



ORIENT GREEN POWER COMPANY LIMITED

10th June 2020

The BSE Limited
Corporate Relations Department,
P.J. Towers,
Dalal Street,
Mumbai-400 001.
Scrip Code: 533263

The National Stock Exchange
of India Limited
Department of Corporate Services,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Mumbai-400 051.
Scrip Code: GREENPOWER

Dear Sirs,

Sub: Investor Presentation.

We enclosed FY20 Investor Presentation.

We request you to kindly take the same on record.

Thanking you.

**Yours faithfully,
For Orient Green Power Company Limited**

**P Srinivasan
Company Secretary & Compliance Officer**



Encl: as above

A large white wind turbine is positioned on the left side of the slide. Its blades are spread out, and the hub is visible. The CGP logo, consisting of a green leaf icon and the letters 'CGP' in green, is placed near the hub. The background features a bright blue sky with scattered white clouds and a lush green field. In the distance, three more wind turbines are visible, receding into the horizon. A large, stylized green and yellow shape, resembling a drop or a stylized 'G', is overlaid on the left side of the image, partially covering the turbine and the field.

ORIENT GREEN POWER

FY20 Earnings Presentation
& Update on Strategy

Leading Renewable Energy Generation Company

Disclaimer

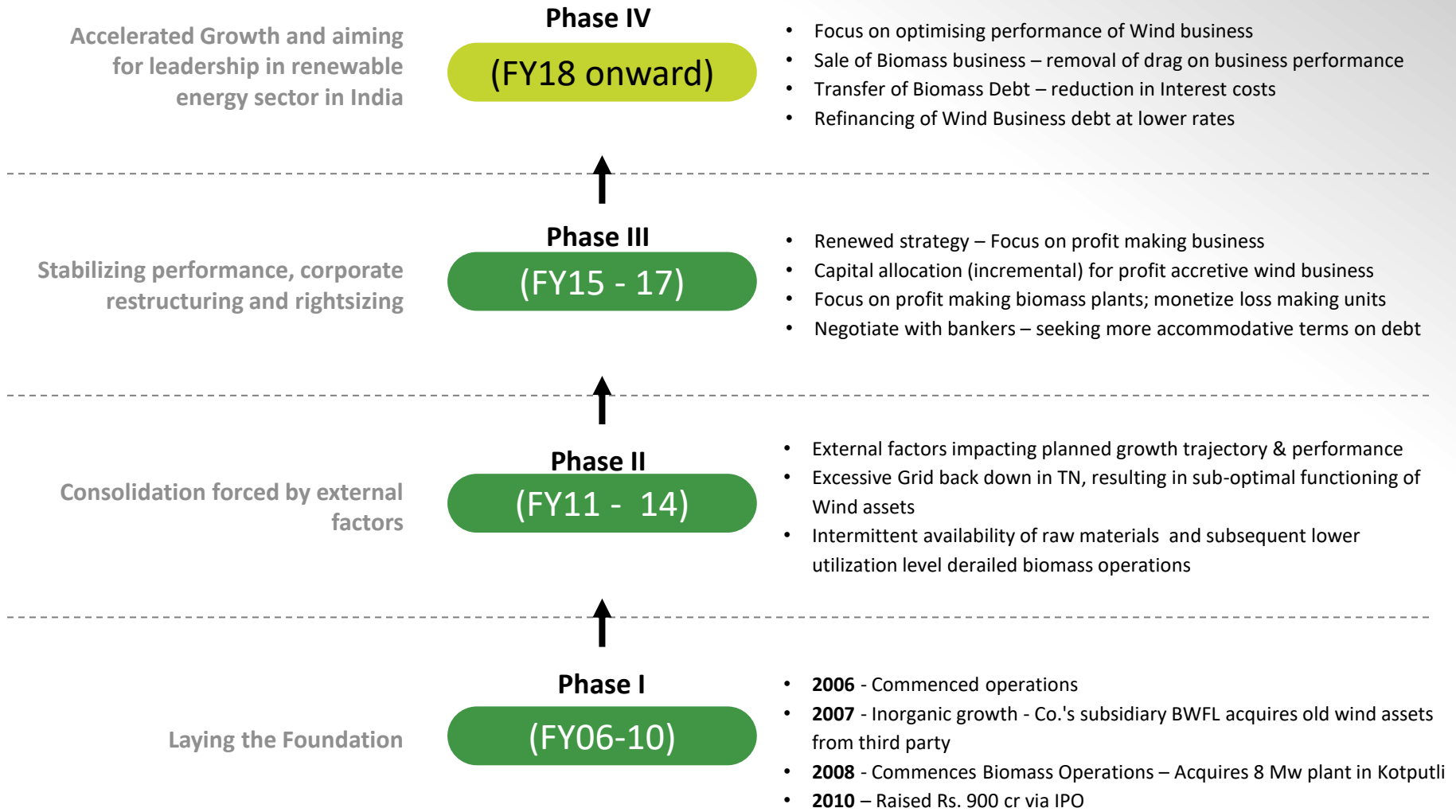
Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, fluctuations in earnings, our ability to manage growth, competitive intensity in our industry of operations including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, sufficient availability of inputs, price of inputs, setting of appropriate tariffs by regulatory bodies, our ability to successfully complete and integrate potential acquisitions, liability for damages on our contracts to supply electricity, the success of the companies in which Orient Green Power has made or shall make strategic investments, withdrawal of governmental incentives, political instability, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Orient Green Power may, from time to time, make additional written and oral forward-looking statements, including those in our reports to shareholders. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company

Transformation Strategy & Operational Progress	Key Developments: FY20	Impact of COVID-19 on Business	Financial Highlights	Operational Highlights	Outlook & Regulatory Overview	Appendix: Financial Statements
						
4	11	13	16	19	21	25



Transformation Strategy & Operational Progress

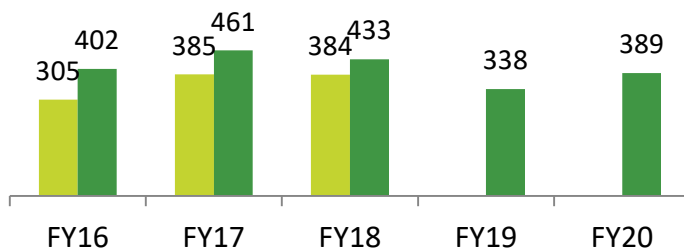
OGPL Transformation



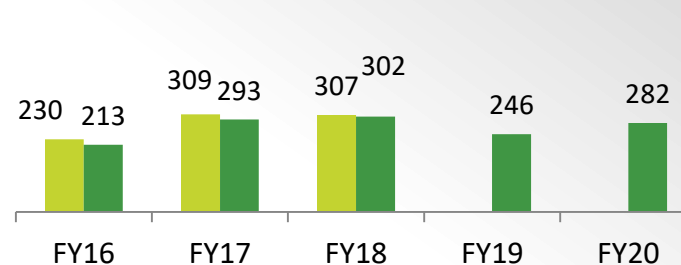
High Potential disrupted by external factors

In Rs. cr

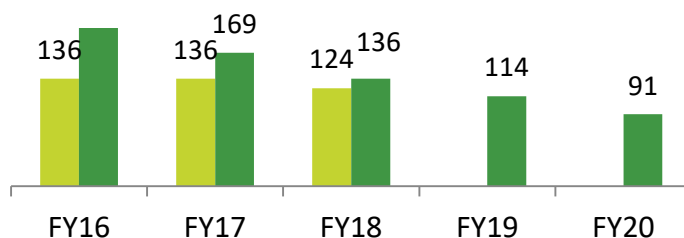
Revenues



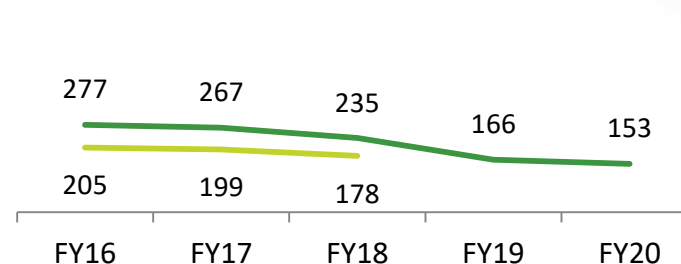
EBITDA



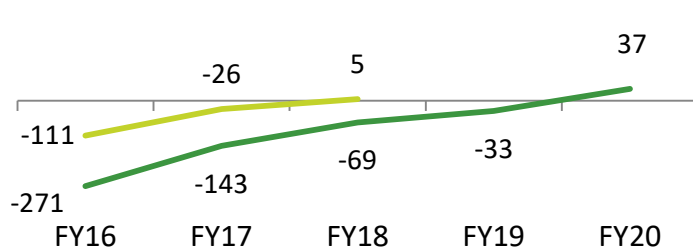
Depreciation



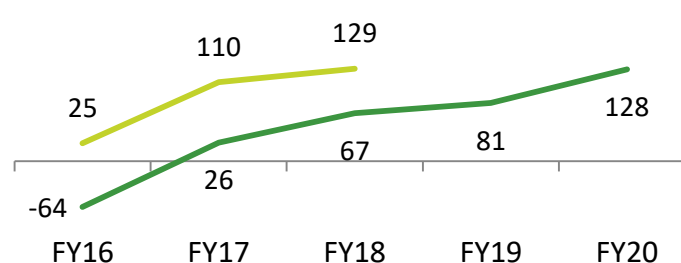
Finance Cost



Profit before Tax



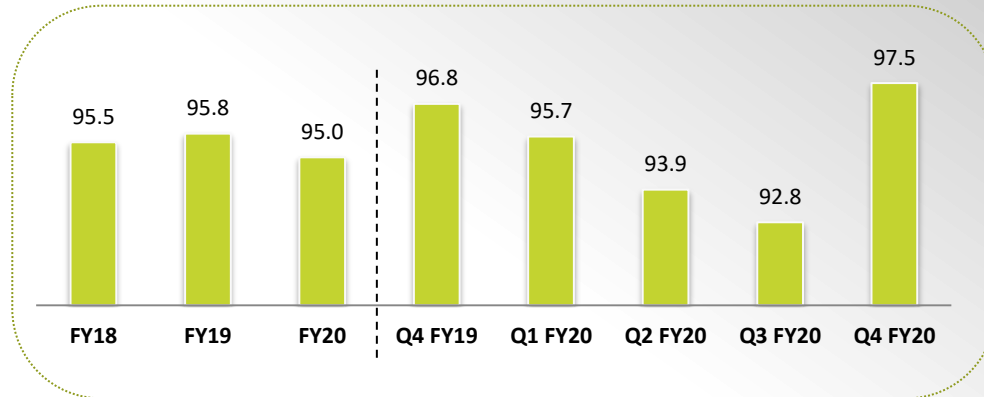
Cash Profit



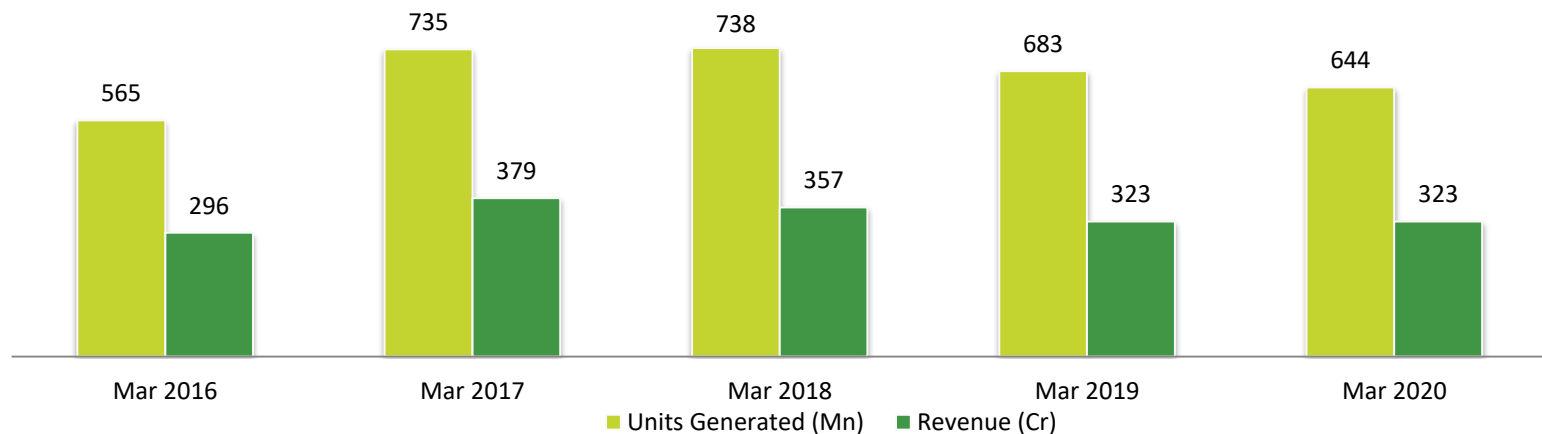
What has changed in recent times

Improvement in grid evacuation level

- Increased frequency bandwidth for renewables
- Phase-wise shutting down of thermal power plants during the wind season
- Request for expedition of 1,000 MW green energy corridor to help 100% evacuation

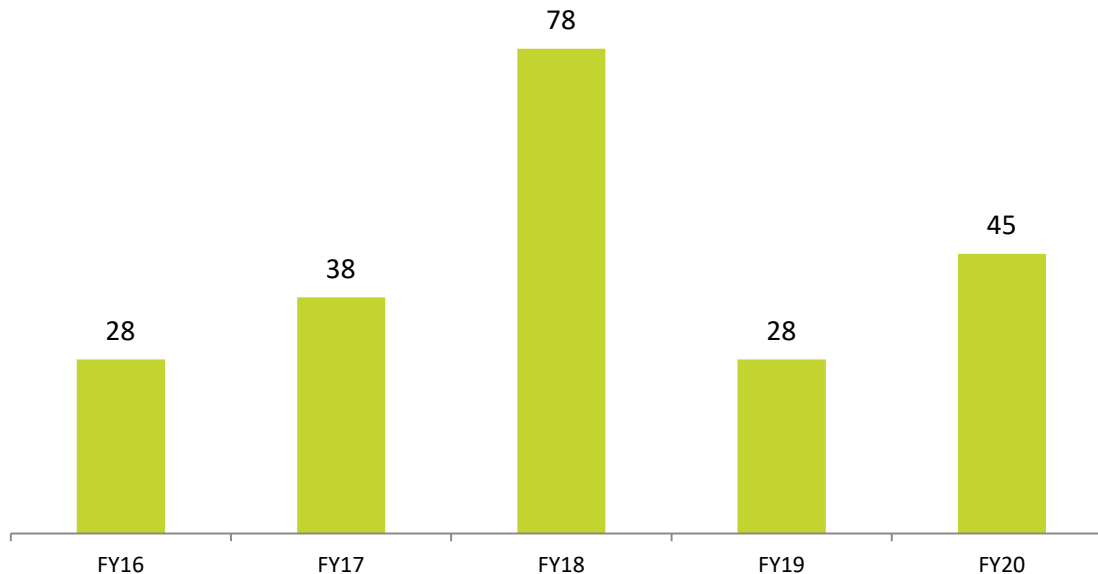


Leading to increase in wind power generation



Supported by Improvement in REC Mechanism

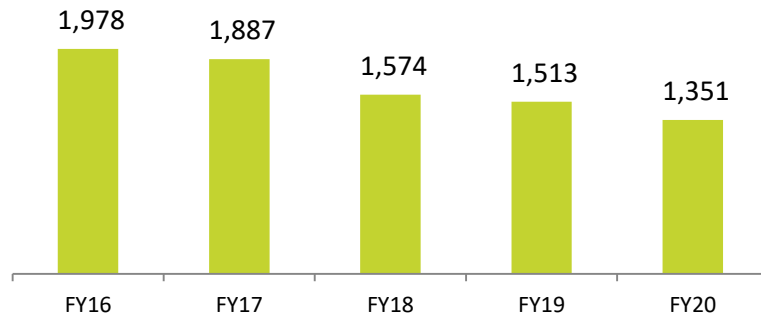
Traded REC Revenue INR Crs



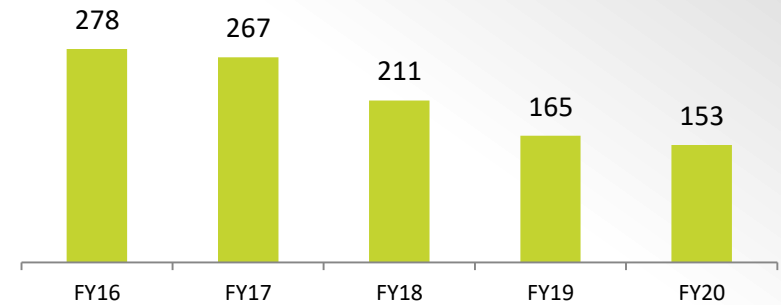
- Zero stock of issued RECs as of Mar 31, 2020.
- REC prices steadily improving over last few quarters.
- Maintaining zero stock of RECs since Apr'2018.
- The Supreme Court has granted stay in respect of retrospective change in floor price for REC's issued before 31st March 2017 pending its final judgement.
- Amount held in Escrow with CERC - Rs.21 Crore which is to be paid to OGPL upon favourable order by Hon'ble Supreme Court.

Focus on Debt Reduction

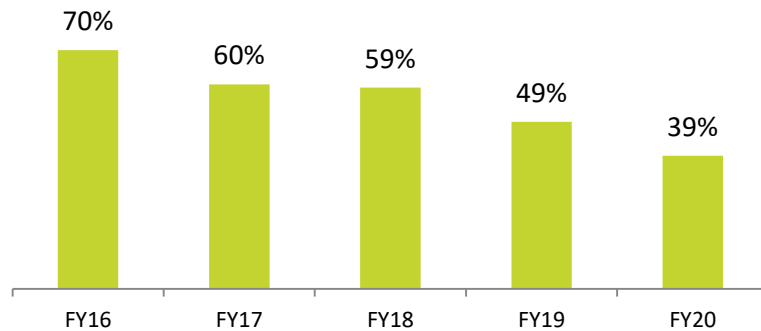
Debt (Rs. Cr)



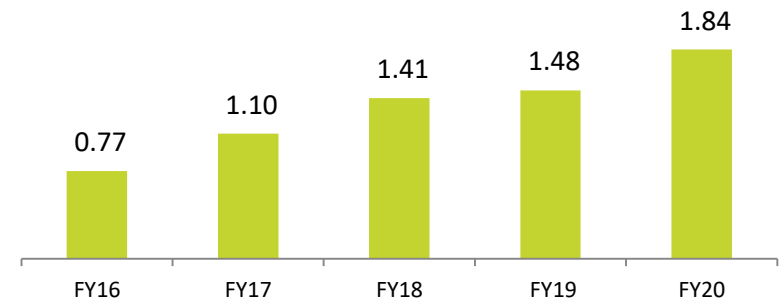
Interest Expense (Rs. Cr)



Interest / Revenue (%)



EBITDA / Interest (x)

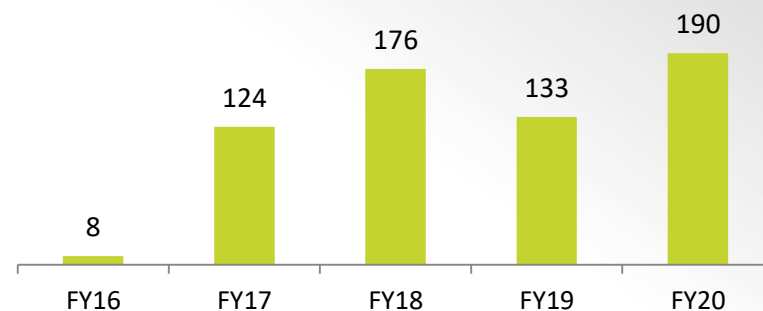


Resulting in Improved Profitability

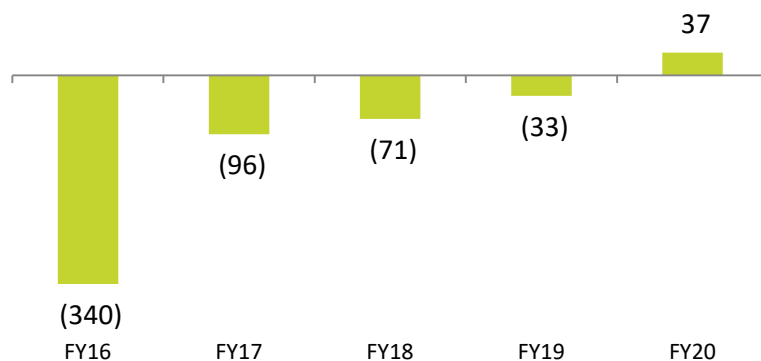
EBITDA (Rs. Cr)



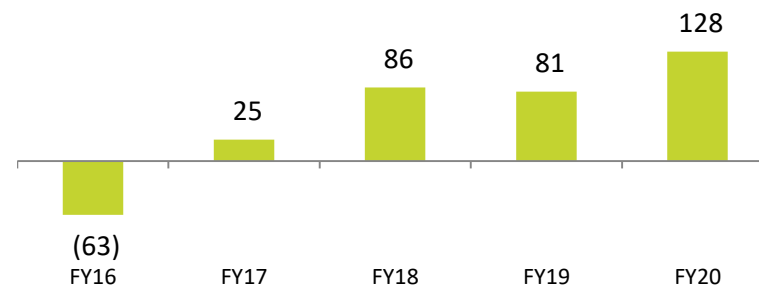
EBIT (Rs. Cr)



PAT (Rs. Cr)



Cash Profit (Rs. Cr)





Key Developments: FY20

Key Developments – FY20

Efforts towards debt rationalization remains on track – expect liquidity and cash flow improvement

- In regular discussion with bankers for lowering interest costs & improving liquidity by extending loan tenures
 - Efforts underway to refinance existing debt, expect some positive development in near future
 - Successfully lowered debt for five consecutive years – working on further improvement

Part receipt of payment from AP Government helps to slightly Improve receivables position

- AP Govt made payment of Rs. 23 crore during the year towards receivables of ~ Rs. 61 crore
- Awaiting Supreme Court judgement in the matter of retrospective reduction in REC floor by Rs. 500 per unit, receivables of Rs. 21 crore are parked in Escrow pending final judgement in the matter

REC market remains buoyant in FY20 as steady demand drives prices of certificates in excess of Rs. 2,100 mark during the fiscal

- - Demand for certificates remains strong throughout the year except in March 2020.
 - Price touched Rs. 2,100 in January 2020 – the highest level in the last 2 years
 - REC's have been consistently trading at a premium to floor price of Rs. 1,000 from Apr '18 onwards



Impact of COVID-19 on Business

COVID-19 – Update

Business impact post COVID-19 Pandemic

- As power generation comes under essential services, all our WEG's generated power without any interruption during lock down period. No impact on Generation of power.
- In TN, customers offtake is lower since Apr'20 due to lockdown. Consumption is expected to increase gradually from June / July. Off take is expected to be lower than normal level till Sep'20. Hence, there will be an increase in banking of energy during this period.
- Increase in cost (banking charges) due to higher quantum of banked energy.

Operations have continued unhindered

- Wind assets have continued to operate as per regular schedule
- OGPL Team responded well to the situation by
 - Defining and implementing Standard Operating Procedures on safety and hygiene
 - Setting up infrastructure to enable work from home
 - Creating groups to manage key functions and implement Business Continuity Plan
 - Actioning cost reduction initiatives to mitigate some of the additional costs triggered by the pandemic

REC market witnesses disruption

- - Demand for certificates which had picked up through the year declined sharply in March 2020
 - Month of March which usually experiences peak pricing for Certificates in each fiscal year was a washout with no trading taking place on either exchange resulting in NIL volume traded
 - Prices which had touched a multi-year high of Rs. 2,100 in January 2020 have once again corrected

Financial Impact

- Impact – staggered cash flows
- Additional expenses may be incur due to the COVID-19 pandemic
- Delay in collection from AP discom has impacted the working capital position.
- The Company has availed moratorium from banks for outstanding dues as per RBI directives – it has been meeting its commitments with regard to payment of interest and there is no change in its credit rating

Current Status of Operations – June 2020

- All the plants are operational with the staff strictly adhering to all of the recommendations with regard to social distancing, sanitization and hygiene protocols in conduct of operations
- Corporate Office was reopened on 18th May 2020; only 30% of staff are in attendance on rotational basis while the remaining staff is working from home due to status of Chennai as a red zone
- Engagement with all internal and external stakeholders has been uninterrupted and continuous by leveraging the various online platforms



Financial Highlights

FY20 Consolidated Financial Performance

In Rs. Mn

	FY20	FY19
Continuing Operations:		
Revenue	3,886	3,389
EBITDA	2,820	2,465
EBITDA %	73%	73%
EBIT	1,905	1,327
EBIT %	49%	39%
Profit / (Loss) before tax	370	(330)
Discontinued Operations PBT	(172)	(155)
Consolidated Profit / (Loss) before tax	198	(485)

Key Financial Highlights – FY20

Wind Business:

- Higher unit generation and efforts towards driving down cost & improving efficiencies drives the revival in FY20 performance

Partial receipt of outstanding debt

- AP Govt. cleared a part of its outstanding dues during the year – easing the liquidity position in near term
- Rs. 23 crore received against total outstanding of Rs.61 crore
- Other significant debtors pertain to REC dues escrowed pursuant to High court order on revised Certificate value amounting to RS. 21 crore (Supreme Court verdict awaited).

REC Trading: Volumes remain elevated amidst strong demand

- Trading volumes remained strong throughout the year as stringent action from regulatory authorities helped maintain demand momentum
- Certificates getting traded consistently above their floor price. Average price realization at Rs.1,643 Certificate during the current year as against Rs .1,188 Certificate during FY19.
 - January 2020 trading session witnessed price reaching Rs. 2,,100 level
- REC inventory fully liquidated and realized Rs.4,844 lakhs in FY20 as compared to Rs.2,860 lakhs garnered during the previous year.

Debt rationalization:

- Improving operational performance in recent years has resulted in reviving the liquidity & cash flow profile of the business in recent years
- In discussion with banks to lower interest rates and extend tenure on existing loans; Successfully reduced debt over the past five consecutive years



Operational Highlights

Wind Operations

Particulars	Unit of Measurement	FY20	FY19
Capacity (incl. overseas capacity)	Mw	421	425
Units Generated (Gross)	Mn	644	683
Annualized PLF	%	17	18
Average Gross Realisation (before charges and without REC)	Rs./ Unit	5.30	5.09

State	Capacity (MW)
Tamil Nadu	306
Andhra Pradesh	74
Gujarat	29
Karnataka	1
Europe	11
Total	421

Grid Availability and Generation (within India)

State	Q4 FY20				Q4 FY19			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	306.0	71.4	10.7	97.5	308.3	70.7	10.6	96.8
Andhra Pradesh	74.4	12.4	7.6	96.4	75.4	12.4	7.6	96.1
Gujarat	29.2	13.6	21.2	99.4	29.2	11.1	17.6	98.3
Total	409.6	97.4	10.8	97.4	412.9	94.2	10.6	98.0

State	FY20				FY19			
	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)	Effective installed capacity (Mw)	Generation (Million Kwh)	PLF (%)	Grid availability (%)
Tamil Nadu	306.0	468.2	17.4	95.0	308.3	472.2	17.5	95.8
Andhra Pradesh	74.4	90.7	13.9	98.2	75.4	121.9	18.5	98.0
Gujarat	29.2	63.8	25.9	99.0	29.2	64.7	25.3	98.6
Total	409.6	622.7	17.3	95.9	412.9	658.8	18.0	98.0



Outlook & Regulatory Overview

- **Structurally positive on the sector – Covid-19 pandemic poses near term challenges for the business**
 - While the long term outlook for the business remains positive – Improving operating environment; transparent & predictable policy environment & buoyancy in REC market augurs well for the business & sector in the long term
 - Covid-19 pandemic and its economic fallout in terms of softening of demand; operational & liquidity challenges to have a significant impact on the business in near term
 - Andhra Pradesh High Court's directive - ordering Discoms to clear their past dues & removal of tariff cap for Wind power projects should help revive investment sentiments

- **Debt rationalization efforts to ease liquidity & cash flow position**
 - Discussions with bankers for lowering interest rate and extending loan maturities progressing well
 - Successfully repaid debt over last 5 years on the back of steady operational performance and scheduled debt repayment
 - Further reduction in Interest rates to aid overall liquidity and cash flow position of the business

Renewable Energy Certificates

- Buoyancy in REC trading continued to remain elevated in FY20 on the back of strong demand
 - Strong demand on the back of stringent regulatory actions resulted in higher trading and improved yield.
 - Rising demand pushes certificate prices to Rs. 2,100 in January 2020 – a new high price achieved after several years
 - Average price realization at Rs. 1,643 Certificate during FY20 as against Rs.1,188 Certificate during the previous year.
- Stricter enforcement by regulatory agencies, ensured consistent demand for the certificates
- OGPL sold 2,94,883 RECs in FY20 resulting in realization of Rs. 4,884 lakhs. OGPL's share in trading on the exchange represented 4.46% of trading volumes during FY20.
- This is the ninth consecutive quarter in which there has been no inventory carried forward.

Regulatory & Market Developments

■ **Karnataka extends Renewable Purchase Obligation timeline for Obligated Entities**

- Karnataka Electricity Regulatory Commission gave an extension to the obligated entities under the Renewable Purchase Obligation (RPO) mechanism to fulfil their obligations. The relaxation of three months offered to the obligated entities was announced keeping in view the current situation due to the country-wide lock down.
- Failure to compliance by the Obligated Entity, would result in purchase of RECs to the extent of 110% of quantum shortfall as per the regulations by 30th September 2020.

■ **CERC notifies Sharing of Inter-State Transmission Charges and Losses Regulations, 2020**

- The Central Electricity Regulatory Commission (CERC) has recently notified the new regulations for the Sharing of Inter-State Transmission Charges and Losses 2020. The regulations will be applicable to all Designated ISTS Customers (DICs), Inter-State Transmission Licensees, National Load Despatch Centre (NLDC), Regional Load Despatch Centres (RLDCs), State Load Despatch Centres (SLDCs) and Regional Power Committees (RPCs).
- The latest regulation talks about the sharing of transmission charges between the Designated ISTS Customers (DICs) for transferring or trading power in Short-term, Medium-term or Long-term. The regulations also specify the components included in each tariff.



Appendix: Financial Statements

Financial Performance – FY20 (Consolidated – IND-AS)

Rs. Million

Particulars	FY20	FY19
Continuing Operations		
Sale of Power	2,721	2,858
Operating Income	510	374
Fixed charges reimbursement	458	-
Fair value gain on modification of loan	-	319
Total Income	3,689	3,551
Total Operating Expenditure	1066	918
Operational EBITDA	2,623	2,633
EBITDA (%)	71%	74%
Other Income	197	150
Total EBITDA	2,820	2,783
Depreciation	915	1,137
EBIT	1,905	1,646
Finance Charges	1,535	1,928
Loss on de-recognition of hedging instrument	-	49
Profit / (Loss) from continuing operations before tax	370	(330)
Profit / (Loss) from continuing operations after tax	370	(332)
Profit / (Loss) from discontinued operations after tax	(172)	(155)
Profit / (Loss) for the year	198	(486)
Total Comprehensive Income/(Loss) for the year	206	(496)

Thank You

For further information please contact

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