Orient Green Power Company Ltd — Feb 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

Result: Strong Beat **One-line:** Orient Green Power (OGPL) is transitioning from a seasonal, wind-only legacy operator into a diversified renewable player, with the successful commissioning of its first solar project and the activation of the Tamil Nadu repowering policy acting as significant re-rating triggers.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	9M Net Profit +54% YoY; successful entry into Solar segment; credit rating upgrade to BBB.
Earnings Quality	Moderate	9M profit supported by a one-time interest refund (₹16 Cr in Q2); however, core EBITDA remains stable despite seasonality.
Guidance Confidence	Strong	Management provided specific commissioning dates (April-May 2026) for the 28 MW expansion.
Management Credibility	Strong	MD was candid about wind seasonality ("Vayu Bhagwan") and the difficulties of selling the Croatian asset.
Business Quality Signal	Improving	Diversifying into Solar (less seasonal) and Repowering (higher PLF/ efficiency) improves the baseline EBITDA profile.
Key Q&A Exchange	Q16 + Promoter Pledge	MD committed to unpledging 100% of promoter shares by mid-March 2026—a major governance overhang removal.
The Street's Primary Anxiety	Execution on 1 GW Target	Concerns over the timeline and funding for the massive capacity jump from ~400 MW to 1 GW.
Capital Cycle Stage	Investment	Active Greenfield construction (28 MW) and Repowering (6 MW) underway.
Margin / Return Ratio Trajectory	Improving	Finance costs down 20% YoY; Repowering expected to turn break-even assets into high-margin (₹7 Cr EBITDA) units.
Pricing Power	Stable	Locked into PPAs and group captive models; limited pricing power but high revenue visibility.
FCF Conversion & Quality	Strong	"One of the best years for cash flows"; enables internal funding of repowering and wind Greenfield.
Competitive Moat Signals	Stable	First-mover advantage in Tamil Nadu's new Repowering policy.
Balance Sheet Strength	Adequate	Net Debt of ₹507 Cr; D/E of 2:1; interest costs optimized to 9.15%.
Working Capital Efficiency	Stable	Receivables managed well; seasonality creates Q3/Q4 cash flow troughs.
Mgmt Guidance Track Record	Reliable	Delivered on the first solar project commissioning as promised in prior quarters.
Key Vulnerability / Red Flag	Wind Volatility	Business remains 95%+ dependent on H1 wind conditions until solar capacity scales significantly.

Overall Thesis Verdict (3–4 sentences): The long-term thesis is strengthening as OGPL moves beyond its legacy "struggling wind firm" status by successfully executing its solar diversification and securing a first-mover slot in the Tamil Nadu repowering cycle. The credit rating upgrade to BBB and the imminent unpledging of promoter shares resolve significant historical governance and financial risks. While the 1 GW target remains ambitious and depends on inorganic acquisitions, the organic core is now generating healthy cash flows (₹187 Cr 9M EBITDA) to self-fund incremental growth. **Watchpoint for next quarter:** The confirmed unpledging of promoter shares and progress on the 28 MW expansion commissioning by May 2026.

2. BUSINESS PERFORMANCE

2A. KEY METRICS

DATA SOURCE: PPT not available — all numbers sourced from concall transcript.

Metric	Current Qtr (Q3 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Total Income)	₹40.06 Cr	→ Stable	↓ 70.4%	↓	Seasonal low for wind; Q3/Q4 are historically the weakest periods.
EBITDA	₹17.07 Cr	→ Stable	↓ 83.6%	↓	Drop is purely seasonal; generation patterns are consistent with FY25.
EBITDA Margin %	42.6%	Not stated	↓ (from ~77%)	↓	Margin compression in Q3 is typical due to fixed O&M costs against lower generation.
PAT (Loss)	(₹18.16 Cr)	↑ 16.7%	↓	↑	Loss reduced vs ₹21.81 Cr (YoY) due to 20% lower finance costs and debt optimization.
9M Net Profit	₹88.13 Cr	↑ 54%	N/A	↑	Performance driven by favorable wind in H1 and machine availability improvement.
Net Debt	₹507 Cr	↓ 3.4%	↓ 3.4%	↑	Reduced from ~₹525 Cr in Q2; current blended interest cost is 9.15%.
Installed Capacity	399.5 MW	↑ 1.8%	↑ 1.8%	↑	Added 7 MW solar (first in portfolio); 382 MW Wind + 10.5 MW Croatia.
Machine Availability	Not quantified	Not stated	Not stated	↑	H1 benefited from improved machine availability post-maintenance.
PLF (Wind - New Assets)	22% (9M)	Not stated	N/A	→	Applies to ~40 MW of newer turbine capacity.
PLF (Wind - Old Assets)	17% (9M)	Not stated	N/A	→	Applies to ~340 MW of legacy assets; ripe for repowering.
Interest Coverage	Not stated	↑	N/A	↑	Improving due to rating upgrade and debt repayment.

2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Wind Power	~₹38 Cr	Stable	High	→	Core	6 MW repowering started in TN; replaces legacy low-yield turbines.
Solar Power	~₹2 Cr	New	High	↑	New	7 MW commissioned; 18 MW under construction for May 2026.
Croatia (Wind)	~₹2 Cr (est)	Stable	High	→	Non-core	10 MW asset; generated 0.8M Euro EBITDA in prior year; debt-free.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume / Capacity	Reach 1 GW total capacity.	Needs ~600 MW of additions; management admits inorganic deals are required.	On Track (Solar)	High (M&A risk)
Guidance	New Capacity	36 MW addition (18 Solar + 10 Wind + 8 Repower/Hybrid) by June 2026.	High feasibility; 7 MW already commissioned; engineering underway.	Delivered 7 MW	Low
Guidance	Financials	New 36 MW to add ₹36 Cr annual EBITDA.	Implies ₹1 Cr/MW EBITDA; realistic for high-PLF new turbines/solar.	First Entry	Low
Strategy	Repowering	Repower 45 MW of old TN wind assets.	6 MW pilot underway; success depends on IRR of "delta investment."	First Entry	Moderate (Policy)
Strategy	Governance	100% unpledging of promoter shares by March 15, 2026.	Binary event; check next quarter's filing.	N/A	High
Balance	Cost of Debt	Further reduction in interest rates post-BBB rating.	Negotiating with bankers; current 9.15% could drop to <8.75%.	Delivered (Rating)	Low

4. ANALYST Q&A

Q#	Rel.	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
1	5.0	Amit Agicha	1 GW Target	Management Outlook	Verifiable roadmap for the 1 GW capacity claim.	Management is pursuing inorganic acquisitions to bridge the 600 MW gap and expects to share details in the next two quarters. Successful M&A is the primary catalyst for a significant valuation re-rating.	Specific deal names	3.0	Vague timeline
2	4.0	Amit Agicha	Financials	Financials	Current debt levels and blended interest costs.	Total debt stands at □507 Cr with a blended cost of 9.15% following recent refinancing. Lower interest expense is a direct driver of the 9M profit surge and improves FCF.	None	5.0	Specifics provided
4	3.0	Amit Agicha	O&M Costs	Financials	O&M cost per MW trends.	Total annual O&M is roughly □52 Cr for 380 MW, though newer turbines have significantly lower per-unit costs. Monitoring O&M efficiency is key as the asset base ages.	None	4.0	Directional
5	5.0	Vipul Shah	TN Repowering	Management Outlook	Specific benefits of the new Tamil Nadu Repowering Policy.	The policy allows closer turbine spacing and life extension of 20-year-old assets subject to annual fees.	None	5.0	Specific policy detail

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						This provides OGPL a clear regulatory path to upgrade its least efficient legacy assets.			
6	4.5	Vipul Shah	Yield/ EBITDA	Financials	EBITDA improvement from the 6 MW repowering project.	The asset's EBITDA will jump from <□1 Cr (at 6-7% PLF) to ~□7-7.5 Cr (at 30%+ PLF). This proves the "Repowering Thesis" as a massive value-unlock for the 45 MW legacy portfolio.	None	5.0	Quantified uplift
10	3.5	Amit Agicha	Capex	Capex and Allocation	FY27 Capex outlook and funding.	FY26/27 total expansion capex is ~□240 Cr, funded by internal accruals and debt, with future growth requiring new fundraising. This signals a transition from debt-repayment mode back to a growth-investment phase.	Fundraising specifics	3.0	Balanced
11	3.0	Amit Agicha	PLF	Business Overview	Current PLF for Wind vs Solar.	New wind assets average 22% PLF while older assets are at 17%; solar is too new to report. The 5% PLF delta highlights the necessity of the repowering strategy.	None	4.0	Clear split
16	5.0	Shivam Dama	Governance	Governance	100% promoter	Management targets	None	4.0	High-stakes commitment

Q#	Rel.	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Cred.	Verdict
					pledge is suppressing valuation.	unpledging the entire promoter stake by the middle of March 2026. This is the single most important governance catalyst for the stock in the near term.			
21	3.5	Amit Agicha	Capex Math	Capex and Allocation	Per MW cost for Greenfield expansion.	Solar costs ₹5.5 Cr/MW while Wind is ₹7.5-8.0 Cr/ MW, though Wind offers much higher PLF. This cost-benefit ratio explains why OGPL is shifting toward a hybrid (Wind+Solar) model.	None	4.0	Verifiable
22	2.5	Shivam Dama	Europe Asset	Business Overview	Profitability and sale status of the Croatia wind farm.	The 10 MW asset generates ~₹8 Cr EBITDA annually and is debt-free, but a sale is difficult due to a 49% local partner. It remains a "cash-cow" non-core asset rather than a growth driver.	None	3.0	Honest assessment

PATTERN FLAGS & SENTIMENT Analyst sentiment has shifted from "survival/debt" concerns (seen in H1) to "growth execution" and "governance" concerns. There was a notable focus on the new Tamil Nadu Repowering policy, with analysts attempting to model the EBITDA delta of upgrading old turbines. Management's posture was confident regarding operational metrics but cautious on the M&A required to hit the 1 GW target. The most significant friction point—the 100% promoter pledge—was addressed with a specific, near-term deadline, which should alleviate market anxiety if delivered.

GUIDANCE GAPS REVEALED IN Q&A * **M&A Uncertainty:** While the 1 GW target is the company's "vision," the Q&A revealed that organic growth alone (Solar/Repowering) will not get them there; the company is heavily dependent on inorganic deals that are not yet finalized. * **Funding Gap:** Management hinted at "fundraising possibilities" for FY27, suggesting that internal accruals may not suffice for the 1 GW vision, potentially leading to equity dilution.

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q2 FY26)	This Quarter (Q3 FY26)	Direction
Solar Status	Under construction.	7 MW Commissioned (Operational).	↑
Regulatory Clarity	Awaiting TN Repowering Policy.	Policy notified; 6 MW project started.	↑
Credit Rating	BBB- (Positive Outlook).	BBB (Upgraded).	↑
Promoter Pledge	Major overhang/unclear.	Commitment to 100% unpledge by Mar-26.	↑
Expansion Pipeline	Planning stage.	28 MW under active construction.	↑
Finance Costs	Reducing (H1 benefit).	Sustained 20% YoY reduction.	↑
Asset Portfolio	100% Wind (India).	Diversified (Wind + Solar).	↑

Thesis Conclusion: The thesis has moved from "Recovery" to "Growth." Operational stability is now a given, and the focus has shifted to the profitability of the new hybrid/repowered capacity. The governance cleanup (unpledging) is the final piece of the puzzle for institutional re-rating. STOP HERE.