

Orient Green Power Company Ltd

Well placed for growth

Orient Green Power Ltd (OGPL), is a subsidiary of engineering firm Shriram EPC Ltd. is one of the leading independent renewable energy-based power generation company in India. The company has a portfolio of about 213.03MW, which comprised 172.53 MW of wind energy projects and 40.5 MW of biomass projects as of July 31, 2010. Shriram EPC holds 35.8% stake in Orient Green Power. The remaining stake in the company is held by two private equity firms - Bessemer Venture Partners and Olympus Capital.

Objects of the Issue: The objects of the issue include: a) financing the construction and development of four biomass projects being undertaken by the company, b) funding its subsidiaries, Orient Green Power Company (Rajasthan) Ltd (OGP Rajasthan) for undertaking 8 MW biomass power project in Kishanganj, Rajasthan (BM – 08 –Kishanganj) and Beta Wind Farms Private Limited (BWFPL) for undertaking 300 MW wind project in Tamil Nadu, c) funding its Subsidiaries BWFPL, PSR Green Power Projects Private Limited and Shriram Non-Conventional Energy Limited for repayment of existing debt availed from Indusind Bank, and prepayment of existing debt availed from Yes Bank, and d) general corporate purposes.

Strengths: OGPL is a leading renewable energy-based power generation company. As of March, 2010, the company had about 8.7% market share of total installed capacity of wind-based power generation by independent power producers in India and 7.1% market share of total installed capacity of non bagasse-based biomass-based power generation in India. The company has secured debt financing for its development projects.

The following table summarizes the gross and attributable capacities of OGPL portfolio of renewable energy projects as of July 31, 2010.

Table 1

	Operating (MW)	Committ ed (MW)	Developm ent (MW)	Total Gross Capacity (MW)	Total Attributable Capacity (MW)
Wind	172.53	405	238	815.53	798.63
Biomass	40.5	73.5	105	219	207
Mini-Hydro	-	-	15	15	7.7
Total Gross Capacity	213.03	478.5	358	1049.53	-
Total Attributable Capacity	209.7	464.4	334.7	-	1013.3

Note: Attributable capacity for committed and development projects is based on company's expected shareholding pursuant to contractual agreements.

PRICE BAND

Rs 47-55

RATING

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IPO Factsheet

Issue opens	Sept. 21, 2010
Issue closes	Sept. 24, 2010
Price band (Rs)	47-55
Issue size (Rs mn)	9000
Face Value	Rs 10
Lot Size	125

*Considering the upper price band

Issue details

	Particulars	No of shares
Total issue size		163,636,364
QIB portion		81,818,182
HNI portion		24,545,455
Retail Portion		57,272,727



Business Strategy

The company plans to enhance its position as a leading independent renewable energy producer in India and to expand to select international markets by:

- **Strengthening and expanding current operation:** OGPL plans to strengthen and expand its business and market share principally through successfully bringing its existing portfolio of biomass and wind energy projects into operation. The company expects to increase its aggregate installed capacity by 132.5 MW, 477 MW and 227.5 MW in the fiscal years ending March 31, 2011, 2012 and 2013, respectively.
- **Enhancing the diversified portfolio of renewable energy-based power projects:** The company aims to create a diversified portfolio of renewable energy assets with a focus on achieving attractive returns from power and CER sales. Currently it is developing a 15 MW small hydroelectric power project in Orissa, which is expected to be completed and commissioned in the third quarter of FY2012.
- **Seeking new opportunities in international markets:** OGPL believes that there is significant market potential for the development of renewable energy projects in certain international markets where it can obtain attractive rates of return, including by capitalizing on regulatory incentives that improve tariff yield and tax benefits.

Industry Overview

Renewable Power in India

Renewable energy-based power capacities have registered the highest pace of growth in the overall capacity additions in India compared with non renewable sources, increasing their share of total power capacity from 2.0% in FY2003 to around 10.0% in 2010. Nonetheless, contribution from renewable energy sources towards overall generation has been low at around 5.6% due to low plant load factors of renewable capacities. (Source: CRISIL Report)

The chart below sets forth growth in renewable energy based installed capacity as at the dates indicated:

Table 2

Renewable Energy Source	2002-2003	2006-2007	2009-2010	CAGR
Wind power (MW)	1507	6270	10891	32.7
Small hydro power (MW)	1406	1905	2520	8.7
Biomass (MW)	394	1102	2125	27.2
Solar Power (MW)	1.2	2.7	6	26.3
Total (MW)	3308.2	9279.7	15542	25
Renewable power capacities as % of total generation capacities	1.5	5.9	10	
Renewable power as % of total generation	1.4	2.3	5.6	

Source: CRISIL Report, MNRE, Planning Commission, EIA



Untapped Potential

India has a potential of 48,561 MW of installed capacity of wind power, 14,305 MW for small hydropower and 24,581 MW of biomass. Based on these figures, as of 2009 India had realized about 22.4% of its wind power potential, 17.6% of its small hydropower potential and 8.6% of its biomass power potential.

The chart below illustrates renewable energy based power capacity and potential as at October 31, 2009:

Source	Actual (MW)	Potential (MW)	% Achievement
Wind Power	10891	48561	22.4
Mini-hydro	2519.9	14305	17.6
Biomass	2124.9	24581	8.6
Cogeneration-bagasse	1241	5000	24.8
Agro-residue based	816.5	16881	4.8
Waste to energy	67.4	2700	2.5
Solar Power	6	Not Available	Not Meaningful
Total	15541.8	87447	17.8

Source: CRISIL Report; MNRE; Planning Commission, Report of the Working Group on New and Renewable Energy for the Eleventh Fifth Year Plan (2007-2012), December 2006; National Solar Mission



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