



“Orient Green Power Company Limited Q2 H1 FY26 Results Conference Call”

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MODERATOR: **Ms. SAKHI PANJIYARA – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 H1 FY26 Results Conference Call of Orient Green Power Company Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Thank you and over to you, ma'am.

Sakhi Panjiyara: Thank you. A very good morning to everyone.

On behalf of Kirin Advisors, I welcome you all to the Conference Call of Orient Green Power Company Limited. From Management Team, we have Mr. T. Shivaraman – Managing Director and CEO, Ms. J. Kotteswari – Chief Financial Officer.

Now I hand over the call to Mr. T. Shivaraman for the Opening Remarks. Over to you, sir.

T. Shivaraman: Good morning, all. Thank you for joining us on the call. Basically, we are covering the 2nd Quarter and the first half of FY26.

Thank you for your continued support on the journey of OGPL. The first half of 2026 has been steady in a positive period for us. We have maintained good operations, significantly improved profitability and achieved some key financial milestones.

Let me quickly run through the performance highlights:

For Q2 FY26, our total income was 135.45 crores, about 10% higher year-on-year. EBITDA came in at about 104.31 crores, slightly higher than last year. And net profit for the quarter was 80.94 crores, about up 22% year-on-year. Basically, the wind has been quite stable compared to the same quarter last year and this has resulted in a fairly strong Q2. For the first half, total income increased by almost 20% to 228.62 crores and EBITDA improved to 170.23 crores, up 16% year-on-year. Net profit was up 38% year-on-year to 109.56 crores, which is the highest half yearly net profit that we have generated in recent past.

The strong performance for the half year has been due to two or three factors. One, good generation during the wind season. The 1st Quarter was better than the previous year and the 2nd Quarter has been more or less in line with the previous year. We also had completed the capital maintenance of many of our wind assets, so we had almost all our fleet fully in operation during the season which helped in generation. Due to the better generation and good financial management, we have been able to lower finance costs which have declined by over 20% due to better credit ratings and timely repayments. We also received during the quarter a 16-crore

refund from lenders towards excess interest charged during earlier periods which definitely improves our profitability and our cash flow positions.

On the growth front, the 7-megawatt solar project is under progress which is expected to be commissioned by December of this year. The balance 18 megawatts is planned for completion before June of 2026. This basically will help us to diversify our operating portfolio away from wind and help us better serve our customers who look for both wind and solar as part of their supply portfolio. So, we currently have about 382 megawatts of operating wind assets and about 25 megawatts of solar assets coming underway. We will continue to focus on operational excellence, good capital allocation, and maintaining a good balance sheet. As we move forward, we will continue to focus on strengthening this renewable portfolio and creating long-term value. We are looking at certain expansion possibilities, but that I think we will cover during the Q&A.

Thank you. I now open the floor to questions.

- Moderator:** Thank you, sir. The first question comes from the line of Dhanraj Tolani, an Individual Investor.
- Dhanraj Tolani:** I have a couple of questions on the rhythm part. So, first of all, congratulations on the good results. I just wanted to know the breakdown, like what took the 20% growth in total.
- T. Shivaraman:** It's a combination of better wind and better machine availability. I would say, about 60% of this thing is because of better wind generation and the balance 40% is because of better machine availability. We had, in the earlier quarters, done a major maintenance upgrade of our turbines mainly in Andhra Pradesh and that is more or less fully in operation.
- Dhanraj Tolani:** EBITDA looks better in Q2 in comparison of H1. So, could you please explain the factor behind that?
- T. Shivaraman:** Typically, Q2 is the maximum wind period for the entire industry. So, wind starts in the halfway through Q1 and continues throughout Q2. So, historically, if you go back year-on-year you will find Q2 is the strongest quarter. It's a weather-related thing, nothing we can do about it.
- Dhanraj Tolani:** I am just checking the finance cost has been gone by 20%. So, is this sustainable going forward or we can expect further reduction, or this is sustainable we are planning to decrease our finance cost?
- J. Kotteswari:** In terms of percentage of interest, it will go down. But as we are looking forward for some expansions, our finance cost may go up and similarly our top line may go up. So, interest in absolute terms, it may go higher in the next year because we are looking for some expansions wherein, we will have to borrow for putting up the additional facility. But in terms of interest rate, the average rate has kept on coming down and we foresee next year also the rate of interest will be coming down. Already for the second half, we have one of the major loan IREDA has

come down from 9.4 to 9.15 and rest of the loans have also come down. So, overall interest rates will come down. But in absolute terms, next year, the interest will be slightly higher,

Dhanraj Tolani: If you check the profitability improvement, can you say this is mainly due to the interest refund or this inflation is due to the interest refund or are we doing operational balance?

T. Shivaraman: If you see the interest refund is there as an extraordinary item below the line. Even before the interest refund, the performance has been better. The interest refund is there as an extraordinary income which is about 16 crores.

Moderator: The next question comes from the line of Vinod Shah, an Individual Investor.

Vinod Shah: We are planning to expand our capacity to 1000 megawatts. So, what is the timeline for that and how are we working on it?

T. Shivaraman: There are two or three things. One is the organic growth that we are planning which initially will be the repowering of our existing assets and adding some new assets around our existing portfolio. We were waiting for certain policy clarity from the state of Tamil Nadu to begin our repowering journey. That clarity is more or less in place. We have been assured that we will have the updated policy in the next two to three weeks. So, pending that, we have actually made an application to start one of our repowering projects kind of in advance of the formal policy announcement so that we have the assets up and running before the season. We are also looking to do certain organic growth within the wind sector. So, that's what Ms. Kotteswari is talking about. We are looking to borrow money to do that. So, that's as far as the organic growth is concerned. As far as inorganic growth is concerned, there are a couple of conversations, fairly serious conversations that are happening, but we are not yet at a stage where we can get into the details of what happens because these things never happen until they actually happen. So, once we have better clarity on where we are on those conversations, we will definitely be informing the shareholding public, but we are on track for growth.

Vinod Shah: How are we planning to fund this growth?

T. Shivaraman: The current organic growth will be internal accruals and debt. The inorganic, we will have to see. There will probably be some kind of issue of capital, but we will have to figure out the structure as we go.

Vinod Shah: How much?

T. Shivaraman: Until the deals happen, it depends because there are multiple conversations happening. So, once something kind of matures to a stage of conversation with the public, we will definitely let you know.

Moderator: The next question comes from the line of Rohan Gupta, an Individual Investor.

- Rohan Gupta:** I am fairly new to tracking this company. Can you give me a little overview of how we plan to build our solar assets to supplement our wind assets and also the outlook going forward like broad-based. Our focus would be more on wind or solar.
- T. Shivaraman:** We are fundamentally a C&I generator. The bulk of our current assets are where we sell power to commercial and industrial establishments and not to the electricity board. So, to that extent, our direction in terms of what assets we build out depends on what assets or what my customer wants rather than anything else. So, if my customer wants a better mix of solar in the portfolio of power that he buys, then I have to go out and do solar, which we find that we need to have a certain amount of solar in our portfolio because there are periods, especially in April, May, where there is no wind and there is a significant demand of power. So, we need to cover that with solar. Having said that, the regulatory environment today for wind is better than it is for solar, especially in the C&I space. So, we will definitely continue to be more wind focused. We will add more solar as we go forward once battery prices come down a little more, where solar with battery starts becoming viable. Today, it still needs some kind of a government subsidy, but we foresee that in the next maybe even a year or so, batteries will become competitive and then we will probably move towards a solar plus battery supplemented by wind as the kind of long-term business model. This is for our C&I space. We are looking to expand our PPA-based projects also, but that will take a little longer and that may be in the form of some kind of an acquisition rather than Greenfield.
- Rohan Gupta:** Going forward, how is the wind outlook for like second half of the year?
- T. Shivaraman:** Second half is generally lower than the first half. So, if you see historically, you will find Q3 and Q4 will be significantly lower than Q1 and Q2. Typically, we get about 70% of our generation in Q1, Q2 and 25%-30% in Q3, Q4. That will continue.
- Moderator:** The next question comes from the line of Mahesh Sheth, an Individual Investor.
- Mahesh Sheth:** My first question is like our net profit margins have improved significantly. So, how should we look at margins in coming quarters? Are they sustainable?
- T. Shivaraman:** Basically, our interest costs have been coming down. From the EBITDA interest, the depreciation is more or less flat. As the interest costs come down, net profit margins definitely will look better. Q3, Q4, as I said, the top line will be lower. You should not look at it kind of sequential quarters. You have to look at it compared to the same quarter last year. From that point of view, the margins will still be better.
- Mahesh Sheth:** Can you also provide clarity on cash flow generation, and current debt levels post repayment?
- J. Kotteswari:** Current debt levels is around 525 crores in the overall company. The cash flows are quite comfortable to debt. And as well as we are planning, as we were saying, we are looking at internal generation to fund some of our expansion. For that also, we are having comfortable cash

flows. This year, there will be surplus of at least 25 crores to 30 crores which we will be looking at investing in the new additional capacity after servicing all our debts.

Mahesh Sheth: How much of the profitability improvement is due to better wind conditions versus operational efficiency?

J. Kotteswari: 60% is around the wind increase and 40% will be because of operational efficiency.

Mahesh Sheth: 60% is due to wind.

J. Kotteswari: Correct.

Mahesh Sheth: What was the PLF during Q2 and H1? How does it compare with last year?

T. Shivaraman: If you take Q2, let me go with the major asset that we have, which is in Beta. So, Q2 FY26, we had a PLF of about 28% compared to about 24.5% for the same quarter last year. The other subsidiaries more or less have similar kind of pattern.

Moderator: The next question comes from the line of Ishita Nadar from Orient Green Power Company Ltd.

Ishita Nadar: My question is that in your last earnings releases, you have mentioned that the 7-megawatt solar project should be ready by December 2025. Is it still on track?

T. Shivaraman: It is on track.

Ishita Nadar: Will you be planning more wind solar projects to make more power?

T. Shivaraman: Another 18 megawatts, we will just be starting construction in the next couple of weeks. So, that is scheduled for completion by June of next year. That is the Greenfield assets. Brownfield, we will be looking at certain other possibilities.

Moderator: The next question is from the line of Amit Kumar, Individual Investor.

Amit Kumar: My question is, what are you doing for the visibility of your company in terms of marketing strategy and brand recognition so that investors may be more keen to invest in your company?

T. Shivaraman: Frankly, for the last year or so we have been more focused on straightening out things internally and improving our performance. We have honestly not really spent enough time on investor engagement and talking to the larger FIs. I think that is the process that we have started in the last few weeks and we will be doing that more going forward. I think initially, our focus was ensuring that the performance is good so that when we go to the large FIs, we have a very robust story to talk about. I think we have that now. So, this is something that we will be doing going forward.

- Amit Kumar:** Is there any roadmap for that, implementing this strategy.
- T. Shivaraman:** There are roadmaps, but it is internal. Once it comes to a stage where we have definitive agreements on various things, we will definitely be informing the public.
- Amit Kumar:** Can we expect some visibility in near term, maybe let us say where the company would stand in the next four to five years down the line?
- T. Shivaraman:** I cannot. As I said, the target is clear that we need to be there at a 1000 megawatts sooner rather than later, but exactly timelines and all that, it depends on too many things which are not entirely under our control.
- Amit Kumar:** One more question about your organic or inorganic growth plans. Can you throw some light on that, maybe some acquisition in the pipeline, that kind of stuff?
- T. Shivaraman:** We cannot talk about it until it actually happens first.
- Amit Kumar:** But are there any plans?
- T. Shivaraman:** There are conversations, multiple conversations happening, but nothing has come to a stage where we can even bring it to the Board, forget the shareholders.
- Moderator:** The next question comes from the line of Chandresh Singh, an Individual Investor.
- Chandresh Singh:** My question is how are the recent renewable energy policy changes in Tamil Nadu and Gujarat impacting your operations?
- T. Shivaraman:** Gujarat does not impact us much because our Gujarat assets are entirely on a PPA with the electricity board. So, that is a fairly stable situation, and the policy change does not really impact us. As far as Tamil Nadu is concerned, there are substantial changes in the policy which we are constantly monitoring and lobbying to ensure that it does not impact us. Most of the policies, the changes that are happening, the way it is looking, it seems to be more prospective than retrospective in the sense that it will affect new assets rather than existing operating assets. So, to that extent, we may be kind of shielded from most of these issues. But yes, there are issues that are happening and we are kind of, not just us, but the entire wind association is working to ensure that the policies do not derail the growth of renewables.
- Chandresh Singh:** Are you seeing any improvement in payment cycle from the state utilities?
- T. Shivaraman:** Our exposure to state utilities is relatively limited. We are only exposed to Andhra Pradesh and Gujarat. Gujarat has never had a payment issue. Andhra Pradesh, now the payment issues are fairly smooth. We are seeing good cash flows from our AP assets. And we know from the market that even Tamil Nadu and other states, the realization for renewable producers from the state

utilities has improved dramatically over the last year. I think there is a strong push from the Central government to ensure that the renewable power producers get paid on time. And that is more or less happening across the country.

- Moderator:** The next question is from the line of Dhanraj Tolani.
- Dhanraj Tolani:** What is the guidance for remainder of FY26 if we talk about the financial and operational part, what is the key priority?
- T. Shivaraman:** In terms of generation, we expect it to be similar to Q3, Q4 of last year, plus or minus a few percent. I think it will be more or less in line with last year. In terms of interest costs, obviously, they will be lower than last year because we have repaid significant debt in the last year and we have also had a reduction in interest costs. But we do not foresee anything dramatically different from what happened in the same two quarters of last year.
- Dhanraj Tolani:** If I talk about the industry wise, so with rising competition in wind, O&M, are we considering in-house maintenance or third-party optimization?
- T. Shivaraman:** We have a combination of both. Some of our assets we maintain. We have our own team. So, we do our own maintenance. Some of the assets are outsourced to the OEM and we also have one or two third-party maintenance contracts. So, we have a mix of all three modes depending on the asset, the manufacturer, and the availability of good maintenance teams. We kind of mix and match that.
- Dhanraj Tolani:** Also, I wanted to know what is the revenue mix evolving between the wind and solar over the next, you can say, two or three years?
- T. Shivaraman:** At the moment, even once I finish this 25-megawatts wind will still be 95% or so of the asset. And I do not see that changing in the next 12 to 18 months. Beyond that, as we do acquisitions of other assets and we move into the PPA market in certain with solar, that will change. But on an organic basis this will not change. We still find that wind is a better kind of resource when it comes to C&I until, as I said, batteries come into the picture. Because what we are finding now is that with solar during the afternoon, we have so much of solar generation across the country that the power prices are dropping to a sometimes very absurd levels in the exchange. So, we have seen days where the power cost is as low as 10 paise per kilowatt hour during the afternoon hours. Solar to that extent has a problem that when it is generating, there is too much of power being generated. Fortunately, wind generation tends to peak in the mornings and the evenings. And there tends to be a slight lull during the afternoon. So, from that point of view, it is more balanced throughout the day generation rather than solar. So, that combination works. But solar with battery is the way to go going forward because standalone solar on a large scale, especially for C&I customers is going to be a challenge.

- Dhanraj Tolani:** I just wanted to know more about the profitability. We have seen a strong improvement this year in profitability. I wanted to know, this is a sustainable profitability or expecting to enhance our return ratios in FY26?
- J. Kotteswari:** Operating profits is sustainable only. See, any wind variation only will happen, but actually the costs are all stable. There is no percentage wise on profitability, we do not see any decrease. It will be a sustainable or if the wind is better, it has to be improving. It depends on the wind only. Otherwise, operationally, we are firm that it will be a sustainable profitability percentage.
- T. Shivaraman:** Incidentally, this year's wind, although it is substantially better than last year, was not really an exceptional wind year if you look at it over the last 10-12 years, it is more or less an average to slightly above average wind year, if you take over a 10-year horizon. But last year was particularly bad. So, this year looks by comparison good. So, this is more closer to the average wind over the last 10-year period than last year was.
- Dhanraj Tolani:** We can say this improvement would be sustainable, right?
- T. Shivaraman:** Yes.
- Moderator:** The next question comes from the line of Mahesh Sheth, an Individual Investor.
- Mahesh Sheth:** Can you share the current credit rating and outlook from Agency?
- J. Kotteswari:** Credit rating right now in all the companies; it will BBB- with the upgrade from stable outlook to positive outlook. CRISIL has made the major outstanding. The other two are very small outstanding in terms of credit. They do not consider more than BBB. So, unless the company's debt profile is larger, they do not see anything. But overall, the credit rating has improved. But nevertheless, whether it is BBB- or BBB+, the bankers saw the cash flows and internally the bankers rating had been better. That is why the interest rates had been consistently coming down.
- Mahesh Sheth:** Could you also share how generation performance in international wind farm if compared to like domestic portfolio this quarter?
- T. Shivaraman:** The international we have only a small asset in Croatia, which is a legacy asset. We have 51% of a 10-megawatt farm. So, it is a very small effectively 5.1 megawatts is our holding there and that has been more or less similar to last year. So, it is slightly up. There is a slight difference. The difference is that the asset there does not sell on a PPA. They sell on the exchange. So, the power prices tend to vary. But basically the international asset performance this year was more or less in line with last year. But as I said, it is a very small percentage of the portfolio, 5 megawatts of around 400 megawatts
- Mahesh Sheth:** It is in similar landscape.

- T. Shivaraman:** Yes.
- Mahesh Sheth:** What steps have been taken to further optimizing the turbine performance and reduce...
- T. Shivaraman:** That we have done. I think between last year and this year, we have done a substantial improvement. We took up the major capital repair about two years ago. So, in the last two years, we have significantly improved the performance, reliability, and availability of turbines and that is something that is a constant kind of process that we keep doing.
- Moderator:** The next question is from the line of Vinod Shah, an Individual Investor.
- Vinod Shah:** How are you approaching carbon credit monetization?
- T. Shivaraman:** We do not generate carbon credits because we are selling power to customers including the green attribute. That is, the customers who are buying from us are essentially buying it as renewable power. So, I can only kind of get one benefit. So, since the customer is taking the benefit or the credit for buying renewable power, we do not get carbon credit.
- Vinod Shah:** Could you share any update on the receivables and collection efficiency?
- J. Kotteswari:** Receivables is only less than 30 days, except Andhra which is coming in 45 days which will be for us only 50 megawatts of the total 400 megawatts. Rest are all, we bill it on 10th and we receive it before 30th. So, our average will be less than 30 days receivables.
- Vinod Shah:** That is correct.
- Moderator:** As there are no further questions, I now hand the conference over to Ms. Sakhi Panjiyara from Kirin Advisors. Over to you, ma'am.
- Sakhi Panjiyara:** Thank you everyone, for joining the conference call of Orient Green Power Company Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you for joining the conference call. Have a good day.
- T. Shivaraman:** Thank you.
- J. Kotteswari:** Thank you.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.