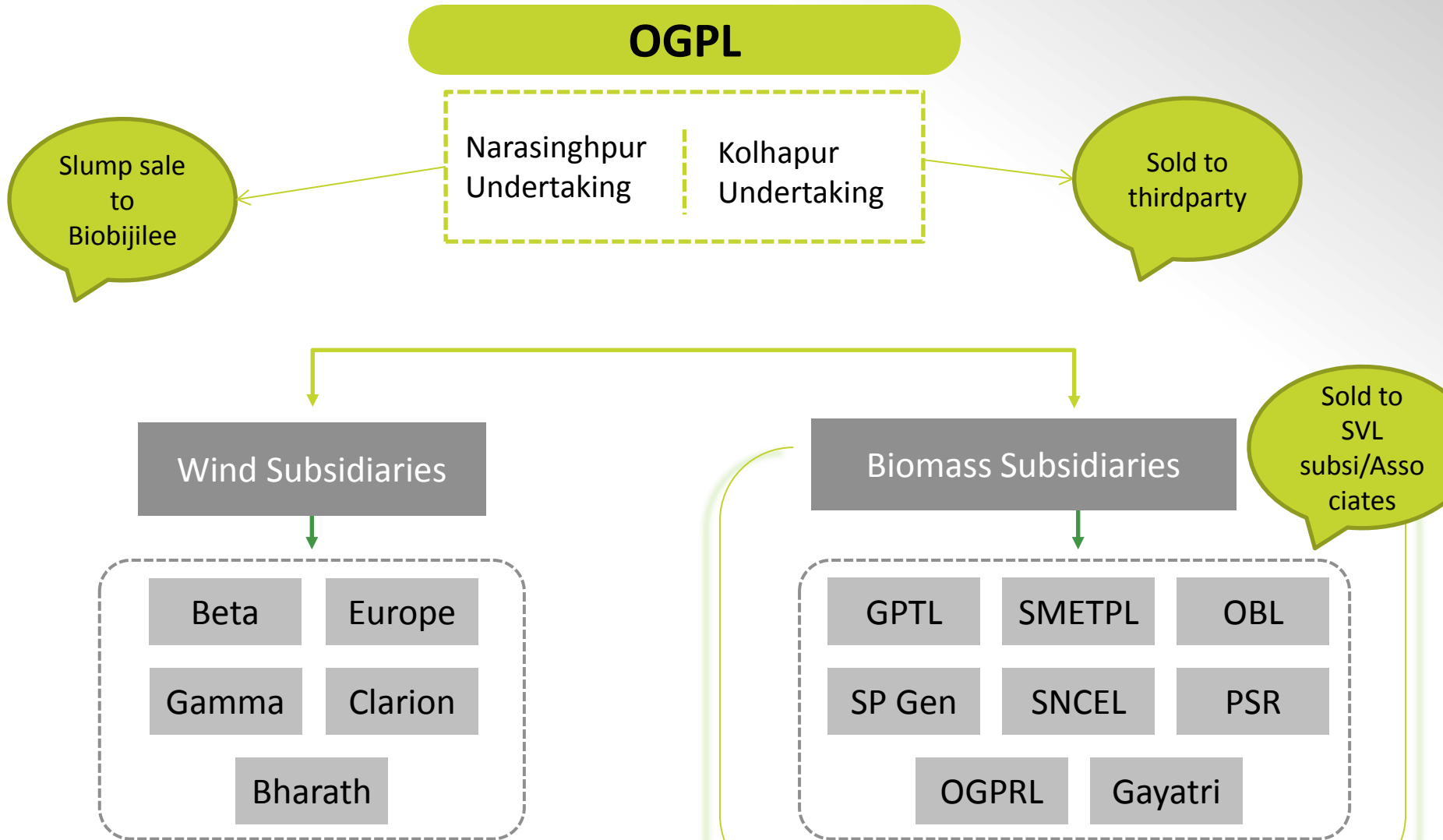
Post sale of DY Patil 20 MW unit at Kolhalpur and Sanjog 10 MW the balance of 68 MW with associated uncertainties may not provide suitable value creation for shareholders

Biomass outstanding debt to the extent of Rs.274 Crores will get reduced from OGPL.

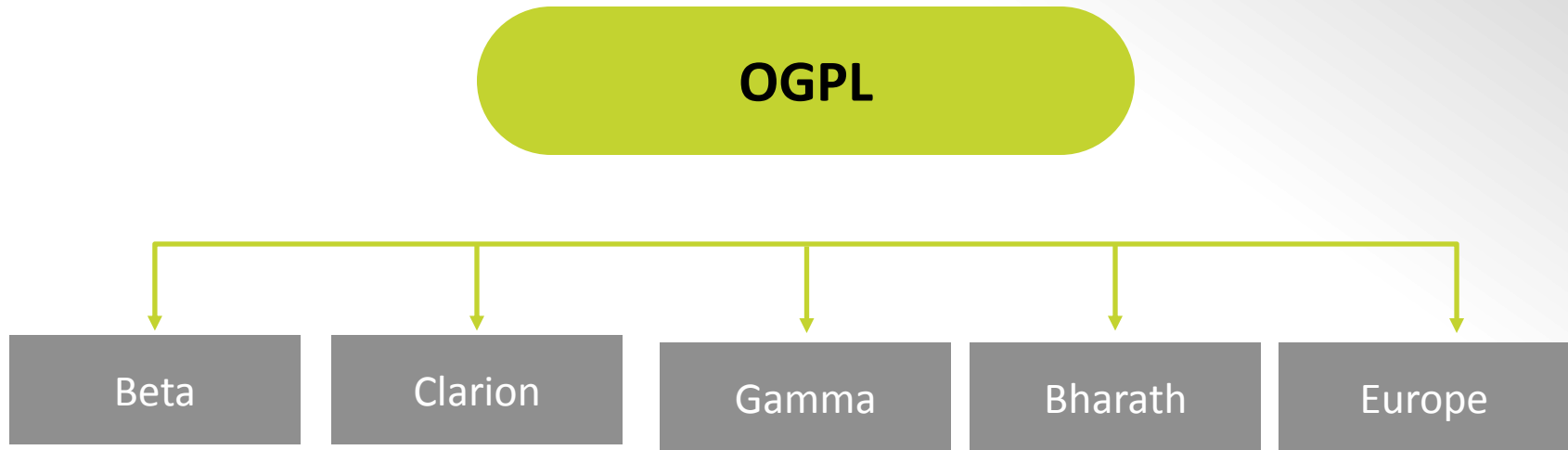
Derecognizing of accumulated losses of Biomass of Rs.50 Crore will get reduced post the sale. This will enhance the residual Net Worth of OGPL which will be a pure Wind Business.

SECTION 2: PROPOSED STRUCTURE & IMPACT ON FINANCIALS

Existing Structure



OGPL Structure post Sale (operating units)



2016-17 Business wise Profit and Loss account

Amount in crs

	Biomass Business	Wind Business	Total
Revenue from operations (net)	42.20	406.17	448.37
Other income	6.42	6.61	13.03
Total	48.62	412.78	461.4
Cost of materials consumed	22.41	12.52	34.93
Employee benefits expense	7.19	15.68	22.87
Other expenses	13.87	96.68	110.55
EBITDA	5.15	287.89	293.05
Finance costs	28.92	238.46	267.38
Depreciation and amortization expense	21.34	147.28	168.62
Loss before tax before exceptional	-45.11	-97.84	-142.95

2016-17 Proforma Consol Balance Sheet scenario with sale of biomass business

Position of Assets and Liabilities of Wind as at 31st March 2017

	Wind Business	Balance sheet as at 31st March 2017
Property, Plant and Equipment	2054.58	2337.77
Goodwill on Consolidation	12.78	12.78
Investments		0.03
Loans and advances	81.30	15.07
Other non current assets	186.80	189.94
Inventories	3.02	15.26
Trade Receivables	107.16	116.67
Cash and Cash Equivalents	10.72	13.98
Others	128.03	136.50
Total	2584.39	2838.00
Shareholders fund	647.28	596.62
Non Controlling Interest	2.28	2.28
Borrowings	1823.06	2097.06
Other Non-current Liabilities	6.56	11.13
Trade Payables	51.09	73.00
Other Financial Liabilities	54.12	57.91
Total	2584.39	2838.00

Figs. In Cr

SECTION 3: WAY FORWARD

Wind Business is poised for accelerated value creation

Primed for Growth

- Significant improvement of Grid Availability in TN – frequency of grid back down has reduced substantially and consistent grid availability is expected to sustain henceforth – power evacuation has improved tremendously
- Incremental deployment of funds for value accretive Wind Business

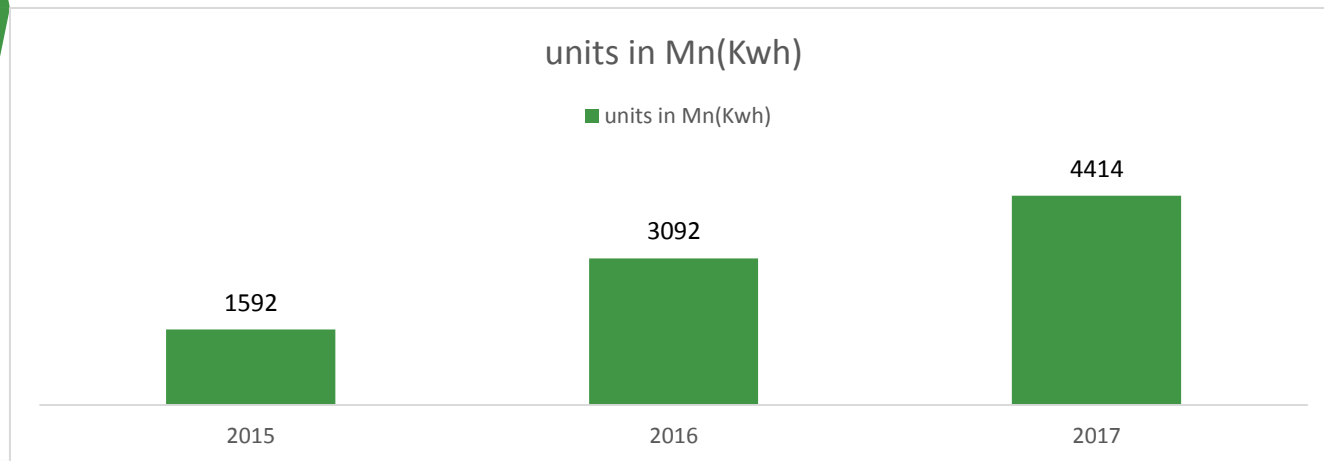
Improved Balance Sheet

- Biomass related debt amounting to Rs.274 crs (Aprox) will to move out of business
- Meaningful improvement in working capital and liquidity position
- Shifted sizeable proportion of debt in the wind business under 5/25 scheme – working on shifting remaining debt

Strategic tie up

- Contemplating merging of wind operations with leading Wind Energy power producers
- Tie up to provide scale, size and requisite bandwidth to the business

wind evacuation in TN over last 3 years.



THANK YOU