ORIENT GREEN POWER

Leading Diversified Renewable Energy Generator

Investor Presentation

Q3 & 9M FY13 Results

Biomass

Wind

Small Hydel

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Financial Results
& Operating Highlights – Q3 FY13

Financial Highlights – Q3 FY 2013

			Rs. Million			
	Q3 FY 2013			Q3 FY 2012		
	Biomass	Wind	Total	Biomass	Wind	Total
Sale of Power	323.40	245.29	568.69	221.24	187.67	408.91
Other Operating Income	88.31	62.05	150.36	40.81	9.19	50.00
Total Income	**411.71**	**307.34**	**719.05**	**262.05**	**196.86**	**458.91**
Expenditure						
Cost of fuel and Consumables	271.52	-92.74	178.79	211.74	23.55	235.29
O&M and other costs	104.02	180.89	284.91	89.51	72.42	161.93
Total Expenditure	**375.54**	**88.15**	**463.70**	**301.25**	**95.97**	**397.22**
EBITDA	**36.17**	**219.19**	**255.35**	**-39.20**	**100.89**	**61.69**
EBITDA (%)	**8.8%**	**71.3%**	**35.5%**	**-15.0%**	**51.2%**	**13.4%**
Depreciation	52.44	226.70	279.14	50.26	150.55	200.81
Finance charges	89.03	385.11	474.14	81.62	227.87	309.49
Other Income	12.58	18.51	31.09	15.25	11.78	27.03
PBT (before unallocable overheads)	**-92.72**	**-374.11**	**-466.84**	**-155.83**	**-265.75**	**-421.58**
Unallocable overheads (net of income)			**44.39**			**6.83**
Profit before Tax			**-511.23**			**-428.41**
Profit (after Minority Interest)			**-419.78**			**-287.45**

Financial Highlights – YTD FY 2013

			Rs. Million			
	YTD Q3 FY 2013			**YTD Q3 FY 2012**		
	Biomass	**Wind**	**Total**	**Biomass**	**Wind**	**Total**
Sale of Power	1191.59	1856.17	3047.76	694.73	995.47	1690.20
Other Operating Income	289.35	249.85	539.20	78.89	17.85	96.74
Total Income	**1480.94**	**2106.02**	**3586.96**	**773.62**	**1013.32**	**1786.94**
Expenditure						
Cost of fuel and Consumables	853.92	16.97	870.90	525.46	55.40	580.86
O&M and other costs	392.81	344.97	737.78	222.64	199.80	422.44
Total Expenditure	**1246.73**	**361.94**	**1608.68**	**748.10**	**255.20**	**1003.30**
EBITDA	**234.21**	**1744.08**	**1978.28**	**25.52**	**758.12**	**783.64**
EBITDA (%)	**15.8%**	**82.8%**	**55.2%**	**3.3%**	**74.8%**	**43.9%**
Depreciation	147.58	662.08	809.66	115.14	337.96	453.10
Finance charges	283.34	1161.03	1444.37	174.98	515.32	690.30
Other Income	36.67	175.33	212.00	35.21	48.84	84.05
PBT (before unallocable overheads)	**-160.05**	**96.30**	**-63.75**	**-229.39**	**-46.32**	**-275.71**
Unallocable overheads (net of income)			**76.01**			**-33.06**
Profit before Tax			**-139.76**			**-242.65**
Profit (after Minority Interest)			**-171.78**			**-232.56**

Performance Highlights – Q3 FY 2013

- Revenues grew 56% to ₹ 719.0 million for the quarter and doubled on a YTD basis to ₹ 3,587.0 million
- Sales realisation continued to improve for both businesses with increase in tariffs and shift in sales mix from PPA / Trading to Merchant
- Operational EBIDTA was at ₹ 202.4 million for Q3 (₹ 27.8 million) and ₹ 1,826.7 million till Dec.'12 (₹ 671.81 million) registering growth of 172% on the back of increased capacities, better tariff realisation and REC revenues
- Total EBIDTA was at ₹ 2,054.1 million registering growth of 132%
- Loss before Tax for the quarter was at ₹ 511.2 million as against loss of ₹ 428.4 million mainly due to increase in interest cost on account of additional borrowings to fund expansion as well as increase in rate of interest
- Loss before Tax for YTD December 2012 was at ₹ 139.8 million as against loss of ₹ 242.6 million

Performance Highlights – Q3 FY 2013

WIND BUSINESS

- Generation from new assets has been better than expected
- Grid back down issues continue in Tamil Nadu
- In AP, 24 WEGs have been erected and Transmission Line activities are in progress – will be completed in Q4 – Tariff Order at ₹4.70/unit issued, as against ₹3.50/ unit prevailing earlier, leading to improved viability
- In Gujarat, 12 WEGs have been completed and are to be commissioned in Q4 - awaiting PPA model clarity
- Petition filed by Beta Wind Farms (Subsidiary) at APTEL on TN Transmission Charges has been allowed and the TNERC has directed the SEB to revise the Order. Once the revision is completed, this would lead to significant savings in transmission charges leading to improved margins

BIOMASS BUSINESS

- Tariff levels remain firm in Tamil Nadu at ₹6.50/6.75 per kwh
- Signed up for bilateral power sale with third parties from Sanjog Power plant in Rajasthan from Dec.'12 - at ₹3.75 per kwh Net + REC which would result in better realisation
- Contract Farming signed up for 120 Acres in Tamil Nadu for energy plantation which would be ready for consumption during March 13. Plans are underway to reach 1,000 Acres per plant in all TN Plants, which could potentially reduce the fuel cost by approximately 10 % going forward

Balance sheet as at December 31, 2012

			Rs. Lacs		
Particulars		**As at 31 December 2012**	**As at 30 September 2012**	**As at 30 June 2012**	**As at 31 March, 2012**
A	**EQUITY AND LIABILITIES**				
1	**Shareholders' funds**				
	(a) Share capital	46,808	46,808	46,808	46,808
	(b) Reserves and surplus	59,512	63,266	60,409	59,942
2	**Capital Reserve on Consoldation**	12,122	12,189	12,122	12,122
3	**Minority Interest**	5,371	5,812	4,781	4,030
2	**Non-current liabilities**				
	(a) Long-term borrowings	1,34,296	1,24,780	1,41,169	1,00,125
	(b) Deferred tax liabilities (net)	1,198	944	1,009	838
	(c) Other long-term liabilities	1,422	546	1,465	2,642
	(d) Long-term provisions	167	143	123	104
3	**Current liabilities**				
	(a) Short term borrowings	13,294	13,141	14,471	17,605
	(b) Trade payables	3,569	3,581	6,664	4,968
	(c) Other current liabilities	88,099	85,386	89,533	1,06,358
	(d) Short term provisions	182	170	243	149
	TOTAL	**3,66,040**	**3,56,766**	**3,78,797**	**3,55,690**

Current Liabilities includes Letters of Credit discounted by suppliers for wind mills supplied under 300MW project. These amounts shall be retired from out of term loan proceeds not yet availed, in the future. It also includes current maturities of long term loans

Balance sheet as at December 31, 2012 (contd.)

Particulars		As at 31 December 2012	As at 30 September 2012	As at 30 June 2012	As at 31 March, 2012
B	**ASSETS**				
1	**Non-current assets**				
	(a) Goodwill on consolidation	5,019	5,044	4,804	4,804
	(b) Fixed assets	2,93,112	2,87,799	2,89,185	2,77,469
	(c) Non-current investments	1	1	5	1
	(d) Long-term loans and advances	32,685	30,766	52,011	49,499
	(e) Other Non Current Assets	1,194	973		
2	**Current assets**				
	(a) Current investments	1	9	6	6
	(b) Inventories	2,002	1,906	2,207	2,195
	(c) Trade receivables	7,630	9,188	7,864	7,186
	(d) Cash and cash equivalents	10,128	7,569	12,355	8,650
	(e) Short-term loans and advances	4,985	2,581	1,985	2,209
	(f) Other current assets	9,283	10,930	8,376	3,671
	TOTAL	**3,66,040**	**3,56,766**	**3,78,797**	**3,55,690**

Change in Promoter Holding and Preferential Issue

- Shriram EPC Ltd., the current promoter of the company plans to divest its stake in Shriram EPC (Singapore) in favour of Shriram Industrial Holdings Pvt Ltd. (SIHPL).
- This will result in the indirect acquisition of the shareholding and control of OGPL by SIHPL
- SIHPL will also infuse ₹ 1,500 million by subscribing to a preferential issue for 100 million shares at ₹ 15 per share (representing a Face Value of ₹ 10 and premium of ₹ 5 per share)
- These changes trigger an open offer under the current regulations. The price for the open offer is ₹ 15 per share.
- The price of ₹ 15 per share represents a 30% premium to the closing share price of ₹11.55 on February 21, 2013 – a day prior to the announcement of the offer.
- The preferential issue has been approved by the Board of Directors during their meeting held on 22nd February, 2013, Friday and is subject to statutory and regulatory processes and approvals.

Renewable Energy Certificate

- Supply of RECs continued to be more than demand in the market due to poor enforcement of RPO by all States leading to RECs being sold at floor price during the quarter
- As against 23.02 Lac RECs available for trading in the exchanges during Q3, only 6.33 Lac RECs got traded at the Floor Price of ₹ 1,500 per REC - about 15% of available volume
- In January 2013 also, trading has been subdued with 17.41 Lac RECs available in the registry of which 1.93 Lac RECs had been sold resulting in huge backlog of unsold RECs.
- OGPL had an unsold inventory of 69,954 RECs as of end December'12.
- OGPL's share in trading represented 8% of trading volumes during the quarter on the exchange
- During Q4 also, supply of RECs going forward will be relatively less especially for wind business and only improved compliance would drive the trading in the coming sessions
- However, a key positive is 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.

REC Trading and Revenue upto December 2012

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)
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
GRAND TOTAL	**2,379,090**	**286,530**	**12.04%**	**5,519**	**1,926**

	No. of RECs traded (Jan to Dec 12)	REC Revenue (Jan to Dec 2012) (Rs. Lacs)
BIOMASS	158,057	3,562
WIND	128,473	1,957
TOTAL	**286,530**	**5,519**

Wind Operations

Wind Operations - India

Particulars	Unit of Measurement	Q3 FY 2013	Q3 FY 2012	YTD Q3 FY 2013	YTD Q3 FY 2012
Capacity	MW	337.41	272.75	337.41	272.75
Units Generated (Gross)	Mn	70.54	32.48	464.42	228.28
Annualized PLF	%	9.19	5.60	21.34	16.04
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.84	4.67	5.76	4.41

- Old assets of 179.5 MW constitute operating assets acquired at low capital cost (approx. ₹35.5 Mn per MW)
- Although grid back down continued in the quarter, there was a significant improvement in the PLF on a y-on-y basis due to better than expected wind availability as well as greater proportion of new machines with higher sustainable PLF. Lastly, initiatives such as preventive maintenance of machines resulted in lower downtime and higher PLF.
- Realisation was higher compared to previous year due to increase in tariff effective April 2012 However, net realisation was impacted by the steep increase in transmission charges effective August 2012. Beta Wind Farms has since been able to obtain a favourable verdict from the Appellate Tribunal for Electricity (APTEL) as per which relief is likely to be granted to the extent of about 40% of the transmission charges. Refund / adjustment of excess levies is expected from Q1 FY14 and onwards.

Capacity Expansion Strategy – Wind

- 43.2 MW of capacity will be added in Andhra Pradesh and 25.2 MW in Gujarat by Q4 FY13
- 11.2 MW of capacity will be added in Tamil Nadu in Q1 FY 2014
- Current Capacity is 337.41 MW and is expected to reach about 405.81 MW by Q4 FY 13
- Balance capacity of 48.6 MW in Andhra Pradesh and 25.2 MW in Gujarat to be added by Q3/Q4 FY14. Delays are primarily due to delay in setting up of transmission infrastructure, obtaining right of way and delay in obtaining PPA clarity in Gujarat.

Capacity Expansion – Wind

States	Capacity (MW)	Estimated date of completion	Remarks
Tamil Nadu	107.35	64.85 MW by Q2 FY 12 18.0 MW by Q3 FY12 24.5 MW by Q4 FY 12	
Gujarat / Karnataka / Tamil Nadu	7.98	4.0 MW operational in Q3 FY 2012 and 3.98 MW operational IN Q4 FY12	
Croatia	10.5	Commissioned in Q2 FY 12	
Addition for FY 2012	**125.83**		
Tamil Nadu	37.05	23.4 MW commissioned in Q1 FY 13, 12.05 MW commissioned in Q2FY13 and balance in Q4 FY13	Balance 12.8MW delayed further due to technical issues
Sri Lanka	-	100% of OGPL's stake sold in July 2012	
Andhra Pradesh	43.20	Q4 FY 13	Project delayed due to delay in getting regulatory approvals for connectivity
Gujarat	25.20	Q4 FY 13	in Gujarat, commissioning has been deferred in order to get benefit of higher preferential tariff under Feed in Tariff mechanism
Addition for FY 2013	**105.45**		

Biomass Operations

Existing Biomass Operations

Particulars	Unit of Measurement	Q3 FY13	Q3 FY12	YTD Q3 FY13	YTD Q3 FY12
Capacity	MW	60.50	60.50	60.50	60.50
Units Exported	Mn	55.96	46.05	207.04	138.19
PLF	%	47.00	40.10	57.90	49.60
Average Realisation	₹/ Unit	5.78	4.73	5.76	4.96
Specific Fuel Consumption per unit	Kg/ Unit	1.83	1.77	1.81	1.67
Fuel Cost	₹/ Unit	4.84	4.39	4.12	3.71
O&M and other Costs	₹/ Unit	1.86	2.06	1.90	1.62

- Performance in Q2 FY13 was negatively impacted due to temporary shut down of one of the north based plants and also due to lack of availability of dry fuel across units due to monsoon
- In Tamil Nadu, realisation across all units continued to be robust due to switch over from grid to third parties.
- All four units in Tamil Nadu and Sanjog in Rajasthan continue to get REC benefits during the quarter.
- Fuel Cost rose steeply to ₹4.85 per unit (₹ 4.39 per unit in Q3 FY 12) due to less availability of dry fuel and non availability of cheaper fuel sources. These prices are expected to remain high for some more time.
- One unit in Rajasthan continues to be shut and options of restarting the plant are being explored so that the unit can be restarted in Q1 FY 2014.

Existing Projects – Bio-mass power plants

Name	Capacity (MW)	Location	Fuel	Customer details			Blended tariff		
					Q3 FY13	Q2 FY13	Q1 FY13	Q4 FY12	Q1 FY12
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	6.74	6.76	6.43	5.33	6.11
Pattukkottai	7.5	Tamil Nadu	Sugarcane residue, coconut residue, julieflora and other agri - residues	Merchant	6.38	6.31	6.74	5.09	5.82
Vandavasi	7.5	Tamil Nadu	Casurina, eucalyptus waste, julieflora, sugarcane waste and groundnut stalks	Merchant	7.08	7.20	7.44	5.58	5.52
Pollachi	10.0	Tamil Nadu	Julieflora, coconut residue, saw mill waste	Merchant	6.56	6.29	6.47	4.5	-
Kotputli	8.0	Rajasthan	Mustard Husk	Grid 100%	No Sale	5.44	5.44	5.19	5.19
Chippabarod	8.0	Rajasthan	Mustard Husk	Grid 100%	5.00	5.01	5	4.87	4.19
Hanumangarh	10.0	Rajasthan	Mustard Husk, Cotton stalk, paddy straw and wheat straw	Merchant	3.73	4.25	4.04	2.85	-

Biomass Performance review

- Suspension of operations in one of the units and steep increase in fuel costs adversely impacted the operations
- There was temporary suspension of about one and a half months in another Rajasthan plant for moving away from power trading to merchant sale. Operations have since restarted in late Q3
- Prices in Tamil Nadu plants continued to be high which somewhat negated the adverse impact due to fuel cost increase
- REC revenues continue to flow although at lower price. Price realised at floor for the last two months. However, cash flow was impacted due to lower sales volume leading to inventory overhang of about 3 months REC accruals
- While fuel costs continued to be high in the quarter, our other initiatives like bulk sourcing of fuel, RDF and deployment of the crawler for Juliflora harvest are expected to provide results in coming quarters by way of moderation in the cost
- Initiatives towards energy plantation have progressed well and we expect first lot of fuel in Q1 FY 2014
- Finalisation of the revival of Kotputli plant expected in Q1 FY2014 and this would arrest the cash losses

Capacity Expansion – Biomass

Projects	Capacity (MW)	Estimated date of Completion
Maraikal	7.5	Q4 FY13
Narsinghpur	10.5	Q1 FY14
Kolhapur	20.0	Q1 FY14
Kishanganj	8.4	Q1 FY14
Total	**45.5**	

- Projects have been delayed primarily due to issues associated with connectivity to the grid and resistance of States in allowing units to opt for REC Mechanism
- Sale Model for new projects
  - Sales shall be by way of merchant sale except in Kishanganj which shall be to the utility
  - REC eligibility confirmed for Kolhapur plant.

Regulatory Environment

Regulatory Impact –Opportunities and Concerns

- Andhra Pradesh has notified feed in tariff and increased it to ₹4.70 per unit from ₹3.50 per unit which would lead to improved viability
- APTEL has decided in our favour the issue of excess levy of transmission charges and this would positively impact margins to the extent of about 40% of the earlier transmission charges
- Renewable Purchase Obligation has not been implemented by most States resulting in low demand for Renewable Energy Certificates
- INWEA's petition to APTEL for RPO compliance enforcement admitted – may help in triggering early implementation of RPO strictly
- While petitions seeking to exempt from RPO by some obligated entities has been rejected by Rajasthan High Court, in Maharashtra MERC has given time till Mar.'13 to meet 2011-12 obligations. In Tamil Nadu, the High Court has ordered a stay on RPO Compliance due to a host of petitions by Open Access Customers
- Gujarat utility / ERC is insisting on fixed APPC for 25 years unlike annual reset affecting PPA sign up. Matter taken up with GERC and expected to be resolved by Mar.'13
- TNEB issued orders for scheduling of Wind Power from July'13 and the Industry Bodies plan to challenge these orders as they will impact IPPs

Wind Business Outlook

- Technical issues delaying commissioning of balance 11.2 MW in Tamil Nadu and it is expected that these shall be commissioned in Q1 FY 14 only
- Regulatory and grid connectivity issues have delayed commissioning of wind capacities in Gujarat and A.P. Expect commissioning of first stage of 68.4 MW in Q4 FY 13.
- Transmission inadequacy continues to be an issue in Tamil Nadu. It is expected that grid back down will continue to impact to the tune of 10-15% for at least a couple of more years
- Levy of increased banking charges and transmission charges by TNEB had impacted margins. Action taken to partially mitigate the impact by way of pass through to customers. Also, APTEL order would have a favourable impact
- Generation Based Incentive (GBI) is being reinstated as per the recent Budget announcement. Details are awaited and this is likely to improve viability of both Andhra Pradesh and Gujarat projects
- In the process of divesting stake in Croatian entity (10.5 MW) in order to unlock value and use the resources in Indian wind projects. Expected to close the deal soon.
- Steep hike in interest rates hurting the wind business and company is continuing with its initiative at reducing interest costs through other refinancing avenues and generally to deleverage the business and same is expected to impact business positively in FY 2014

Biomass Business Outlook

- With all Tamil Nadu based plants on Third Party sale of power (32.5 Mw) and with REC eligibility significant improvement in revenues expected to continue in coming quarters
- REC trading continued to negatively impact the cash flows and likely to improve in the coming couple of months due to improved compliance efforts by regulators.
- Exploring alternate options in Kotputli, Rajasthan subsidiary where the operations have been temporarily suspended due to higher fuel costs and increasing losses, Expect to restart operations with improved viability by Q1 FY 2014
- Finalised 3rd party sale model for exiting unviable trading sale model in Hanumangarh, Rajasthan subsidiary. Realisation is higher by ₹ 0.75 per KwH
- Additional capacities planned 7.5 MW in Q4 will take the total Capacity to 67.5 MW by end of the year
- Energy plantations commenced in some of our Wind Farm lands and plans are on to extend the same in other areas also by encouraging contract farming in unused lands available in neighboring villages

Overall Business Outlook

- While short term challenges in terms of fuel cost and availability are likely to continue, revenue optimisation measures (moving out of PPA, increase in REC revenues, etc.) are further being pursued to improve margins
- New capacities being added consistently would lead to better economies of scale resulting in lower cost of generation
- There would be improvement in margins due to lower levy of transmission charges and likely refund of past levies
- Sourcing of lower cost fuel through various initiatives is expected to start yielding positive results in coming quarters
- Refinancing through low cost rupee as well as ECB loans with more staggered tenors would lead to improved cash flows
- The company expects to pursue further deleveraging measures as well as exit from non core and non performing assets in the coming quarters to improve the financial health and cash flows

Thank you