

# Orient Green Power Company Ltd — Nov 2025 Quarterly Analysis

## 1. VERDICT & BUSINESS QUALITY SNAPSHOT

**Result: Strong Beat One-line:** OGPL delivered record half-year profitability driven by a normalized wind season and structural interest cost reductions, while formalizing a clear path toward its 1 GW capacity target.

Dimension	This Quarter	Signal / Evidence
Beat/Miss vs Guidance / Prior Quarter	Strong Beat	H1 PAT up 38% YoY; Q2 PAT of ₹80.94 Cr exceeds entire FY24 PAT.
Earnings Quality	Moderate (One-off aided)	Core operations robust (EBITDA +1%), but PAT includes ₹16 Cr one-off interest refund from lenders.
Guidance Confidence	Neutral	Ambitious 1 GW target reiterated; however, specific timelines for acquisitions remain "conversational."
Management Credibility	Strong	Delivered on machine availability (retrofitting) and interest cost reduction targets.
Business Quality Signal	Improving	De-leveraging and improved credit ratings are creating a virtuous cycle of lower finance costs.
Key Q&A Exchange	Q#2 - Expansion Funding	Mgmt confirmed organic growth via internal accruals/debt; inorganic via potential capital issuance.
The Street's Primary Anxiety	Growth execution & Funding	Analysts pressed on the 1,000 MW target feasibility; Mgmt pointed to TN repowering policy as a key catalyst.
Capital Cycle Stage	Consolidation to Investment	Shifting from repairing the balance sheet to aggressive solar and repowering investments.
Margin / Return Ratio Trajectory	Improving	EBITDA margins at 77% for Q2; Interest costs down 20% YoY.
Pricing Power	Stable	C&I realization ~₹5/unit; Wind remains more resilient than Solar in current exchange pricing.
FCF Conversion & Quality	Strong	Guided ₹25-30 Cr annual surplus after debt servicing for new capacity investment.
Competitive Moat Signals	Stable	Strong C&I customer base; regulatory "grandfathering" of older wind assets provides shielding from policy shifts.
Balance Sheet Strength	Adequate	Net Debt at ₹25 Cr; Credit rating upgraded to BBB- (Positive Outlook).
Working Capital Efficiency	Improving	Receivables mostly <30 days; Andhra Pradesh (major pain point) now paying within 45 days.
Mgmt Guidance Track Record	Reliable	Solar 7 MW project remains on track for Dec 2025 commissioning as promised last quarter.
Key Vulnerability / Red Flag	Seasonality & Weather	Business remains 70% dependent on H1 wind; Q3/Q4 will see significant sequential contraction.
Management Tone	Confident	Focused on "operational excellence" and readying for inorganic growth.

**Overall Thesis Verdict:** The investment thesis is significantly strengthened as the company transitions from a "turnaround" story to a "growth" story. The structural reduction in finance costs and the resolution of legacy receivable issues in Andhra Pradesh provide a stable floor for cash flows. While the 1 GW target is aggressive, the impending Tamil Nadu repowering policy provides a low-risk organic pathway to capacity expansion.

**Watchpoint:** Completion of the 7 MW solar project by Dec 2025 will be the first litmus test for their diversification strategy.

## 2. BUSINESS PERFORMANCE

### 2A. KEY METRICS

DATA SOURCE: PPT not available — numbers from concall.

Metric	Current Qtr (Q2 FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Revenue (Total Income)	₹135.45 Cr	+10.0%	+45.4%	↑	Driven by better wind generation and improved machine availability post-retrofitting.
EBITDA	₹104.31 Cr	+1.0%	+58.2%	↑	Q2 is seasonally the peak wind period; margins remain high at 77%.
EBITDA Margin %	77.01%	-682 bps	+626 bps	→	Margin contraction YoY due to base effects, but sequential improvement driven by operating leverage.
PAT	₹80.94 Cr	+22.0%	+180.6%	↑	Includes ₹16 Cr one-off interest refund. H1 PAT of ₹109.56 Cr is a recent multi-year high.
Net Debt	₹525.00 Cr	-4.5%	-4.5%	↑	Reduced from ~₹550 Cr in Q1; target is routine repayments of ~₹100 Cr for FY26.
Installed Capacity (Wind)	382 MW	→	→	→	95% of current portfolio; 7 MW solar to be added in Dec 2025.
PLF (Wind - Beta subsidiary)	28.00%	+350 bps	Not stated	↑	Significant improvement over 24.5% in Q2 FY25.
Finance Costs	Not stated (total)	-20.0%	↓	↑	Finance costs declined due to timely repayments and rate reduction from lenders (IREDA 9.4% to 9.15%).
Receivables (Avg Days)	<30 Days	→	→	→	350 MW collecting within 30 days; 50 MW (Andhra) collecting within 45 days.
Cash Flow Surplus	₹25-30 Cr	New	New	↑	Expected annual surplus available for reinvestment after all debt servicing.

### 2B. SEGMENT BREAKDOWN

Segment	Revenue (₹ Cr)	YoY Growth	Margin	Trend	vs Company Avg	Key Development
Wind	~₹128.6 Cr*	~10%	High	↑	Primary	Retrofitting in Andhra fully operational; TN repowering policy expected in 2-3 weeks.
Solar	~₹6.8 Cr*	New	N/A	↑	Nascent	7 MW (Dec 2025) and 18 MW (June 2026) projects underway to diversify the C&I portfolio.
Int'l	Not stated	Stable	N/A	→	Tiny	5.1 MW (Croatia) selling on exchange; performance in line with last year.

\*Estimated based on mgmt commentary that Wind is 95% of the asset base.

### 3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Volume	1,000 MW capacity "sooner rather than later."	Requires adding ~600 MW. Current pipeline is 25 MW Solar + Repowering (TBD). Needs major M&A to hit.	Improved PLF from 24.5% to 28% YoY.	High
Guidance	Solar Commission	7 MW by Dec 2025; 18 MW by June 2026.	On track for 7 MW; 18 MW construction starting "next couple of weeks."	Reaffirmed from Q1.	Low
Guidance	Finance Costs	Rates to continue coming down; IREDA already down to 9.15%.	Sustainable as credit rating (BBB-) now has a Positive Outlook.	Finance costs down 20% YoY.	Low
Strategy	Repowering	TN Repowering policy expected in Nov 2025.	Applied for one project in advance of policy to be ready for next season.	Waiting on government policy.	Moderate
Macro	Payment Cycle	Realization from state utilities (AP/TN) "improved dramatically."	Andhra paying in 45 days; market shift toward central push for timely payments.	AP payment issues resolved.	Low
Balance	Debt / Cap Allocation	Use ₹25-30 Cr surplus for growth; Internal Accruals + Debt for Organic; Capital for M&A.	Feasible for small solar (25 MW), but 1 GW target will necessitate significant equity dilution (Inorganic growth).	Routine debt repayment (~₹25 Cr this Q) delivered.	Moderate

## 4. ANALYST Q&A

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Q#	Relevance	Analyst	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
1	4.0	Dhanraj Tolani	Growth Drivers	Financials	Breakdown of the 20% H1 growth?	Mgmt attributed 60% to better wind conditions and 40% to better machine availability post-retrofitting. This suggests operational efficiency is a structural tailwind regardless of weather.	None	5.0	Quantified
2	4.5	Vinod Shah	Expansion	Capex	Timeline and funding for the 1,000 MW target?	Organic growth (repowering/solar) funded by accruals and debt; inorganic growth (M&A) will likely require capital issuance. Confirms that substantial dilution is likely to achieve the 1GW goal.	None	3.5	Directional
3	4.0	Rohan Gupta	Strategy	Business Overview	Mix of Wind vs Solar and outlook for solar?	Wind will remain 95% of the portfolio for 12-18 months; Solar+Battery is the long-term model once battery prices drop. Indicates no immediate pivot away	None	4.0	Realistic

Q#	Relevance	Analyst	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						from wind dominance.			
4	3.5	Mahesh Sheth	Profitability	Financials	Are the significantly improved margins sustainable?	Operating margins are sustainable, though seasonal top-line drops in Q3/Q4 must be viewed YoY. Suggests profitability has hit a new structural floor due to interest savings.	None	4.0	Consistent
5	5.0	Mahesh Sheth	Leverage	Financials	Current debt levels and cash flow post-repayment?	Total debt at ₹525 Cr with ₹25-30 Cr annual surplus for reinvestment after all debt servicing. Provides clear evidence of de-leveraging success.	None	5.0	Quantified
6	3.0	Amit Kumar	Marketing	Governance	Marketing strategy and brand recognition for investors?	Mgmt admitted focus was internal "straightening out" and will now start engaging larger FIs. Signals a shift toward improved IR and investor visibility.	None	3.0	Candid
7	4.0	Chandresh Singh	Policy	Management Outlook	Impact of policy changes in Tamil Nadu?	Mgmt is lobbying via wind associations; policy likely to be	None	4.0	Reassuring

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						prospective (affecting new assets) rather than retrospective. Shields existing assets from regulatory risk.			
8	4.5	Dhanraj Tolani	Competition	Business Overview	In-house vs Third-party O&M strategy?	Company uses a mix of in-house teams, OEMs, and third parties to optimize availability. Highlights operational flexibility to control costs.	None	4.5	Detailed
9	4.0	Mahesh Sheth	Credit Rating	Financials	Current credit rating and outlook?	Rated BBB- with a Positive Outlook from CRISIL; internal bank ratings are better, driving lower interest rates. Validates the "virtuous cycle" of financial improvement.	None	5.0	Verifiable
10	3.5	Vinod Shah	Carbon Credits	Business Overview	Carbon credit monetization status?	Company does not generate carbon credits because it sells the "green attribute" directly to C&I customers. Clarifies that there is no	None	5.0	Clear

Q#	Relevance	Analyst	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						hidden carbon credit upside.			

## PATTERN FLAGS & SENTIMENT

The primary anxiety among analysts shifted from "survival and receivables" (previous years) to "growth and funding" (this quarter). Management's posture was notably confident, particularly regarding the resolution of Andhra Pradesh payment issues and the structural decline in interest rates. The recurring theme of the 1,000 MW target was met with directional but cautious answers, signaling that while the ambition is high, the management is not willing to overpay for acquisitions or rush the process.

**Analyst Sentiment Verdict:** Analysts appeared cautiously optimistic. The friction points were centered on the timeline of the 1 GW expansion and the potential for equity dilution. Management's credibility improved due to the delivery of solar project timelines (7 MW on track) and the successful recovery of interest refunds, which validated their "straightening out" narrative.

## 5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q1 FY26)	This Quarter (Q2 FY26)	Direction
<b>PAT Magnitude</b>	₹28.85 Cr	₹80.94 Cr	↑ Strong expansion
<b>Finance Costs</b>	9.25% target	9.15% (IREDA) achieved	↑ Improving efficiency
<b>One-off Gains</b>	₹9.3 Cr recovery (BoB)	₹16 Cr interest refund	↑ Liquidity boost
<b>Expansion Clarity</b>	TN Policy awaited	Policy expected in 2-3 weeks	↑ Visibility
<b>Credit Outlook</b>	Not highlighted	Positive Outlook (CRISIL)	↑ Re-rating signal
<b>Andhra Receivables</b>	₹19-20 Cr delayed	Now paying in 45 days	↑ Working Capital
<b>Growth Funding</b>	Ambiguous	Hybrid: Accruals + Equity issuance	→ Strategy defined
<b>Cash Flow Surplus</b>	Not quantified	₹25-30 Cr per annum	↑ Quantified health

**Thesis Conclusion:** Conviction is increasing. The company has moved beyond its legacy baggage (debt, receivables, and bad wind seasons). The core wind business is now a "cash cow" generating sufficient surplus to fund incremental solar growth, while the balance sheet is being primed for a major inorganic leap. The key risk remains the seasonality of wind, but the financial buffer is now large enough to handle the leaner H2.