Orient Green Power Company Ltd — FY 2026 Annual Report Analysis

Annual Report Analysis (Consolidated)

Source: CRORES. All figures   Crores. Pipeline: v5-Gemini — W1a → W3 → W1b+W2+W2F (parallel, notes-injected) → Merge.

Investor Snapshot

#	Analytical Point	Sentiment
1	**Orient Green Power operates as a weather-leveraged renewable energy player currently transitioning from an aging wind fleet to a diversified solar-hybrid model.**	□
2	**Consolidated revenue grew 11.2% YoY to □293 Cr, while PAT surged 67% to □72 Cr, though earnings were significantly bolstered by a one-time interest refund.**	□
3	**Operating profit growth of 8.28% was notably outpaced by a 20% hike in KMP remuneration, signaling a potential misalignment between executive pay and operational performance.**	□
4	***Consolidated PAT of 72 Cr masks poor earnings quality at the Parent level, which remains operationally unviable with a standalone cash loss of 6.78 Cr.***	□
5	**Aggressive deleveraging has successfully reduced total debt from □552 Cr to □524 Cr, bringing the Debt/Equity ratio down to a healthy 0.45x.**	□
6	**The company generated a robust consolidated Cash Flow from Operations (CFO) of □195 Cr, providing a strong 2.71x coverage of reported PAT.**	□
7	***A significant "cash trap" exists as 79.91% of profits are generated within the Beta Wind Farm subsidiary, which is legally barred from upstreaming dividends to the Parent.***	□
8	**Capital allocation is focused on a □193 Cr capex cycle, including a 7 MW solar commissioning, yet execution velocity is lagging with □71.35 Cr in rights issue proceeds sitting idle in FDs.**	□
9	***Governance concerns persist due to complex "pass-through" funding mechanisms involving promoters and the pledging of 100% of equity in key subsidiaries to lenders and promoters.***	□
10	***Operational risks are elevated by a high concentration on aging wind assets and aggressive depreciation policies (22–27 years) that sit at the upper bound of industry standards.***	□
11	**The outlook depends entirely on the solar pivot and the repowering of 50 MW+ of wind assets to improve ROCE and reduce weather dependency.**	□
12	**Investment Stance: WATCH; monitor the deployment of idle cash and the lifting of restrictive covenants at the subsidiary level to unlock Parent-level liquidity.**	□

1. BUSINESS OVERVIEW (In Bullet Points)

- **Business Segments:** Primary focus on renewable energy generation, specifically wind power (legacy) and a strategic pivot into solar energy and wind asset repowering.
- **Revenue Drivers:** Power generation volumes driven by wind patterns and solar irradiation; revenue is recognized based on joint meter readings with State Electricity Boards (SEBs).
- **Cost Drivers:** High maintenance costs for aging wind turbines, sub-contracting expenses (□22.17 Cr), and finance costs (□57.00 Cr) related to heavy debt loads.

- **Industry Position:** Transitioning from a distressed wind energy player to a "growth hybrid" model; among the first to utilize Tamil Nadu's new repowering policy.
- **Expansion Plans:** Commissioned first 7 MW solar plant in Dec 2025; pipeline includes an additional 17.6 MW of solar (Delta project) and 9.90 MW of wind repowering (Gamma project).
- **Acquisitions & Capacity Additions:** Significant capital commitments of over ₹230 Cr for EPC contracts at Delta, Gamma, and Clarion sites to modernize and expand the fleet.
- **Segment Performance:** High concentration in subsidiaries; **Beta Wind Farm** and **Clarion Wind Farm** contribute the bulk of profits, while the Parent company remains a net loss contributor (₹24.48 Cr loss).
- **Geographical Presence:** Operations primarily concentrated in India, with a focus on wind-rich states like Tamil Nadu; corporate structure includes Orient Green Power Europe (Holding).

2. MANAGEMENT COMMENTARY & OUTLOOK

- Management characterizes FY26 as a "landmark year" and a "milestone" following the stabilization of the balance sheet via the ₹250 Cr rights issue.
- Strategy has shifted from "Debt Survival" to "Capex Deployment," focusing on the "Delta Solar" thesis and repowering aging wind assets.
- The company is aggressively pursuing the Government of Tamil Nadu's new repowering policy, starting with 7.8 MW of old capacity to improve generation efficiency.
- Management successfully extracted a one-time refund of excess interest from lenders, which significantly boosted the current year's PAT.
- There is an "in-principle" approval to merge Bharath Wind Farm and Orient Green Power Europe into the parent to reduce administrative leakage and simplify the corporate structure.
- Management highlights the constitution of "Those Charged With Governance" (TCWG) to coordinate with auditors, likely a defensive posture against numerous Key Audit Matters.
- The demand environment remains robust, supported by India's 500 GW non-fossil goal and 6% national power demand growth.
- Long-term vision involves diversifying the revenue base away from the 77% concentration in Beta Wind Farm through solar expansion.
- Management Tone: The narrative is opportunistically optimistic, leaning heavily on favorable weather patterns and deleveraging milestones. However, there is a subtle admission of vulnerability regarding weather-dependent cash flows and execution delays in solar projects. The tone suggests a management team that is relieved to have survived insolvency but is now under pressure to prove execution velocity (LAST BULLET POINT).

3. FINANCIAL ANALYSIS

3.1 Financial Statements

Source: Screener.in — all monetary values in Crores. Use these numbers directly.

P&L Statement (□Crores)

Line Item	Mar 2026	Mar 2025
Sales -	293.00	263.00
Sales Growth %	11.20	-2.78
Expenses -	110.00	94.00
Manufacturing Cost %	0.00	20.75
Employee Cost %	5.90	6.08
Other Cost %	31.69	8.87
Operating Profit	183.00	169.00
OPM %	62.00	64.00
Other Income -	33.00	30.00
Exceptional items	10.05	10.35
Other income normal	22.62	19.32
Interest	57.00	72.00
Depreciation	86.00	84.00
Profit before tax	72.00	43.00
Tax %	1.00	3.00
Net Profit -	72.00	42.00
Minority share	-2.00	-3.00
Exceptional items AT	10.00	3.00
Profit excl Excep	62.00	39.00
Profit for PE	60.00	36.00
Profit for EPS	69.00	39.00
Profit Growth %	67.00	23.00
EPS in Rs	0.59	0.33
Dividend Payout %	0.00	0.00

Balance Sheet (₹Crores)

Line Item	Mar 2026	Mar 2025
Equity Capital	1,173.00	1,173.00
Reserves	-21.00	-98.00
Borrowings -	524.00	552.00
Long term Borrowings	412.00	433.00
Short term Borrowings	92.00	102.00
Lease Liabilities	21.00	17.00
Other Borrowings	0.00	0.00
Other Liabilities -	55.00	34.00
Non controlling int	2.36	-3.60
Trade Payables	10.06	7.81
Advance from Customers	0.00	0.12
Other liability items	43.02	29.83
Total Liabilities	1,732.00	1,662.00
Fixed Assets -	1,365.00	1,331.00
Land	0.00	230.06
Building	0.00	5.12
Plant Machinery	0.00	2,069.47
Equipments	0.00	0.36
Computers	0.00	0.65
Furniture n fittings	0.00	0.32
Vehicles	0.00	0.94
Intangible Assets	12.88	23.01
Other fixed assets	0.00	0.34
Gross Block	0.00	2,330.27
Accumulated Depreciation	0.00	998.87
CWIP	79.00	10.00
Investments	2.00	14.00
Other Assets -	285.00	307.00
Inventories	7.00	6.00
Trade receivables -	81.00	81.00
Receivables over 6m	0.00	45.43
Receivables under 6m	0.00	47.29
Prov for Doubtful	0.00	-12.15
Cash Equivalents	126.00	171.00
Loans n Advances	7.00	-4.00
Other asset items	64.00	53.00

Line Item	Mar 2026	Mar 2025
Total Assets	1,732.00	1,662.00

Cash Flow Statement (₹ Crores)

Line Item	Mar 2026	Mar 2025
Cash from Operating Activity -	195.00	169.00
Profit from operations	195.00	182.00
Receivables	-11.00	-2.00
Inventory	-1.00	-2.00
Payables	2.00	2.00
Loans Advances	0.00	0.00
Leased assets	0.00	0.00
Other WC items	9.00	-10.00
Working capital changes	0.00	-13.00
Direct taxes	0.00	-1.00
Cash from Investing Activity -	-97.00	-153.00
Fixed assets purchased	-193.00	-10.00
Fixed assets sold	0.00	1.00
Capital WIP	0.00	0.00
Investments purchased	0.00	-14.00
Investments sold	12.00	0.00
Interest received	17.00	8.00
Redemp n Canc of Shares	0.00	0.00
Other investing items	67.00	-138.00
Cash from Financing Activity -	-64.00	-56.00
Proceeds from shares	0.00	250.00
Proceeds from borrowings	75.00	0.00
Repayment of borrowings	-103.00	-209.00
Interest paid fin	-46.00	-69.00
Financial liabilities	-1.00	0.00
Application money refund	0.00	0.00
Other financing items	10.00	-27.00
Net Cash Flow	34.00	-40.00
Free Cash Flow	2.00	160.00
CFO/OP	107.00	100.00

Key Ratios (₹Crores)

Line Item	Mar 2026	Mar 2025
Debtor Days	101.00	112.00
Inventory Days	0.00	0.00
Days Payable	0.00	0.00
Cash Conversion Cycle	101.00	112.00
Working Capital Days	7.00	11.00
ROCE %	7.00	7.00

3.2 Financial Analysis Summary

- **Revenue** grew by **11.20%** to **₹293.00 Cr**, primarily driven by power generation in subsidiaries **Beta Wind Farm** (₹57.19 Cr profit contribution) and **Clarion Wind Farm** (₹33.81 Cr), while the Parent company remains a drag with a **Net Loss** contribution of **₹24.48 Cr**.
- **Operating Profit** increased to **₹183.00 Cr**, but **OPM %** contracted slightly to **62.00%** from **64.00%** due to a surge in **Other Cost %** to **31.69%**, which includes **₹2.91 Cr** in **Rights Issue Expenses** and **₹22.17 Cr** in sub-contracting costs for windmill upkeep.
- **Net Profit** surged **67%** to **₹72.00 Cr**, significantly aided by a reduction in **Finance Cost** to **₹57.00 Cr** (from **₹72.00 Cr**) and the prudent non-recognition of **₹53.01 Cr** in finance income from **Beta Wind Farm** to avoid inflating earnings with non-cashable subsidiary dividends.
- **Total Debt** (**Borrowings**) reduced to **₹524.00 Cr** from **₹552.00 Cr**, improving the **Debt / Equity** ratio to **0.45** and **Interest Coverage** to **2.26**, although **100%** of equity in key subsidiaries remains pledged to promoters and IREDA.
- **CFO** of **₹195.00 Cr** remains robust, representing **2.71x PAT**, yet **Free Cash Flow** plummeted to **₹2.00 Cr** from **₹160.00 Cr** as the company deployed **₹193.00 Cr** into **Capex** for solar and wind projects.
- **Fixed Assets** and **CWIP** rose to a combined **₹1,444.00 Cr**, reflecting significant capital commitments of over **₹230 Cr** for EPC contracts at Delta, Gamma, and Clarion sites, funded partly by the **₹250 Cr** rights issue.
- **Working Capital** efficiency improved with **Debtor Days** falling to **101 days**, though **Trade Receivables** remained stagnant at **₹81.00 Cr**, and the company holds **₹71.35 Cr** in unspent rights issue proceeds in fixed deposits and current accounts.
- **ROCE** remained flat at **7.00%**, while **ROE** improved to **6.25%** due to higher **PAT Margin**, though returns are constrained by restrictive bank covenants at **Beta Wind Farm** that prevent the upstreaming of cash to the Parent.
- **Other Assets** include **₹52.94 Cr** in earmarked fixed deposits and contract assets (unbilled revenue), while **Other Liabilities** include **₹16.87 Cr** payable to promoter **SVL Limited** and statutory dues under dispute, highlighting a continued reliance on related party funding and regulatory risks.
- **Other Expenses** are dominated by **₹22.17 Cr** in sub-contracting costs and maintenance payments to Tudic Elecktro Centar, indicating that while the company owns the assets, it relies heavily on third-party/related-party expertise for operational upkeep.
- The dominant financial theme of the year is a high-intensity reinvestment phase where the company is utilizing strong subsidiary-level **CFO** and rights issue proceeds to fund a **₹193.00 Cr Capex** program while navigating restrictive covenants that trap operational cash flow at the subsidiary level.

3.3 Contingent Liabilities & Commitments

- **Capital Commitments:** The Group has entered into significant turnkey EPC contracts for capacity expansion and repowering. Total commitments exceed **₹230 Cr**, including **₹99.42 Cr** for the 17.6 MW Delta Solar project, **₹85.05 Cr** for the 9.90 MW Gamma Wind project, and **₹46.33 Cr** across various Clarion Wind contracts.
- **Tax Disputes:** Pending disputes regarding Income Tax (AY 2020-21) currently at the ITAT level.
- **Other Litigations:** Disputes regarding ESI contributions for contractual payments pending at the Labour Court.
- **Guarantees/Pledges: 100%** of equity in Bharath Wind Farm and Orient Green Power Europe, and **72.5%** of Gamma Green Power are pledged to promoters (SVL) and IREDA.

3.9 Earnings Quality & Forensic Checks

#	Check	Impact	Status	Evidence	Notes Detail
1	PAT vs CFO trend	Profit ↓ — earnings overstate cash; restricted subsidiary profits prevent holding company from accessing liquidity.	□	PAT □72 Cr vs CFO □195 Cr; Parent cash loss □6.78 Cr.	Note 6.3: Beta Wind Farm restricted by covenants from declaring dividends despite high profit contribution.
2	Receivables & channel-stuffing signal	Revenue ↑↓ — stable receivables; □11 Cr receivable increase vs □30 Cr sales growth suggests healthy collection.	□	Receivables □81 Cr (FY26) vs □81 Cr (FY25); Sales □293 Cr.	Debtor days improved from 112 to 101; Board confirmed current assets not valued above recoverable amount.
3	Revenue timing (unbilled / contract assets)	Revenue ↑↓ — unbilled revenue risk; contract assets represent power exported but not yet invoiced.	□	Contract assets included in Other Assets (□285 Cr total).	Note 3.10: Revenue recognized on joint meter readings; unbilled revenue requires monitoring for SEB payment delays.
4	Revenue from related parties %	Neutral — operational independence; revenue primarily from State Electricity Boards rather than related entities.	□	Sales □293 Cr; RPT notes focus on funding/loans.	Revenue recognition policy (Note 3.10) confirms SEB-linked billing based on power export units.
5	Inventory vs revenue growth	Profit ↑ — minimal inventory impact; power sector model carries negligible inventory relative to sales.	□	Inventory □7 Cr (FY26) vs □6 Cr (FY25); Sales □293 Cr.	Inventory consists primarily of maintenance spares and consumables for wind turbine generators.
6	Inventory valuation method change	Neutral — no policy change; consistent valuation of spares at lower of cost or NRV.	□	No change reported in accounting policies.	Note 3.11: Spares and consumables valued at cost using weighted average method.
7	Exceptional items in operating profit	Profit ↑ — non-recurring gains; □10.05 Cr exceptional items represent 14% of PBT.	□	Exceptional items □10.05 Cr (FY26) vs □10.35 Cr (FY25).	Note 53.2: Includes adjustments related to rights issue expenses and potentially non-operational settlements.
8	Depreciation rate vs useful life policy	Profit ↑ — aggressive life assumptions; 22-27 year life for wind generators reduces annual charge.	□	Depreciation □86 Cr; Fixed Assets □1,365 Cr.	Note 3.7: Useful life at high end of industry standard; technological obsolescence risks future impairment.
9	Provision reversals boosting PAT	Profit ↑ — conservative non-accrual; non-recognition of □53.01 Cr finance income prevents artificial PAT inflation.	□	Finance income of □53.01 Cr not recognized in P&L.	Note 6.3: Prudent non-recognition due to uncertainty of dividend declaration from Beta Wind Farm.
10	Tax rate consistency	Profit ↑ — low tax leakage; 1% effective tax rate due to unabsorbed losses.	□	Tax % at 1.00; Direct taxes paid □0 Cr in CFO.	Auditor's Report: Pending income tax disputes for AY 2020-21 at ITAT level.
11	CWIP age and stalling projects	Neutral — active expansion; □79 Cr CWIP reflects ongoing solar and wind capacity additions.	□	CWIP □79 Cr (FY26) vs □10 Cr (FY25).	Note 53.2: Significant capital commitments (□230 Cr+) for Delta (Solar) and Gamma/ Clarion (Wind) projects.
12	Deferred tax asset recognition adequacy	Profit ↑ — unrecognized tax shields; significant unabsorbed	□	Reserves at -□21 Cr; Net Profit □72 Cr.	Management maintains high reliance on long-term terminal

#	Check	Impact	Status	Evidence	Notes Detail
		losses not fully recognized as DTAs.			value assumptions for impairment testing (Note 6.1).
13	RPT quantum and trend	Profit ↑↓ — forensic risk; pass-through funding mechanism through promoters complicates the audit trail.	□	□13.06 Cr net borrowings from SVL; □16.87 Cr other liabilities.	Note 58: Disclosed intermediary funding where SVL/Janati funds move through subsidiaries to ultimate beneficiaries.
14	Dividend paid vs FCF adequacy	Neutral — cash conservation; zero dividends paid as FCF is diverted to debt and capex.	□	Dividend Payout 0%; FCF □2 Cr (FY26) vs □160 Cr (FY25).	Note 6.3: Restrictive bank covenants at subsidiary level legally prohibit dividend distribution to Parent.
15	Auditor KAM: Impairment Subjectivity	Profit ↑ — valuation risk; reliance on NPV models for □744.74 Cr investments and □535.95 Cr loans.	□	Investments □744.74 Cr; Loans □535.95 Cr.	Auditor flagged high subjectivity in cash flow projections and long gestation periods for wind projects.
16	Intermediary Funding (Pass-through)	Neutral — transparency risk; funds moved from SVL/Janati through subsidiaries to step-down units.	□	Note 58 disclosure of specific pass-through dates (e.g., 29-05-2025).	Complicates audit trail and suggests potential fund diversion or centralized treasury for promoter group.
17	Parent Company Cash Losses	Profit ↓ — operational stress; Parent company cannot cover its own costs without subsidiary support.	□	Parent cash loss □6.78 Cr in FY26 and □20.21 Cr in FY25.	Signals continued operational stress at the holding company level despite consolidated profits.

4. MANAGEMENT & GOVERNANCE

A. Auditor Report & Key Audit Matters

- **Audit Opinion:** Unqualified.
- **KAM - Impairment of Investments and Loans:** The auditor flagged the valuation of investments (□744.74 Cr) and loans (□535.95 Cr) to subsidiaries. The risk is high due to the subjectivity of cash flow projections and the long gestation periods of wind projects. Management relies on NPV models and Chartered Engineers' reports to justify "no-impairment" (p.183).
- **Emphasis of Matter - Non-recognition of Finance Income:** The company did not recognize □53.01 Cr of finance income from Beta Wind Farm this year (cumulative □514.21 Cr) due to restrictive bank covenants. This represents a significant "hidden" asset that remains non-performing (p.183).
- **Emphasis of Matter - Cash Losses:** The auditor noted that the Parent company incurred cash losses of □6.78 Cr in FY26 and □20.21 Cr in FY25, signaling continued operational stress at the holding company level (p.188).
- **Auditor Fees:** Total fees: □0.32 Cr. M/s. G.D. Apte & Co. re-appointed in 2022 for a second 5-year term.

B. Related Party Transactions

Party	Relationship	Nature	Amount (□Cr)	Concern
SVL Limited	Promoter Group	Net Borrowings Received	13.06 Cr	***High***
Janati Bio Power	Promoter	Net Borrowings Repaid	11.51 Cr	***High***
SVL Limited	Promoter Group	Other Payables	16.87 Cr	***High***
Beta Wind Farm	Subsidiary	O&M Services	22.62 Cr	Neutral
KMP	Management	Remuneration	2.12 Cr	Neutral

RPT Risk Checks: * **% of Revenue:** 12.17% (Total RPT □35.68 Cr / Revenue □293.00 Cr) → □Above 10% threshold. * **% of CFO:** 18.30% (Total RPT □35.68 Cr / CFO □195.00 Cr) → □Significant cash movement. * **Intermediary Funding (Note 58):** The Group disclosed pass-through funding where funds moved from SVL/ Janati to subsidiaries (e.g., SVL to Bharath Wind to Clarion). This complicates the audit trail and suggests potential fund diversion.

C. Shareholding

Shareholding Pattern	Mar 2026	Mar 2025
Promoters	24.38%	24.38%
FIIs	0.79%	0.81%
DIIs	1.35%	1.35%
Public	66.07%	73.46%
* **Promoter Pledge:** 100% of equity in key subsidiaries (Bharath Wind, OGPL Europe) is pledged to promoters (SVL) and IREDA.		

D. Board Composition + KMP Compensation

- **Total Directors:** 6 | **Independent %:** 66.67% | **Women Directors:** 2.
- **KMP Compensation:**
  - **T Shivaraman (MD & CEO):** □1.20 Cr (FY26) vs □1.00 Cr (FY25) **YoY Growth: 20%**.
  - **J Kotteswari (CFO):** □0.25 Cr (FY26) vs □0.21 Cr (FY25) **YoY Growth: 20%**.
- **Analysis:** Total KMP remuneration growth (20%) significantly exceeds the Operating Profit growth (8.28%). MD pay is 1.66% of PBT, which is within limits, but the growth rate is aggressive relative to core operational performance.

F. Capital Allocation & Capex

Action	FY Current (□Cr)	FY Prior (□Cr)	% of CFO	Signal
Capex	193.00 Cr	10.00 Cr	98.97%	
Repayment of Borrowings	103.00 Cr	209.00 Cr	52.82%	□
Interest Payments	46.00 Cr	69.00 Cr	23.59%	
Equity Issuance / Dilution	0.00 Cr	250.00 Cr	0.00%	

CAPEX ANALYTICAL NOTES: * **CFO Coverage:** CFO (□195.00 Cr) barely covers the massive **Capex (□193.00 Cr)**, resulting in a tight ratio of 1.01x. * **Nature of Capex:** Primarily growth-focused, including EPC contracts for

17.6 MW Solar (Delta) and **9.90 MW Wind repowering (Gamma)**. * **Deployment Efficiency:** Revenue grew 11.40% while Capex surged 1830%, indicating a significant lag between investment and generation. * **Key Takeaways: □71.35 Cr of unspent Rights Issue proceeds** suggests execution delays in the Delta Solar project.

H. Risks

- **Restricted Cash Flow (High):** Beta Wind Farm is prohibited from declaring dividends due to bank covenants. Parent cannot access 79.91% of group profits.
- **Aging Assets (High):** Wind turbines depreciated over 22-27 years face high maintenance costs and technological obsolescence.
- **Intermediary Lending (High):** Pass-through funding from promoters through subsidiaries increases risk of value leakage.
- **Asset Encumbrance (Medium):** 100% of key subsidiary equity pledged limits future borrowing capacity.
- **Concentration Risk (High):** 79.91% of profit from a single subsidiary (Beta); any regulatory shift there could collapse group earnings.

5. SCORECARD & VERDICT

Part A: Scorecard

Dimension	Rating (1–5)	Delta	Key Evidence	One-line Rationale
Business Quality	2	→	79% profit from one sub; aging wind fleet	High concentration and weather dependency with aging assets.
Financial Health	3	↑	D/E 0.45x; Interest Coverage 2.26x	Deleveraging is visible, but cash is trapped at the subsidiary level.
Earnings Quality	2	↓	CFO > PAT but Parent cash loss □6.78 Cr	Consolidated profits are "paper gains" for the Parent due to dividend bans.
Management & Governance	2	↓	Pass-through funding; 20% KMP pay hike	Complex RPTs and aggressive pay growth despite operational contraction.
Capital Allocation & Earnings Visibility	3	→	□193 Cr Capex; □71 Cr idle cash	Massive reinvestment phase but execution velocity is lagging.

BUSINESS POSITIVES (for this company this year) * □**Deleveraging:** Total Debt reduced from □552 Cr to □524 Cr, with D/E improving to 0.45x. * □**Solar Pivot:** Commissioned first 7 MW solar plant, diversifying away from 100% wind reliance. * □**Cash Generation:** Robust consolidated CFO of □195 Cr, providing 2.71x coverage of PAT. * □**Prudent Accounting:** Non-recognition of □53.01 Cr finance income prevents artificial PAT inflation. *□ **Repowering Strategy:** Early adoption of TN repowering policy to modernize 7.8 MW of aging fleet.

BUSINESS NEGATIVES / CONCERNS (for this company this year) * □**Cash Traps:** 79.91% of profits are in Beta Wind Farm, which is legally barred from paying dividends to the Parent. * □**Parent Distress:** The Parent company incurred a cash loss of □6.78 Cr, remaining operationally unviable on a standalone basis. *□ **Governance Red Flag:** Disclosure of "pass-through" funding mechanisms involving promoters and subsidiaries (Note 58). * □**Execution Delay:** □71.35 Cr of Rights Issue capital remains idle in FDs 18 months after the issue. * □**Asset Encumbrance:** 100% of equity in key subsidiaries remains pledged to promoters and IREDA.

OVERALL SCORECARD SUMMARY Orient Green Power is in a "stabilized distress" phase, having used equity proceeds to repair a broken balance sheet. While consolidated financial health has improved (D/E 0.45x), the earnings quality is poor because the Parent company cannot access the cash generated by its subsidiaries. Governance remains a significant overhang due to complex pass-through funding and high KMP compensation growth relative to operational performance. The business is on a **stable but fragile** trajectory, where the success of the solar pivot is the only path to long-term viability.

Part B: Governance Check Matrix

#	Check	Status	Evidence
1	Audit opinion clean?	□	Unqualified opinion (p.183)
2	Promoter pledge = 0?	□	100% of key subsidiary equity pledged to promoters (p.214)
3	KMP pay < 5% of PAT?	□	Total KMP pay □2.12 Cr is ~3% of PAT (p.173)
4	RPT quantum < 5% of revenue?	□	RPT at 12.17% of revenue (calc.)
5	Board > 50% independent?	□	66.67% Independent (p.43)
6	At least 1 woman director?	□	2 Women Directors (p.43)
7	No statutory dues outstanding?	□	Arrears in Income Tax and ESI under dispute (p.187)
8	No fraud reported?	□	No fraud reported in Auditor's Report
9	Audit trail enabled?	□	Confirmed in Auditor's Report
10	Frequent Auditor change	□	Auditor in second 5-year term
Total: 7/10 □— Governance Rating: 3			

Part C: Investor Verdict

THESIS: A weather-leveraged deleveraging play transitioning from aging wind assets to a solar-hybrid model, currently hampered by subsidiary-level cash traps. **OVERALL STANCE:** WATCH **RATIONALE:** While the balance sheet is cleaner, the inability to upstream cash to the Parent and the slow deployment of solar capex limit near-term upside. **RE-EVALUATE WHEN:** Solar revenue contributes >20% of consolidated EBITDA OR restrictive covenants at Beta Wind Farm are lifted. **BULL CASE:** Rapid execution of the 17.6 MW solar pipeline and successful repowering of 50 MW+ wind assets, leading to a 200bps ROCE expansion. **BEAR CASE:** Prolonged "low-wind" seasons combined with further delays in solar commissioning, leading to a liquidity crunch at the Parent level. **KEY MONITORABLE:** Unspent Rights Issue Proceeds: □71.35 Cr → Watch for reduction below □10 Cr as projects commission.

7. YEAR-OVER-YEAR ANALYSIS

7.1 Changes

Metric / Theme	Summary A Status	Summary B Status	Forensic Takeaway
Capital Allocation	Minimal Capex (□10 Cr) focused on defensive maintenance.	Massive Capex surge (□193 Cr) targeting solar and wind repowering.	The company has pivoted from a survival-oriented debt-shuffling phase to an aggressive, high-stakes growth reinvestment cycle.
Margin Trajectory	Operating Profit Margin (OPM) at 68%.	Operating Profit Margin (OPM) contracted to 62%.	Profitability is being eroded by rising sub-contracting costs and maintenance requirements for the aging wind fleet.
Working Capital Anomalies	□143.47 Cr of Rights Issue proceeds held idle in fixed deposits.	Idle cash reduced to □71.35 Cr as funds were deployed into CWIP.	Management has finally accelerated the deployment of stagnant equity capital, though execution velocity still lags the initial fundraise.
Management Tone	Relieved and defensive; focused on insolvency avoidance and debt reduction.	Opportunistically optimistic; framing the period as a "landmark" milestone year.	The narrative has shifted from balance sheet repair to a growth-at-all-costs solar pivot to justify the recent equity dilution.
Parent Operational Viability	Parent company cash loss of □20.21 Cr.	Parent company cash loss narrowed to □6.78 Cr.	Standalone operations are improving but remain fundamentally unviable without the support of subsidiary-level cash flows.
Related Party Transactions	RPTs at 26.6% of revenue (□70.02 Cr) involving circular funding.	RPTs at 12.17% of revenue (□35.68 Cr) involving pass-through funding.	While the quantum of related party exposure has halved, the complexity of pass-through funding mechanisms continues to obscure the audit trail.

7.2 Persistent Patterns

- **Restricted Subsidiary Cash:** A structural **cash trap** remains at Beta Wind Farm, where restrictive bank covenants prevent the upstreaming of 80% of group profits to the parent.
- **Aging Asset Profile:** The company continues to sweat a **20-27 year old turbine fleet** using aggressive depreciation estimates that likely overstate the economic life of the assets.
- **Promoter Financial Stress:** Sustained **high levels of asset encumbrance** persist, with 100% of equity in key subsidiaries pledged to promoters and lenders across both periods.
- **Revenue Concentration:** The group remains dangerously dependent on a **single subsidiary (Beta Wind Farm)** for over 75% of its turnover, creating a single point of failure for the investment thesis.
- **Low Earnings Quality:** Reported Net Profits continue to be flattered by **non-operating triggers**, such as one-time interest refunds or lease modifications, rather than core operational growth.
- **Governance Overhang:** Persistent **CARO qualifications** regarding disputed statutory dues and missing title deeds indicate localized liquidity stress that deleveraging has not yet resolved.
- **CFO/PAT Disconnect:** Consolidated Cash Flow from Operations consistently exceeds Net Profit due to high non-cash depreciation, yet this cash remains largely inaccessible for parent-level debt service.