Orient Green Power Company Ltd — FY 2025 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	Business quality is constrained by extreme revenue concentration, with 77.11% of turnover dependent on a single subsidiary (Beta Wind Farm) and an aging 20-year-old fleet.	□Negative
2	Revenue remains stagnant at □263 Cr (+1.53% YoY), reflecting a lack of organic growth and a "melting ice cube" dynamic in the core wind operations.	□Neutral
3	Operating margins are under pressure as evidenced by a 3.43% decline in EBITDA, while the company relies on defensive capex just to maintain existing Plant Load Factors.	□Negative
4	Earnings quality is poor, characterized by a reported PAT of □42 Cr that masks a significant operational cash loss which widened to □20.21 Cr from □3.90 Cr.	□Negative
5	Financial health has improved through aggressive deleveraging, with total debt reduced to □552 Cr and D/E improving to 0.51x following a □250 Cr Rights Issue.	□Positive
6	Interest coverage remains thin at 1.6x, though finance costs fell by 10% (□8 Cr) due to successful debt refinancing and repayments.	□Neutral
7	Liquidity is currently supported by a □143.47 Cr buffer in unspent Rights Issue proceeds, providing a necessary cushion for the proposed pivot into solar energy.	□Positive
8	Capital allocation is inefficient with ROCE at 7% (below the cost of debt) and survival dependent on □480 Cr of equity dilution over two years rather than operational cash flow.	□Negative
9	Governance risks are elevated due to the invocation of 2.95 Cr promoter pledged shares and Related Party Transactions (RPTs) accounting for over 26% of revenue.	□Negative
10	Management alignment is questionable given a 100% increase in MD remuneration to □1 Cr despite deteriorating operational performance and cash losses.	□Negative
11	The outlook hinges entirely on the successful execution of the 30MW+ Delta Solar project to offset the decay of the legacy wind portfolio.	□Neutral
12	Investment View: WATCH; stance is predicated on "stabilized distress" where insolvency is avoided via financial engineering, but operational viability requires CFO to exceed interest and maintenance capex.	□Neutral

1. BUSINESS OVERVIEW (In Bullet Points)

- **Business Model & Revenue Drivers:** OGPL is a pure-play renewable energy generator, primarily focused on wind power (90%+ of capacity). Revenue is driven by wind availability and collection efficiency from State Discoms.
- **Segment Performance:** Revenue remains dangerously concentrated, with the **Beta Wind Farm** subsidiary contributing 77.11% (□175 Cr) of total turnover. Other segments include **Gamma Green Power** (8.38%), **Orient Green Power Europe B.V.** (7.89%), and **Clarion Wind Farm** (6.65%).

- **Cost Drivers:** High dependence on Original Equipment Manufacturers (OEMs) for spares and maintenance. Rising O&M costs for an aging fleet (20+ years) are a primary concern.
- **Industry Position:** Transitioning from a "survival" phase to an "optimization" phase. While revenue growth is marginal (+5.2% YoY), the company is focusing on interest cost reduction to protect the bottom line.
- **Expansion Plans & Pivot:** Growth is pivoting away from the aging wind fleet toward solar capacity through the wholly-owned subsidiary, **Delta Renewable Energy Private Limited**.
- **Capacity Additions & Upgrades:** No major wind capacity additions; focus is on a "component upgradation" program for identified windmills to maintain and improve Plant Load Factors (PLFs).
- **Geographical Presence:** Primarily domestic operations with a small international presence via Orient Green Power Europe B.V.
- **Acquisitions & Settlements:** Settled the Amrit Environmental Technologies (AETPL) corporate guarantee dispute for ₹30 Cr to clear legacy subsidiary-level defaults.

2. MANAGEMENT COMMENTARY & OUTLOOK

- Management has shifted strategy from "debt survival" to "asset sweating" and "ringfencing" legacy issues to clear the path for new projects.
- The successful refinancing of ₹780 Cr of debt at approximately 300 bps lower rates is highlighted as a key achievement for financial stability.
- Growth guidance is centered on the solar market; Rights Issue proceeds have been reallocated to solar projects due to more favorable evolving trends compared to wind.
- The windmill component upgradation program initiated in FY24 is expected to be completed in FY26, which is critical for the survival of the 20-year-old fleet.
- Management notes that the Late Payment Surcharge (LPS) scheme has significantly improved collection velocity and reduced receivable risk from State Discoms.
- Alternative sourcing for critical components is being developed to reduce prohibitively expensive dependency on legacy OEMs.
- The re-appointment of the Chairman for a second 5-year term and the re-designation of Mr. P. Krishna Kumar to Independent Director aim to provide board continuity.
- Management highlights a positive industry outlook (500GW national target) but remains "pragmatically defensive" regarding its own stagnant capacity.
- The successful Rights Issue (₹250 Cr) is being used to deleverage the balance sheet and fund the pivot to solar.
- **Management Tone:** Management has successfully moved the patient out of the ICU (Insolvency), but the patient is now on a treadmill (Maintenance Capex) rather than running a race (Growth). The continued invocation of promoter pledges despite a successful Rights Issue suggests that the promoter group’s financial stress is not yet fully resolved, which remains the primary overhang on the stock's valuation multiple.

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 2025	Mar 2024
Sales -	263.00	259.00
Sales Growth %	1.53	0.45
Expenses -	94.00	84.00
Manufacturing Cost %	20.75	20.09
Employee Cost %	6.08	5.35
Other Cost %	8.87	7.06
Operating Profit	169.00	175.00
OPM %	64.00	68.00
Other Income -	30.00	26.00
Exceptional items	10.35	16.69
Other income normal	19.32	9.31
Interest	72.00	80.00
Depreciation	84.00	82.00
Profit before tax	43.00	39.00
Tax %	3.00	1.00
Net Profit -	42.00	38.00
Minority share	-3.00	-2.00
Exceptional items AT	3.00	17.00
Profit excl Excep	39.00	22.00
Profit for PE	36.00	21.00
Profit for EPS	39.00	37.00
Profit Growth %	72.00	125.00
EPS in Rs	0.33	0.31
Dividend Payout %	0.00	0.00

Balance Sheet (□Crores)

Line Item	Mar 2025	Mar 2024
Equity Capital	1,173.00	981.00
Reserves	-98.00	-193.00
Borrowings -	552.00	754.00
Long term Borrowings	433.00	630.00
Short term Borrowings	102.00	108.00
Lease Liabilities	17.00	15.00
Other Borrowings	0.00	0.00
Other Liabilities -	34.00	76.00
Non controlling int	-3.60	-6.80
Trade Payables	7.81	8.15
Advance from Customers	0.12	0.20
Other liability items	29.83	74.41
Total Liabilities	1,662.00	1,618.00
Fixed Assets -	1,331.00	1,393.00
Land	230.06	216.69
Building	5.12	3.83
Plant Machinery	2,069.47	2,061.09
Equipments	0.36	0.36
Computers	0.65	0.62
Furniture n fittings	0.32	0.30
Vehicles	0.94	0.72
Intangible Assets	23.01	23.01
Other fixed assets	0.34	0.18
Gross Block	2,330.27	2,306.80
Accumulated Depreciation	998.87	913.84
CWIP	10.00	11.00
Investments	14.00	0.00
Other Assets -	307.00	214.00
Inventories	6.00	4.00
Trade receivables -	81.00	81.00
Receivables over 6m	45.43	46.22
Receivables under 6m	47.29	46.90
Prov for Doubtful	-12.15	-11.78
Cash Equivalents	171.00	73.00
Loans n Advances	-4.00	-3.00
Other asset items	53.00	59.00

Line Item	Mar 2025	Mar 2024
Total Assets	1,662.00	1,618.00

Cash Flow Statement (□Crores)

Line Item	Mar 2025	Mar 2024
Cash from Operating Activity -	169.00	250.00
Profit from operations	182.00	191.00
Receivables	-2.00	25.00
Inventory	-2.00	1.00
Payables	2.00	6.00
Loans Advances	0.00	0.00
Leased assets	0.00	0.00
Other WC items	-10.00	28.00
Working capital changes	-13.00	60.00
Direct taxes	-1.00	-1.00
Cash from Investing Activity -	-153.00	-2.00
Fixed assets purchased	-10.00	-18.00
Fixed assets sold	1.00	19.00
Capital WIP	0.00	0.00
Investments purchased	-14.00	0.00
Investments sold	0.00	0.00
Interest received	8.00	5.00
Redemp n Canc of Shares	0.00	0.00
Acquisition of companies	0.00	-6.00
Other investing items	-138.00	-2.00
Cash from Financing Activity -	-56.00	-189.00
Proceeds from shares	250.00	230.00
Proceeds from borrowings	0.00	0.00
Repayment of borrowings	-209.00	-295.00
Interest paid fin	-69.00	-77.00
Financial liabilities	0.00	0.00
Other financing items	-27.00	-47.00
Net Cash Flow	-40.00	58.00
Free Cash Flow	160.00	251.00
CFO/OP	100.00	143.00

Key Ratios (₹Crores)

Line Item	Mar 2025	Mar 2024
Debtor Days	112.00	114.00
Inventory Days	0.00	0.00
Days Payable	0.00	0.00
Cash Conversion Cycle	112.00	114.00
Working Capital Days	11.00	1.00
ROCE %	7.00	6.00

3.2 Financial Analysis Summary

- **Revenue** grew marginally by **1.53%** to **₹263.00 Cr**, but remains dangerously concentrated with **Beta Wind Farm** contributing **77.08%** of total turnover, making the group's **Operating Profit** of **₹169.00 Cr** highly sensitive to localized wind patterns and regulatory shifts.
- **OPM %** contracted from **68.00%** to **64.00%** as **Expenses** rose by **11.9%** YoY, driven by a **266%** spike in short-term lease expenses and higher **Employee Cost %** (**6.08%**), while **Revenue** recognition remains conservative for RECs.
- **Net Profit** of **₹42.00 Cr** was bolstered by **Other Income** of **₹30.00 Cr**, which included a one-time gain of **₹2.50 Cr** from land lease modifications, masking a significant **Cash Loss** of **₹20.21 Cr** indicating operations are not yet self-sustaining.
- **Finance Cost** decreased to **₹72.00 Cr** as the company utilized **Proceeds from shares** of **₹250.00 Cr** from a **Rights Issue** to facilitate the **Repayment of borrowings** totaling **₹209.00 Cr**, effectively shifting the capital structure from debt to equity.
- **Total Debt** fell significantly to **₹552.00 Cr** from **₹754.00 Cr**, improving the **Debt / Equity** ratio to **0.51**, although the group continues to engage in complex intra-group debt shuffling, such as using a loan from **Gamma Green Power** to repay bank term loans.
- **Depreciation** of **₹84.00 Cr** is calculated over a long useful life of **22–27 years** for wind generators, which may overstate **Net Profit** compared to industry peers, while **Fixed Assets** declined to **₹1,331.00 Cr** as **Capex** remained minimal at **₹10.00 Cr**.
- **Trade Receivables** remained stagnant at **₹81.00 Cr**, but the quality is questionable given the write-off of **₹2.43 Cr** from MPPMCL and the fact that **₹45.43 Cr** of receivables are now aged over six months.
- **Cash from Operating Activity** plummeted by **32.4%** to **₹169.00 Cr** as **Working Capital** changes swung to a **₹13.00 Cr** outflow, primarily due to a buildup of billed receivables toward year-end.
- **Other Assets** surged to **₹307.00 Cr** because **₹143.47 Cr** of unspent **Rights Issue** proceeds are currently held in **Cash Equivalents** (fixed deposits) awaiting deployment into the **Delta Solar** project, leading to a temporary dilution in **Asset Turnover**.
- **ROCE %** saw a slight uptick to **7.00%**, but remains suppressed by the non-recognition of **₹50.57 Cr** in finance income (**₹461.20 Cr** cumulatively) due to restrictive bank covenants in the **Beta Wind Farm** subsidiary.
- **Investments** of **₹14.00 Cr** are now measured at FVTPL, which, combined with the negative **Net Worth** of several subsidiaries like **Amrit** and **Gamma**, poses a risk of future impairments to the **Balance Sheet**.
- **Free Cash Flow** of **₹160.00 Cr** is technically positive but misleading, as it is driven by a lack of reinvestment in **Fixed Assets** rather than strong operational cash generation, with **CFO** barely covering **Interest paid** and mandatory debt repayments.

- **Other Liabilities** were reduced to **₹34.00 Cr** following the settlement of a **₹30.00 Cr Corporate Guarantee** for AETPL via a One-Time Settlement (OTS), removing a major contingent risk but further draining cash reserves.
- **Working Capital Days** deteriorated from **1.00** to **11.00**, signaling that the business is becoming more cash-intensive even as **Sales Growth %** remains stagnant at **1.53%**.
- **Other Assets** are significantly impacted by **"Deemed Equity"** of **₹535.99 Cr**, which represents the fair value of interest-free loans; this is a non-cash accounting entry that inflates the asset base without providing liquidity.
- **Other Expenses** are driven by **Sub-contracting Expenses** of **₹21.27 Cr** and a massive increase in **Cash Losses** to **₹20.21 Cr** (from **₹3.90 Cr**), signaling that the core business is failing to cover basic cash outlays.
- **Overall Synthesis:** Orient Green Power is a "Financial Engineering" story rather than an "Energy Growth" story; it is successfully deleveraging its **Balance Sheet** through massive equity infusions to offset persistent **Cash Losses** and stagnant **Revenue**, while waiting for a solar-led pivot to normalize returns.

3.3 Contingent Liabilities & Commitments

- **Corporate Guarantee:** A major dispute with IL&FS regarding a guarantee for subsidiary AETPL (₹30.00 Cr) was settled via a One-Time Settlement (OTS) and fully paid during the year.
- **Tax Disputes:** Pending appeals for Income Tax Demands for AY 2015-16 and AY 2017-18. The company has made "Payments under protest" but recognized an impairment allowance of ₹0.35 Cr against these, signaling low recovery confidence.
- **Labor Disputes:** ESI Contribution Demand currently pending before the Labour Court.
- **Capital Commitments:** The group has unspent Rights Issue proceeds of ₹143.47 Cr earmarked for the Delta Solar project.
- **Off-Balance Sheet Assets:** Cumulative unrecognized finance income of ₹461.20 Cr (₹50.57 Cr for FY25) from Beta Wind Farm due to restrictive bank covenants.

3.9 Earnings Quality & Forensic Checks

#	Check	Impact	Status	Evidence	Notes Detail
1	PAT vs CFO trend	Profit ↓ — earnings overstate cash; CFO fell 32% while Net Profit rose 10.5% YoY.	□	Net Profit □42 Cr vs CFO □169 Cr; CFO down from □250 Cr in FY24.	Cash loss of □20.21 Cr in FY25 indicates operations fail to cover basic cash expenses.
2	Receivables & channel-stuffing signal	Revenue ↑↓ — billing timing risk; billed receivables rose from zero to □26.14 Cr.	□	Receivables flat at □81 Cr but billed portion spiked; Sales growth only 1.53%.	Note 11.1: Sudden appearance of billed receivables suggests year-end invoice buildup or billing cycle shifts.
3	Revenue timing (unbilled)	Revenue ↑ — unbilled revenue recognition; □1.29 Cr recognized before billing.	□	Unbilled revenue □1.29 Cr in FY25 vs □0.00 Cr in FY24.	Note 3.10: Revenue recognized on units exported via joint meter readings with State Electricity Boards.
4	Revenue from related parties %	Revenue ↑↓ — concentration risk; 77% of revenue depends on a single subsidiary.	□	Beta Wind Farm contributes □175 Cr (77.11%) of total subsidiary aggregate turnover.	Note 56: Extreme concentration makes consolidated performance highly sensitive to one entity's regulatory environment.
5	Inventory vs revenue growth	Profit ↓ — cash absorption; inventory grew 50% vs 1.5% sales growth.	□	Inventory □6 Cr (FY25) vs □4 Cr (FY24); Sales □263 Cr vs □259 Cr.	Inventory days remain low (0) but growth rate significantly outpaces marginal revenue gains.
6	Inventory valuation method change	Neutral — no policy change; inventory valued at lower of cost or NRV.	□	No change reported in accounting policies for inventory valuation.	Note 3.11: Standard valuation policy maintained; inventory primarily consists of stores and spares.
7	Exceptional items in operating profit	Profit ↑ — non-operational boost; □10.35 Cr in exceptional items inflates PBT.	□	Exceptional items □10.35 Cr; includes □2.50 Cr gain on lease modification.	Note 48.b: One-time gain from land lease modification in Beta Wind Farm artificially boosted bottom line.
8	Depreciation rate vs useful life	Profit ↑ — lower charges; 22–27 year life for wind generators reduces annual depreciation.	□	Depreciation □84 Cr on Gross Block of □2,330 Cr (~3.6% rate).	Note 3.7: Long useful life estimates potentially overstate earnings compared to peers using shorter periods.
9	Provision reversals boosting PAT	Profit ↑ — non-cash gain; non-recognition of □50.57 Cr interest creates "cookie jar".	□	Cumulative unrecognized interest income stands at □461.20 Cr.	Auditor's Report: Restrictive covenants prevent recognition, creating a massive off-balance sheet "hidden" asset.
10	Tax rate consistency	Profit ↑ — low tax expense; effective tax rate of 3% vs statutory norms.	□	P&L Tax 3% (□1 Cr); Direct taxes paid in CFO also □1 Cr.	Company utilizes brought forward losses and MAT credits to keep cash tax outflow minimal.
11	CWIP age and stalling projects	Neutral — stable CWIP; balance decreased slightly from □11 Cr to □10 Cr.	□	CWIP □10 Cr in FY25 vs □11 Cr in FY24.	Note 3.13: Capitalization of borrowing costs is suspended during extended periods of interrupted development.
12	Deferred tax asset recognition	Profit ↑ — valuation risk; □535.99 Cr "Deemed Equity" inflates assets.	□	Deemed Equity in Subsidiaries remains static at □535.99 Cr.	Analytical Insight: This is a non-cash accounting entry for interest-free loans, inflating the asset base.

#	Check	Impact	Status	Evidence	Notes Detail
13	RPT quantum and trend	Neutral — debt shuffling; □250 Cr Rights Issue used to repay SVL Limited loans.	□	Loans to SVL Limited □70.02 Cr; Borrowings from SVL reduced to □15.43 Cr.	Note 52: Rights Issue proceeds specifically earmarked to lend to subsidiaries to repay promoter debt.
14	Dividend paid vs FCF adequacy	Neutral — no dividends; FCF of □160 Cr used for debt repayment and FDs.	□	Dividend Payout 0%; FCF □160 Cr; Repayment of borrowings □209 Cr.	Cash surplus from Rights Issue (□143.47 Cr) held in FDs for future solar project deployment.
15	Auditor KAM: Subsidiary Impairment	Profit ↑↓ — valuation risk; □735.93 Cr investment and □467.06 Cr loans to subsidiaries.	□	Negative net worth in several units (Amrit, Gamma) and long payback periods.	Auditor flags high risk due to subsidiary financial health and gestation periods.
16	Cash Loss vs Reported Profit	Profit ↓ — operational weakness; cash loss increased to □20.21 Cr.	□	Cash loss □20.21 Cr in FY25 vs □3.90 Cr in FY24.	Operations are failing to cover basic cash expenses despite reported Net Profit of □42 Cr.

4. MANAGEMENT & GOVERNANCE

A. Auditor Report & Key Audit Matters * **Audit Opinion:** Unqualified. * **KAM - Impairment of Assets:** Auditor flagged the valuation of investments (□735.93 Cr) and loans (□467.06 Cr) to subsidiaries. The risk is high due to negative net worth in several units and long payback periods for wind projects. * **Emphasis of Matter - Non-recognition of Finance Income:** The company did not recognize □50.57 Cr of finance income from Beta Wind Farm this year (cumulative □461.20 Cr) due to restrictive bank covenants. This represents a significant "hidden" asset. * **Emphasis of Matter - IL&FS Settlement:** Highlighted the □30.00 Cr payment for a corporate guarantee settlement related to subsidiary AETPL, which was a major liquidity drain. * **Auditor Fees:** Total fees: □0.55 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	Loans/Advances Made	70.02 Cr	***High***
SVL Limited	Promoter Group	Borrowings Repaid	70.02 Cr	***High***
SVL Limited	Promoter Group	Payable (Assigned from SEPC)	17.93 Cr	***High***
Beta Wind Farm	Subsidiary	O&M Services	21.71 Cr	Neutral
Janati Bio Power	Promoter	Equity Allotment (Rights Issue)	26.92 Cr	Neutral

- **RPT Risk:** Loans made to SVL Limited (□70.02 Cr) represent 26.62% of Revenue and 41.43% of CFO, exceeding the 10% threshold.
- **Circular Funding:** □60.36 Cr of Rights Issue proceeds were earmarked to lend to subsidiaries specifically to repay loans to the promoter, SVL Limited.
- **Assignment of Debt:** SEPC Ltd assigned □17.87 Cr of receivables to SVL Limited, shifting the group's liability to a promoter-linked entity.
- **Verdict:** ***Governance Concern*** — The company is using fresh public equity to systematically clear promoter-linked debt while advancing large loans to the same group.

C. Shareholding

Shareholding Pattern	Mar 2025	Mar 2024
Promoters	24.38%	29.42%
FIIs	0.81%	0.77%
DIIs	1.35%	2.50%
Public	73.46%	67.31%

- **Promoter Pledge:** 2.95 Cr shares pledged by Janati Bio Power were invoked by the lender in October 2024 due to default.
- **Dilution:** Promoter holding dropped significantly due to pledge invocation and partial participation in the Rights Issue.

D. Board Composition + KMP Compensation

- **Board:** 6 Directors; 50% Independent; 2 Women Directors.
- **MD Pay Disconnect:** MD T Shivaraman’s remuneration grew **100%** (□1.00 Cr) while consolidated EBITDA declined by **3.43%.**
- **KMP Compensation:** CFO (□0.21 Cr, +21.4%) and CS (□0.11 Cr, +11.36%) are within reasonable limits.

F. Capital Allocation & Capex

Action	FY Current (□Cr)	FY Prior (□Cr)	% of CFO	Signal
Equity Issuance	250.00 Cr	230.00 Cr	147.93%	□
Repayment of Borrowings	209.00 Cr	295.00 Cr	123.67%	□
Interest Payments	69.00 Cr	77.00 Cr	40.83%	
Loans to Subsidiaries/Promoters	70.02 Cr	10.48 Cr	41.43%	
Capex	10.00 Cr	18.00 Cr	5.92%	□
Cash Losses	20.21 Cr	3.90 Cr	11.96%	

- **CAPEX Analytical Notes:**
  - CFO coverage of capex is high (16.9x) due to minimal **Capex of □10.00 Cr**.
  - Capex is primarily maintenance-focused; **component upgradation for windmills is ongoing**.
  - Deployment efficiency is low; **Revenue remains stagnant (1.53% growth)** despite □28 Cr spent over two years.
  - **□143.47 Cr of Rights Issue proceeds** are sitting idle in fixed deposits.

H. Risks

#	Risk	Category	Description	Potential Impact	Severity
1	***Customer Concentration***	Operational	77.11% of revenue from Beta Wind Farm.	Regulatory/wind shifts at Beta could collapse group revenue.	□High
2	***Aging Assets***	Operational	Wind generators depreciated over 22-27 years.	Rising maintenance costs and potential sudden terminal failure.	□High
3	***Cash Losses***	Financial	Cash loss increased to □20.21 Cr.	Operations failing to cover basic expenses; increased dilution risk.	□High
4	***Promoter Pledge***	Governance	2.95 Cr shares invoked by lenders.	Risk of further forced selling and loss of promoter control.	□ Medium
5	***Hidden Liabilities***	Financial	Negative net worth in several subsidiaries.	Parent remains liable for debt of non-performing units.	□ Medium

5. SCORECARD & VERDICT

Part A: Scorecard

Dimension	Rating (1–5)	Delta	Key Evidence	One-line Rationale
Business Quality	2	→	77% Rev concentration; 20-yr old fleet.	Concentrated revenue and aging assets with no organic growth.
Financial Health	3	↑	D/E 0.51x; Interest coverage 1.6x.	Balance sheet improved via equity, but interest coverage remains thin.
Earnings Quality	1	↓	CFO < PAT; Cash loss □20.21 Cr.	Reported profits are masked by cash losses and non-operational gains.
Management & Governance	2	↓	Promoter pledge invocation; RPT > 26% Rev.	High RPT risk and promoter financial stress are major red flags.
Capital Allocation & Earnings Visibility	2	→	ROCE 7% < Cost of Debt; Idle cash □143 Cr.	Reinvesting for maintenance rather than growth; solar pivot yet to yield.

BUSINESS POSITIVES (for this company this year) * □**Debt Reduction:** Total borrowings reduced from □754 Cr to □552 Cr, improving D/E to 0.51x. * □**Interest Savings:** Finance costs fell by □8 Cr (10%) following successful refinancing and debt repayment. * □**Liquidity Buffer:** □143.47 Cr in unspent Rights Issue proceeds provides a cushion for the solar pivot. * □**Legacy Cleanup:** Settlement of the □30 Cr IL&FS corporate guarantee removes a major legal overhang. * □**Collection Velocity:** LPS scheme has stabilized receivables at □81 Cr despite stagnant sales.

BUSINESS NEGATIVES / CONCERNS (for this company this year) * □**Cash Losses:** Operational cash loss widened significantly to □20.21 Cr from □3.90 Cr. * □**Governance Flags:** Promoter pledge invocation of 2.95 Cr shares and RPTs exceeding 26% of revenue. * □**Revenue Concentration:** 77.11% of turnover depends on a single subsidiary (Beta Wind Farm). * □**Asset Decay:** Aging 20-year-old wind fleet requires defensive capex just to maintain PLFs. * □**MD Pay Disconnect:** 100% increase in MD remuneration despite a 3.43% decline in EBITDA. * □**Equity Dependency:** Survival is dependent on continuous equity dilution (□480 Cr in 2 years) rather than operations.

OVERALL SCORECARD SUMMARY Orient Green Power is currently in a state of "stabilized distress." While the balance sheet has been significantly deleveraged through massive equity infusions, the underlying business is deteriorating, evidenced by widening cash losses and stagnant revenue. Governance posture is weak due to high related-party transactions and promoter pledge invocations, while capital allocation remains focused on maintenance and debt shuffling rather than value-creating growth. The trajectory is stable only in terms of insolvency avoidance, but deteriorating operationally.

Part B: Governance Check Matrix

#	Check	Status	Evidence
1	Audit opinion clean?	□	Unqualified opinion provided.
2	Promoter pledge = 0?	□	2.95 Cr shares invoked; remaining pledge risk exists.
3	KMP pay < 5% of PAT?	□	MD pay (□1 Cr) is ~2.4% of PAT (□42 Cr).
4	RPT quantum < 5% of revenue?	□	RPTs (□70.02 Cr) are 26.62% of revenue.
5	Board > 50% independent?	□	3 out of 6 directors are independent.
6	At least 1 woman director?	□	2 women directors on board.
7	No statutory dues outstanding?	□	Pending Income Tax and ESI demands.
8	No fraud reported?	□	No fraud reported in AR.
9	Audit trail enabled?	□	Confirmed in Auditor's report.
10	Frequent Auditor change	□	No change; re-appointed in 2022.
Total: 7/10 □— Governance Rating: 2			

Part C: Investor Verdict

THESIS: A deleveraging play where financial engineering via equity issuance is masking operational stagnation and high governance risks. **OVERALL STANCE:** WATCH **RATIONALE:** The balance sheet is cleaner, but the core wind business is a "melting ice cube" and the solar pivot is yet to commence. **RE-EVALUATE WHEN:** Cash from Operations (CFO) consistently exceeds Interest + Maintenance Capex for two consecutive quarters. **BULL CASE:** Successful commissioning of the Delta Solar project (30MW+) driving a 20% jump in EBITDA. **BEAR CASE:** Further promoter pledge invocations leading to a change in control or forced asset sales. **KEY MONITORABLE:** Cash Loss: □20.21 Cr → Watch for reduction toward zero.

7. YEAR-OVER-YEAR ANALYSIS

7.1 Changes

Metric / Theme	Summary A Status (FY24)	Summary B Status (FY25)	Forensic Takeaway
Leverage & Solvency	D/E ratio at 0.96x with ₹754 Cr debt; interest coverage at 1.6x.	D/E ratio improved to 0.51x with ₹552 Cr debt; interest coverage remains thin at 1.6x.	Continued equity-led deleveraging has significantly de-risked the balance sheet but failed to improve operational interest coverage.
Cash Profitability	Operational cash loss of ₹3.90 Cr.	Operational cash loss widened significantly to ₹20.21 Cr.	The core business is increasingly unable to cover its basic cash outlays despite reported accounting profits.
Margin Trajectory	Operating Profit Margin (OPM) at 68%.	Operating Profit Margin (OPM) contracted to 64%.	Rising O&M costs and employee expenses for the aging fleet are beginning to erode the high-margin profile of the wind business.
Related Party Transactions	Promoter debt reduced via Rights Issue; focus on debt shuffling.	Loans to SVL Limited (₹70.02 Cr) represent 26.6% of revenue.	Capital is being recycled back to the promoter group through large advances, raising significant governance and fund diversion concerns.
Management Compensation	MD pay grew 166% vs EBITDA growth of 2.34%.	MD pay grew 100% while consolidated EBITDA declined by 3.43%.	There is a persistent and widening disconnect between executive remuneration and actual operational performance.
Capital Allocation	Capex of ₹18 Cr focused on maintenance of 20+ year old turbines.	Capex reduced to ₹10 Cr; ₹143 Cr in Rights Issue proceeds held idle in FDs.	Management has paused even defensive maintenance spending while failing to deploy growth capital into the promised solar pivot.

7.2 Persistent Patterns

- **CFO/PAT Disconnect:** Cash Flow from Operations consistently dwarfs Net Profit due to massive non-cash depreciation charges on a high gross block, though this gap is narrowing as cash losses mount.
- **Aging Asset Profile:** The company continues to sweat a **20-27 year old turbine fleet** with no clear large-scale repowering plan, leading to sustained high maintenance requirements.
- **Promoter Financial Stress:** Recurring **invocation of pledged promoter shares** (2.5 Cr in FY24 and 2.95 Cr in FY25) indicates unresolved liquidity crises at the promoter group level.
- **Low Earnings Quality:** Reported PAT remains heavily reliant on **non-operating triggers**, moving from asset sales in the prior year to lease modifications and other income in the current year.
- **Subsidiary Governance Issues:** Persistent **CARO qualifications** regarding delayed statutory dues (PF/GST) and missing title deeds indicate localized liquidity stress despite parent-level deleveraging.
- **Aggressive Accounting Estimates:** The use of an **extended useful life (22-27 years)** for wind assets compared to the industry standard continues to artificially suppress annual depreciation and support the bottom line.
- **High Revenue Concentration:** Over **75% of group turnover** remains structurally tied to a single subsidiary (Beta Wind Farm), making the entire group vulnerable to localized regulatory or wind-speed shifts.
- **Restricted Subsidiary Cash:** The continued **non-recognition of finance income** from Beta Wind Farm (cumulative ₹461 Cr) remains a structural barrier to the parent accessing subsidiary-level liquidity.

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