



OPG POWER VENTURES PLC

BECOMING A LEADER IN INDIAN ENERGY



CAPITAL MARKETS DAY
15TH SEPTEMBER 2016

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WE WANT TO PROVIDE A CLOSE UP OF BOTH THE SECTOR IN INDIA AND HOW OPG IS PLAYING ITS PART TO BECOME A LEADING PARTICIPANT

PART 1: INDIA'S NEED FOR ENERGY AND DIVERSITY

1400 – 1500:	Introduction	Ajay Paliwal (OPG)
	India's Economic Revival	K C Chakrabarty (Ex-RBI Dep Gov)
	India's Power Sector	Adam Forsyth (Cantor Fitzgerald Europe)
	Financing India's Power Sector	Kuljit Singh (EY)

PART 2: OPG - PLAYING OUR PART IN THE POWER SECTOR

1515 – 1630	Leadership & Strategy	Arvind Gupta
	Operating OPG	T Chandramoulee
	Renewables	Sunil Singh
	Managing the Balance Sheet	V Narayan Swami
	Questions And Wrap Up	Ajay Paliwal

OPG PRESENTATION TEAM

OPERATIONS

STRATEGY

Arvind Gupta
CEO and Chairman (Designate)

Background:

- Founder and 50.8% shareholder
- Pioneer of Group Captive Power

T Chandramoulee
Group COO

Background:

- Non-Board leader
- Project development, execution
- Operations for thermal assets
- Transmission line projects

FINANCIAL

V Narayan Swami
Finance Director

Background:

- Executive Board member
- Balance sheet responsibility

Ajay Paliwal
Corporate Finance

Background:

- Senior Management team
- Strategy for growth and financing
- Investor Relations

Sunil Singh
CEO Renewables

Background:

- Evaluated over 2 GW of renewable projects
- EPC ~ understanding of equipment manufacturing process, site visits of suppliers, key terms of EPC
- Evaluating financing options with banks
- Tendering of bids for projects

Pooja Maru
Investor Relations

Background:

- Investor Relations
- Strategy team

CAPITAL MARKETS DAY – OUR OBJECTIVES

INTRODUCE OTHER SENIOR TEAM MEMBERS

HEAR FROM INDEPENDENT SOURCES OUR TRADING ENVIRONMENT IS CHANGING

DEEPEN UNDERSTANDING OF HOW WE RUN OPG

SHARE EXAMPLES OF WHAT WE HAVE LEARNT

ILLUSTRATE OUR VISION FOR THE FUTURE

ANSWER YOUR QUESTIONS

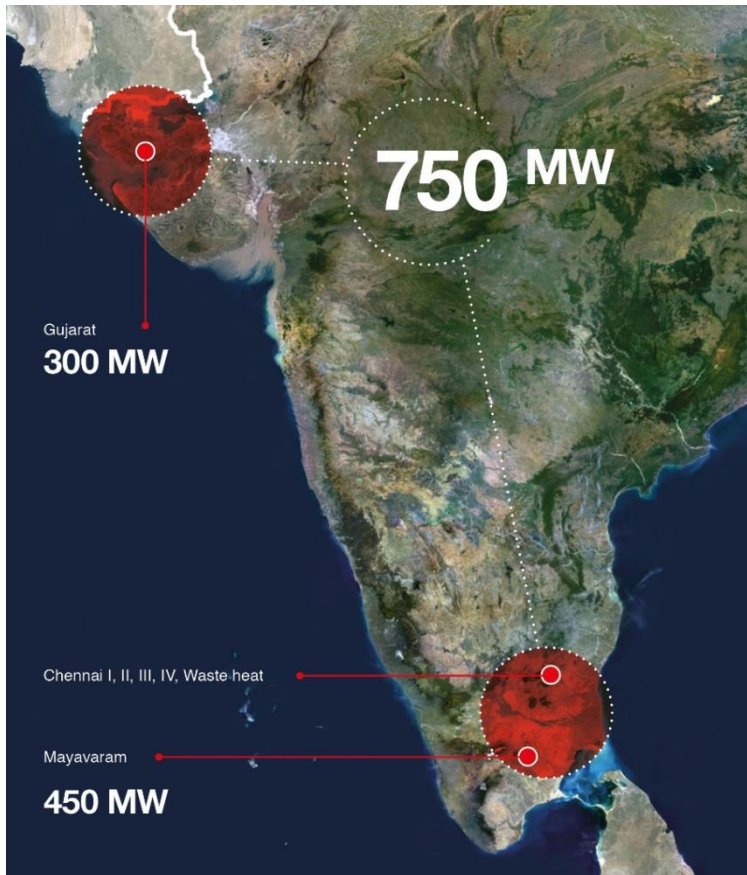


INTRODUCTION

AJAY PALIWAL

OPG BUILDS AND OPERATES POWER PLANTS IN INDIA

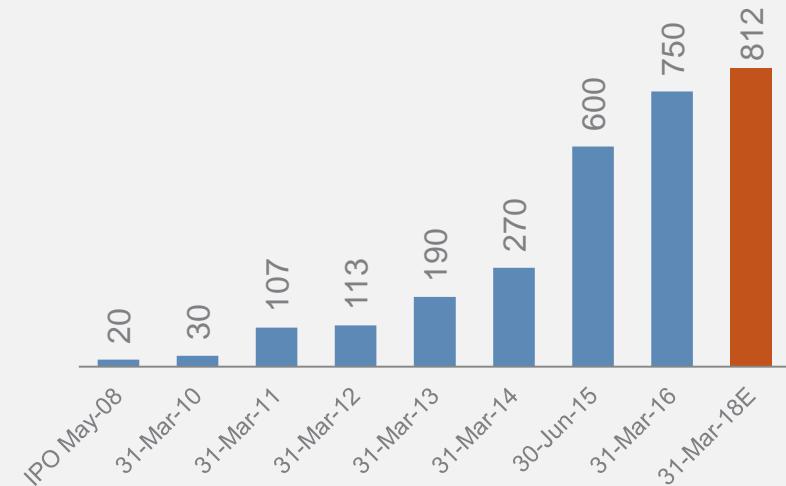
750 MW INSTALLED



MARKET CAP:

£221 MILLION

CAPACITY GROWTH



750 MW includes 36 MW legacy assets

HIGHLIGHTS

BECOMING A LEADER ...

.....IN WORLD'S FASTEST GROWING MAJOR ECONOMY

...from a strong base

- ✓ Eight year track record of rising profits and project delivery
- ✓ Robust, visible revenue streams from installed asset base
- ✓ 714 MW built within budget
- ✓ Experienced senior management team and project / operations teams

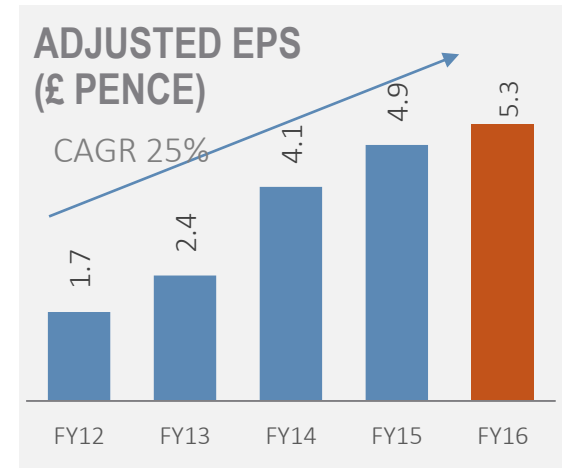
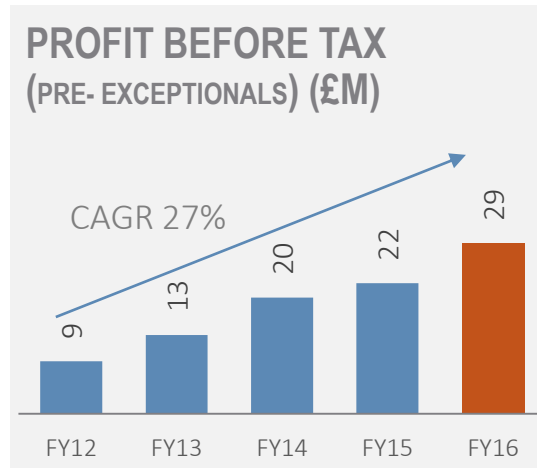
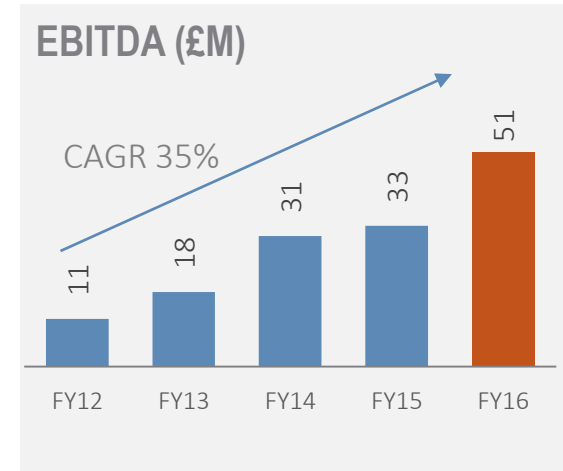
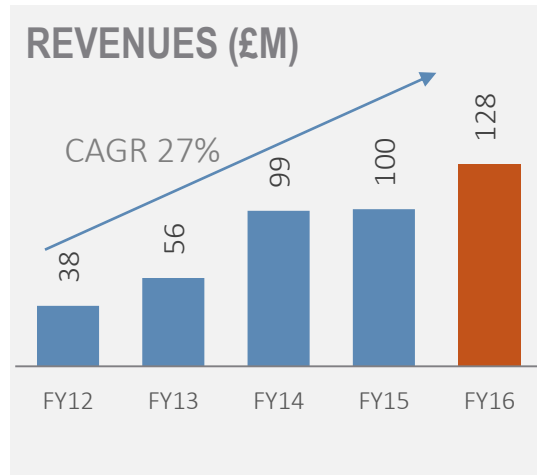
Moving forward...

- Maiden dividend - expected FY17
- Deliverable investment programme for continued growth
- Become a leader in Indian energy

OPG HAS A TRACK RECORD OF PERFORMANCE

Our reported earnings have risen consistently

**Underlying INR growth has been stronger still
(INR Revenue CAGR)**



A man in a light-colored shirt and dark trousers is operating a large industrial valve in a complex piping system. The background shows a dense network of pipes and machinery, typical of a large-scale industrial facility. The overall tone is blue and industrial.

THE INDIAN ECONOMY – INVESTMENT CASE

K C CHAKRABARTY

INDIAN ECONOMY – MACRO → LONG TERM INVESTMENT DESTINATION

- Nominal GDP \$2 trillion (Global Rank 7th)
- GDP on PPP basis \$8.5 trillion (Global Rank 3rd)
- Stable and consistent growth over the last 30 years
- Growth - At present amongst the fastest growing and likely to grow at 7-8%
- GDP growth is consumption driven, per capita GDP is low with considerable scope to increase
- Creates a huge market for consumption and investment
- Inflation has declined and expected to be 4-5%
- Current account deficit and fiscal deficit - down significantly and CAD almost neutral
- Favourable demographics, vibrant democracy, stable government, strong institutional framework (legal, regulatory, financial)

INDIAN ECONOMY - PRESENT CASE FOR INVESTMENT

- High growth, moderate inflation, stable currency and stable government
- Consumption driven growth
- Rising business confidence
- Buoyant capital flows
- Deficit and borrowings are largely locally financed
- Irreversible reform agenda and a decisive political mandate for implementation
- Less impacted by global developments
- Interest rates are already high
- Benign oil and commodity prices
- Problems are more internal and related to transparency and implementation issues - simpler to handle



LEADERSHIP & STRATEGY



ARVIND GUPTA

HOW WE VIEW LEADERSHIP IN INDIAN ENERGY

CUSTOMERS

- Reliability
- Value for money

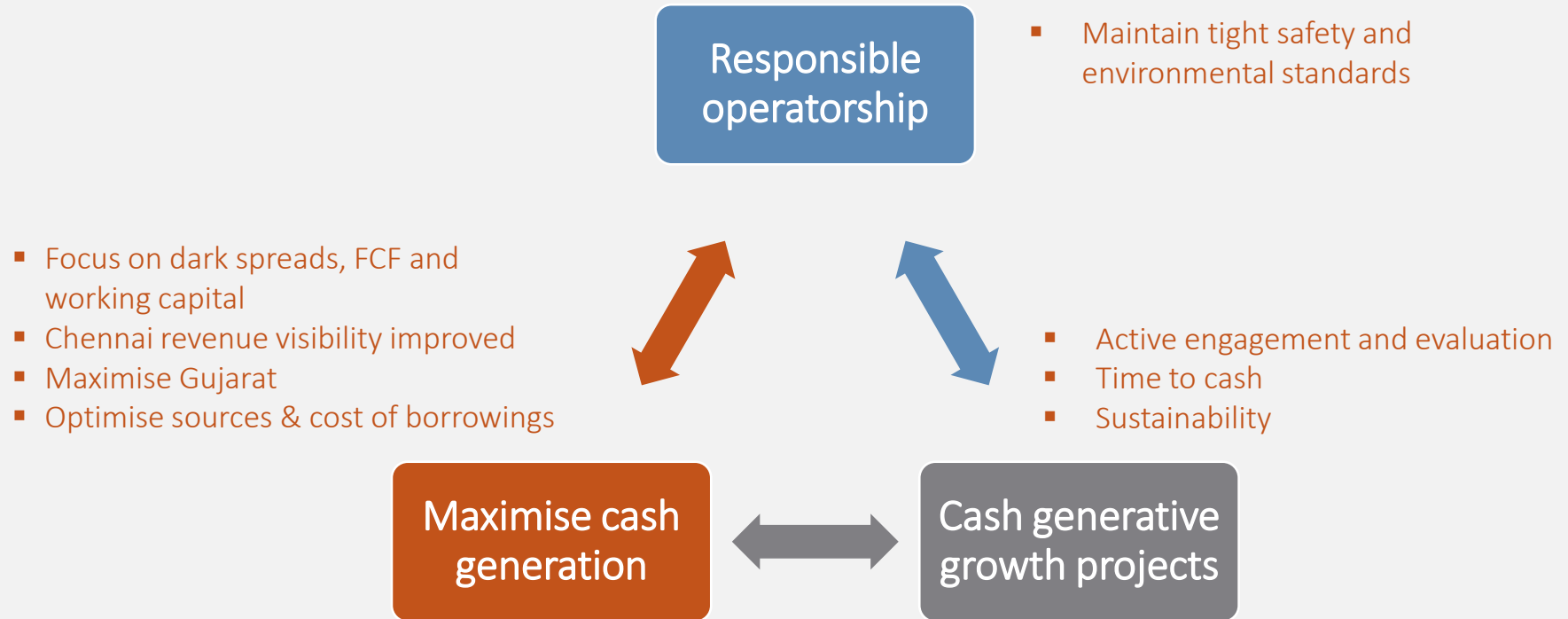
SAFETY & ENVIRONMENT

- Continuous Improvement

INVESTOR ATTRACTIVENESS

- Returns
- Operating robustness
- Profitable growth

WHAT WE ARE DOING TO ACHIEVE LEADERSHIP



HOW THE GROUP MIGHT LOOK IN FIVE YEARS FROM NOW

1200+ MW
INSTALLED CAPACITY

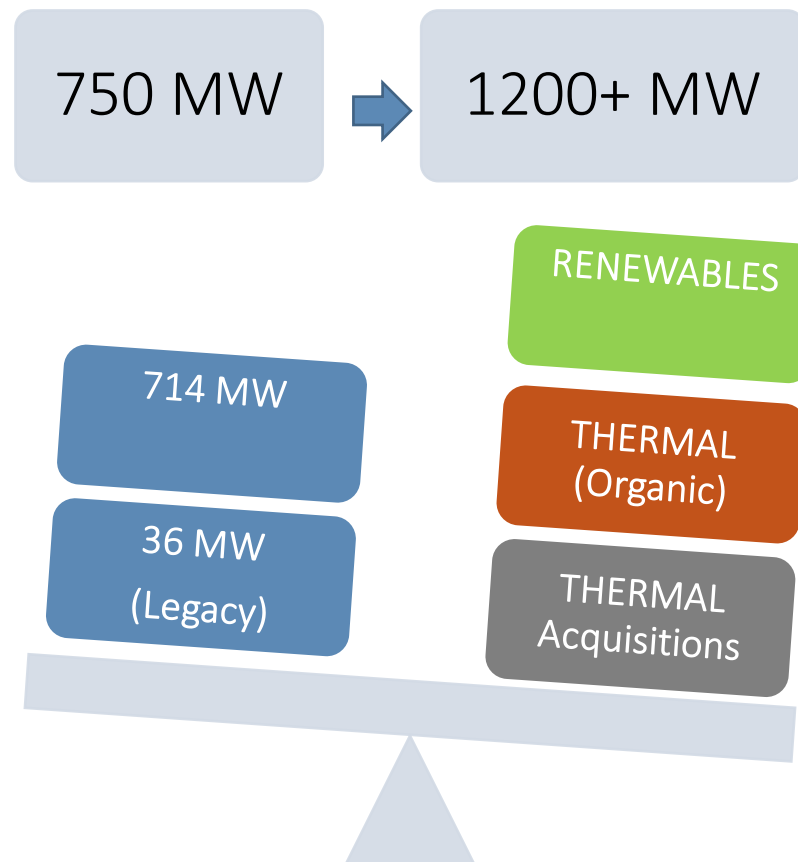


33%
**LONG TERM PAY-
OUT**

10% p.a
**DIVIDEND
GROWTH**

CASH GENERATION MEANS INTERNAL & EXTERNAL GROWTH OPTIONS

OUR OPPORTUNITIES



STRATEGIC FIT

COMPLEMENTING THE LONG TERM EARNINGS PROFILE

SOLAR



TARIFF

25 year fixed



FUEL RISK

Sun shining!
PLF based on historic trend of solar irradiation



O&M

Smaller individual assets
In house team at OPG for O&M alleviates reliance on 3rd parties



RETURNS

Fewer operational risks – improved predictability of returns

THERMAL

Average 2-3 yrs in Chennai

Linked to State pricing

Coal availability and price risk

Mitigated at OPG by revenue model, flexibility of boiler and locations, multiple top tier supplier relationships

More intensive

In house team at OPG for O&M alleviates reliance on 3rd parties

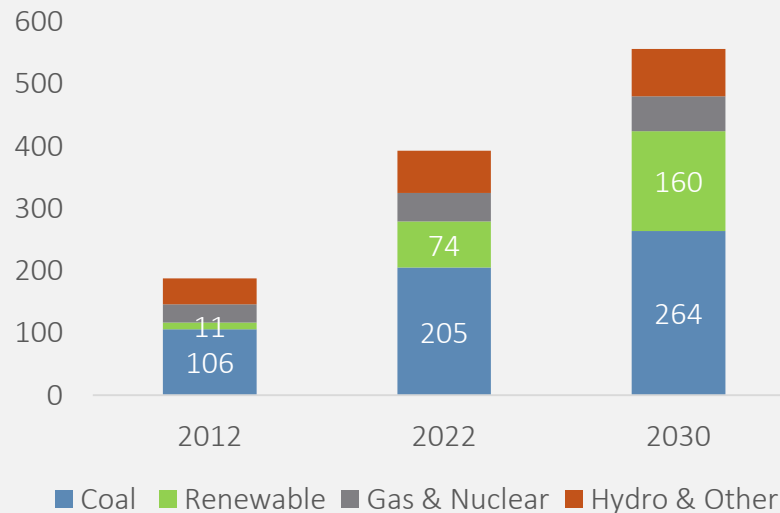
Flexible revenue and pricing provide prospect of higher returns

AS WELL AS MORE ENERGY, INDIA NEEDS DIVERSITY OF FUEL

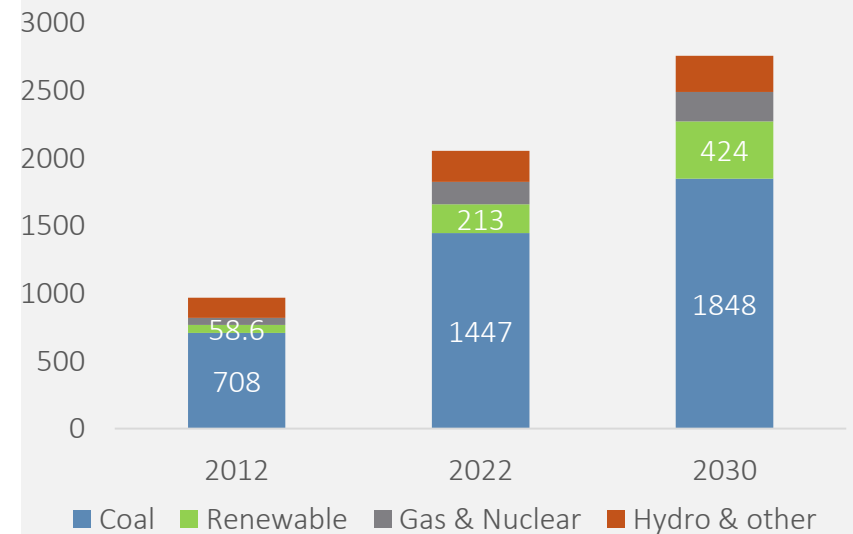
INDIA FORECASTED TO ADD C.300 GW BY 2030

- India to reduce CO2 intensity by 33% from 2005 levels by 2030

562 GW INSTALLED BY 2030 47% COAL & 28% RENEWABLES MW



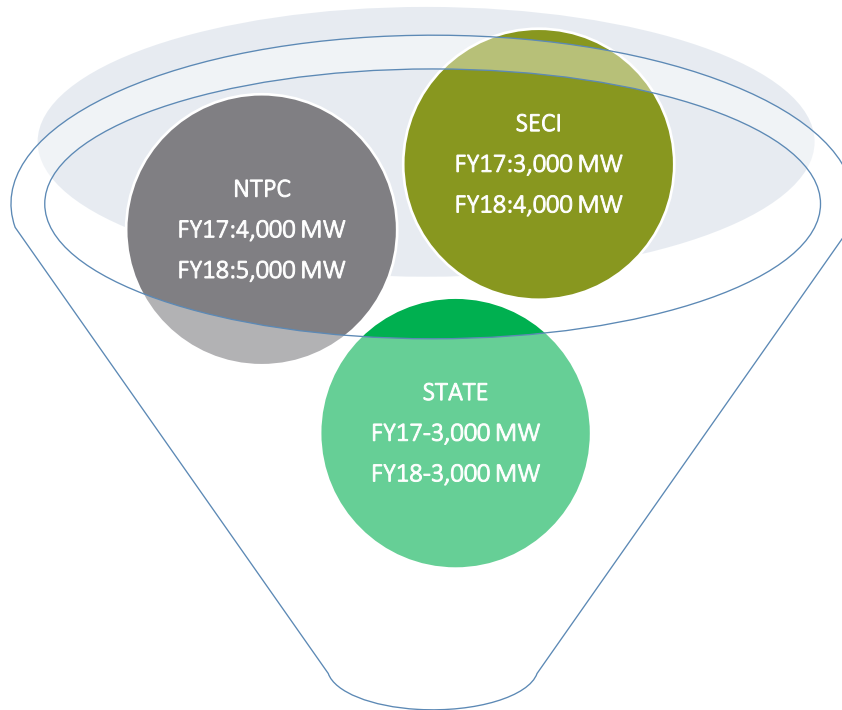
2.8 TWH GENERATION BY 2030 65% COAL & 15% RENEWABLES TWH



Source: NITI Aayog April 2015 - Report on Energy Efficiency and Energy Mix – Determined Effort case; In Indian Energy System (2030) using India Energy Security Scenarios 2047

INDIA'S SOLAR PIPELINE PROVIDES OPG WITH STEADY GROWTH OPPORTUNITIES

OVER 100 GW SOLAR PROJECTS EXPECTED BY 2022



FINANCIAL RESTRUCTURING OF STRESSED ASSETS

RBI INTRODUCED SCHEME IN 2014, ENHANCED IN 2015 AND 2016

What does it involve

- Existing shareholder to primarily bear the burden of any restructuring
- Joint Lenders Forum (JLF) and Corrective Action Plan for underperforming assets

Key implications

- Reduced rate of lending
- Extended repayment terms
- SDR to involve conversion of debt to 51% equity – to enable change in management
- Take a (minimum level) “haircut” to make the project viable

HOW DO WE ASSESS GROWTH OPPORTUNITIES

MEASURED APPROACH



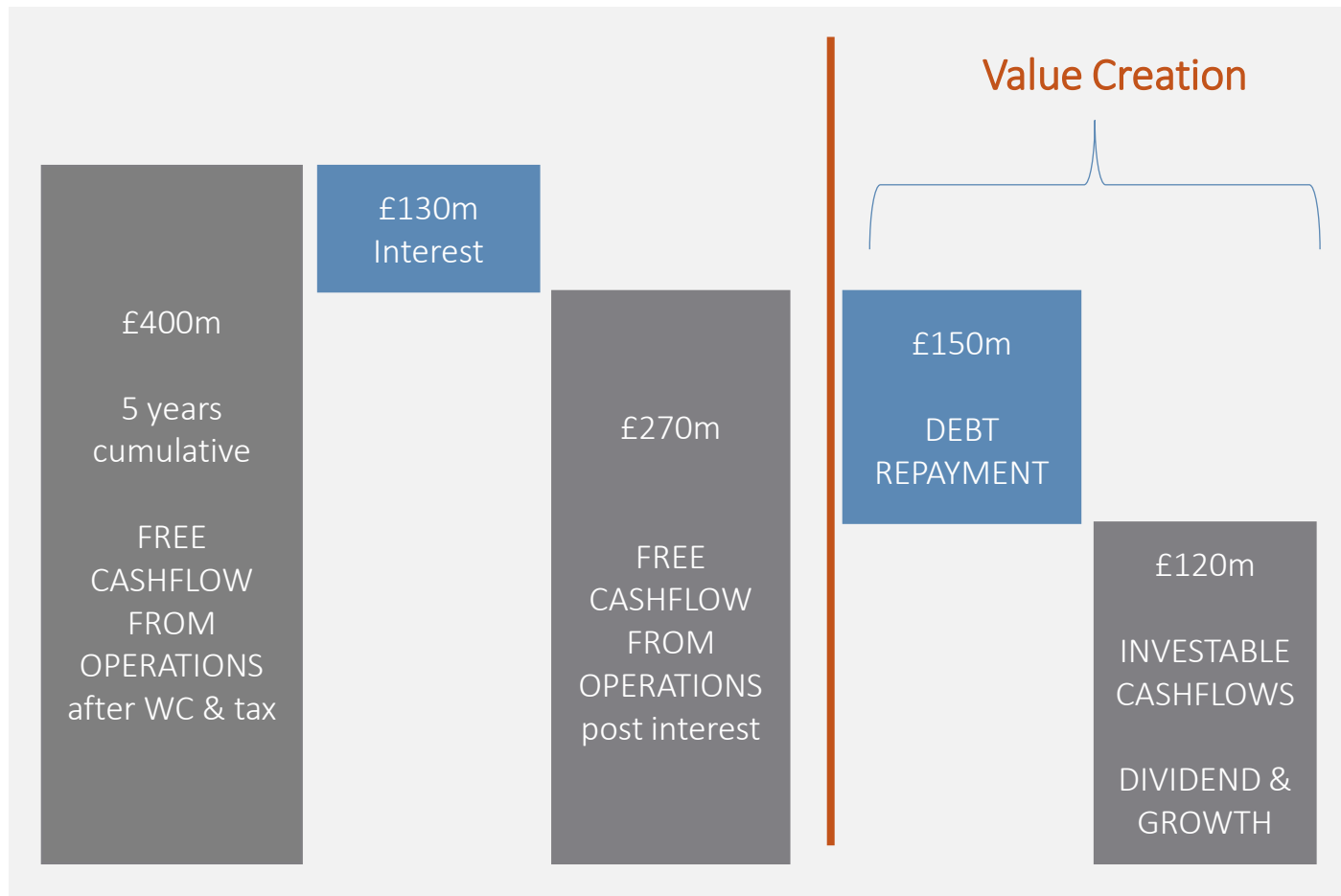
- Assessment team has to deliver turnaround
- Advisers with a long term interest in us becoming a sector leader

SELECT TRANSACTIONS IN THE THERMAL POWER SECTOR IN INDIA

Date	Buyer	Target	Other details	Stake acquired (%)	Deal value (US\$mm)	Equity Value (US\$mm)	FV/ EBITDA	FV/MW (US\$/MW)	P/B
May-16	Tenaga Nasional Berhad	Select portfolio of coal/gas based and renewable power projects having a total capacity of 4,630MW with operating capacity of 2,300MW (from GMR)	<ul style="list-style-type: none"> Tenaga has right to invest in Chattisgarh/ Rajahmundry projects within the next five years 	30% of select portfolio of assets	300	1,000	N/A	N/A	N/A
May-16	JSW Energy	1000MW Tamnar-I (from Jindal Steel & Power)	<ul style="list-style-type: none"> Flexible deal valuation Fully merchant capacity at present, with no coal block/supply Estimated completion date: June 2018 	100%	597-970 ²	597-970 ^{2,3}	N/A	0.6-1.0 ²	N/A
May-10/ July-14/ May-16	SembCorp Industries	Thermal Powertech Corporation India, (TPCIL) 1,320 MW coal-fired power plant	<ul style="list-style-type: none"> Project cost of ~\$1.5bn financed by D/E: 75/25 Sembcorp's first power plant investment in India 	Currently holds 86.9% stake in the project through a series of transactions	269 ⁴	309 ⁴	N/A	1.0 ⁴	1.2x ⁴
Feb-14/ Apr-16	SembCorp Industries	NCC Power Projects Ltd, later renamed as Sembcorp Gayatri Power, 1,320MW coalfired power project	<ul style="list-style-type: none"> Acquisition to double Sembcorp's power generation capacity in India Synergies expected given proximity to TPCIL's plant 	88% through combination of shares and post conversion of CCBS	224 ⁴	254 ⁴	N/A	0.7 ⁴	1.1x ⁴

¹ Price to invested equity based on broker reports, ² Excluding net current assets, Deal EV is \$0.6mm/MW in the current scenario (100% merchant plant) and will be increased to \$0.97mm/MW if the plant ties up PPA & fuel and provides minimum return threshold, ³ No debt in the acquired company, ⁴ Indicative estimates calculated on post money basis for cumulative size of deal values and current stakes, ⁵ Adjustments made to Receivables
Note: FV and Equity Value based on 100% stake, USD INR = 67.00
Source: JP Morgan

ILLUSTRATIVE CASHFLOW

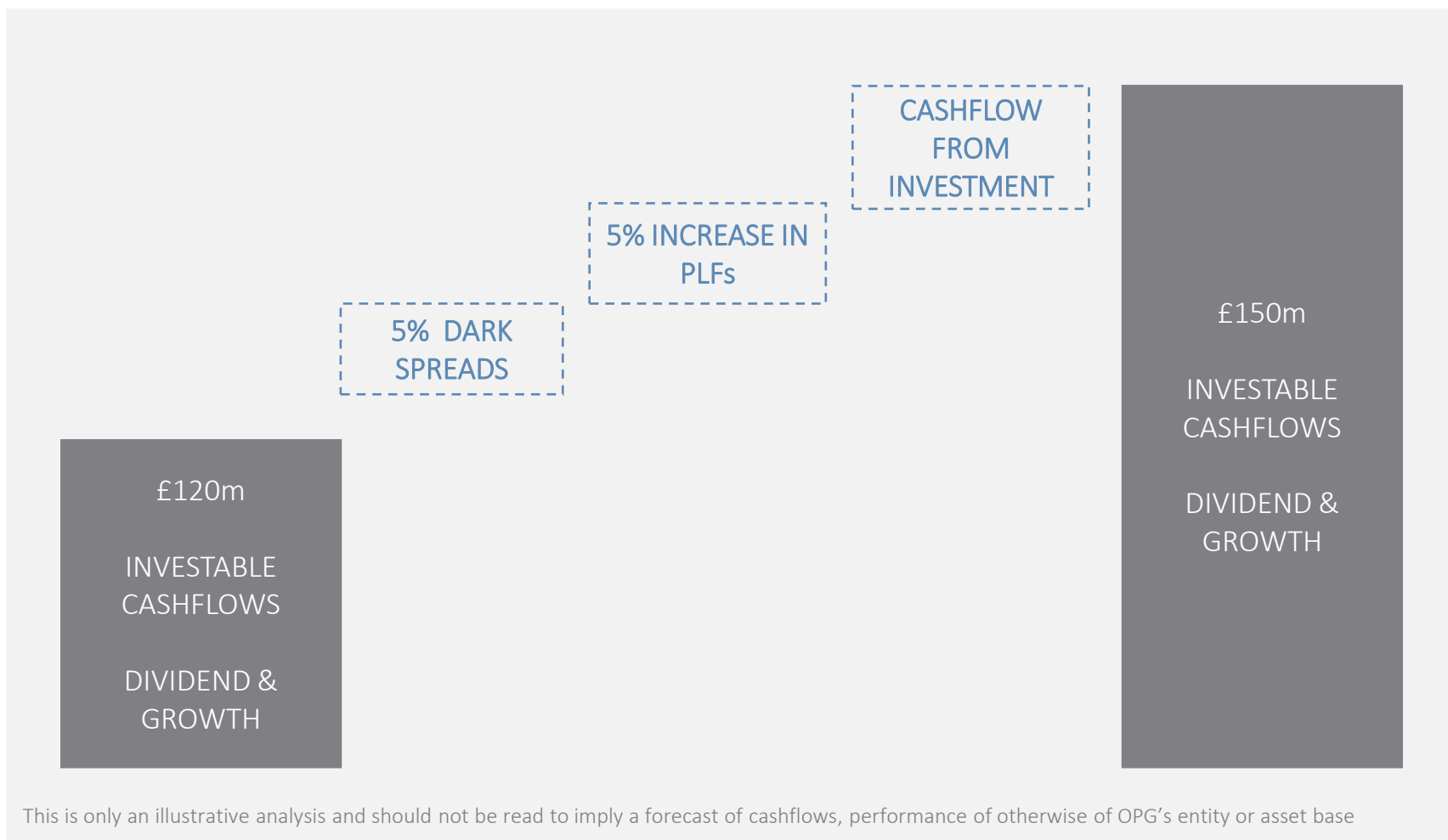


Key assumptions

Tariff: Rs4.40/kWh; Landed coal cost: Rs3,200/t

This is only an illustrative analysis and should not be read to imply a forecast of cashflows, performance of otherwise of OPG's entity or asset base

ILLUSTRATIVE CASHFLOW





OUR OPERATIONS

THIAGARAJAN CHANDRAMOULEE



OPERATING OPG

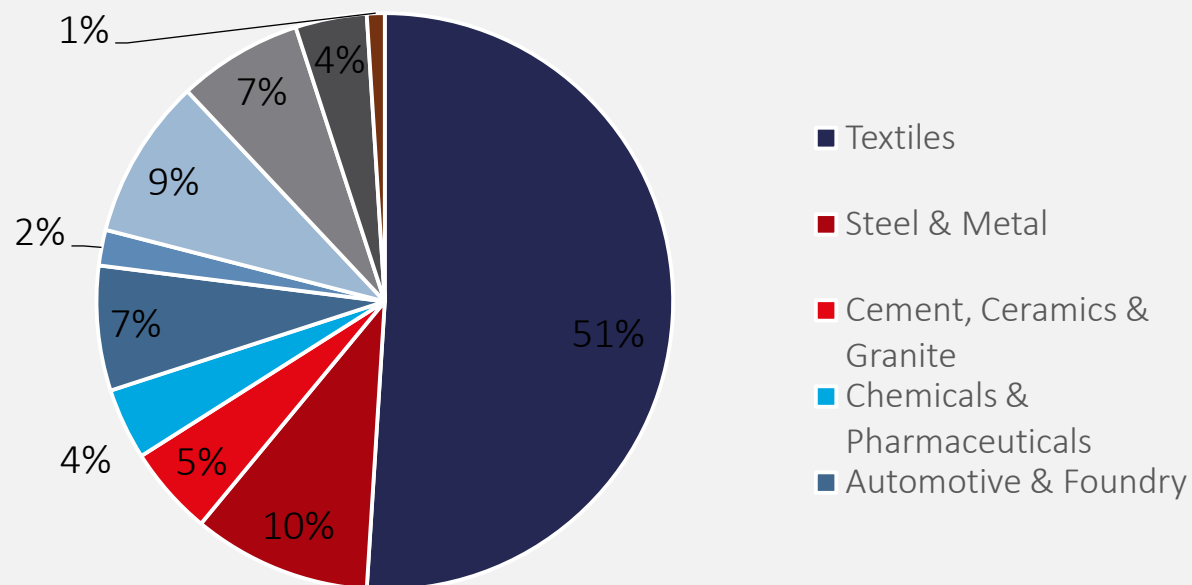
- Maximising Revenue and Visibility
- Minimising Long Run Cost
- Team

KEY PERFORMANCE INDICATORS – TYPICAL VALUES

Performance Indicators	National Average*	C1, C2, C3	C4	G1 & G2
Availability Factor	85 %	96.4 %	96.4 %	96.4 %
PLF	85 %	92.5 %	92.5 %	92.5 %
Auxiliary Power	9.5 %	7.5 %	8 %	8.8 %
Specific Oil Consumption	1 ml/kwh	0.7 ml/kwh	0.7 ml/kwh	0.7 ml/kwh
Forced Outage	9 %	0.56 %	0.56 %	0.56 %
Planned Outage	6 %	3 %	3 %	3 %
Stack Emission-SPM	50 mg/Nm3	30 mg/Nm3	30 mg/Nm3	30 mg/Nm3
Sox	600 mg/Nm3	400 mg/Nm3	400 mg/Nm3	400 mg/Nm3

* Source from Central Electricity Authority, Ministry of Power, Government of India

DIVERSE CUSTOMER BASE



CHENNAI	GUJARAT
80% NON-UTILITY SUPPLY	100% NON-UTILITY SUPPLY
2-3 YEAR CONTRACTS	1-3 YEAR CONTRACTS

SAFETY RECORD – TOTAL RECORDABLE INJURY RATE

Chennai

ELEMENT	TRIR 2014-2015	TRIR 2015-2016	TRIR 2016-2017 (YTD)
Employees	0.64	0.37	0.00
Contractors	0.21	0.32	0.00
Both	0.38	0.28	0.00

Gujarat

ELEMENT	TRIR 2014-2015	TRIR 2015-2016	TRIR 2016-2017 (YTD)
Employees	NA	0.37	0.00
Contractors	NA	0.75	0.43
Both	NA	0.64	0.26

ENVIRONMENTAL PERFORMANCE

- Ambient Air Quality
- Stack Monitoring
- Minimise drawal of Ground Water
- Zero discharge of Effluent

ENVIRONMENT – AAQ (CHENNAI JULY 2016 DATA)

Parameters	SOX	NOX	SPM 2.5μ	SPM 10μ	CO
	μg/Nm ³	μg/Nm ³	μg/Nm ³	μg/Nm ³	mg/Nm ³
Limits	80	80	60	100	2
Max	52.44	25.32	64.32	71.56	1
Avg	28.24	0.8	24.12	26.12	0.5
Status	✓	✓	✓	✓	✓

RAIN WATER HARVESTING & QUALITY MONITORING

- Infiltration Wells
- Piezometer Wells dug for quality and recharge potential monitoring
- Monthly surveying of the ground water in plant and nearby villages
- Storm water drains connected to raw water reservoir

MINIMISING LONG RUN COSTS

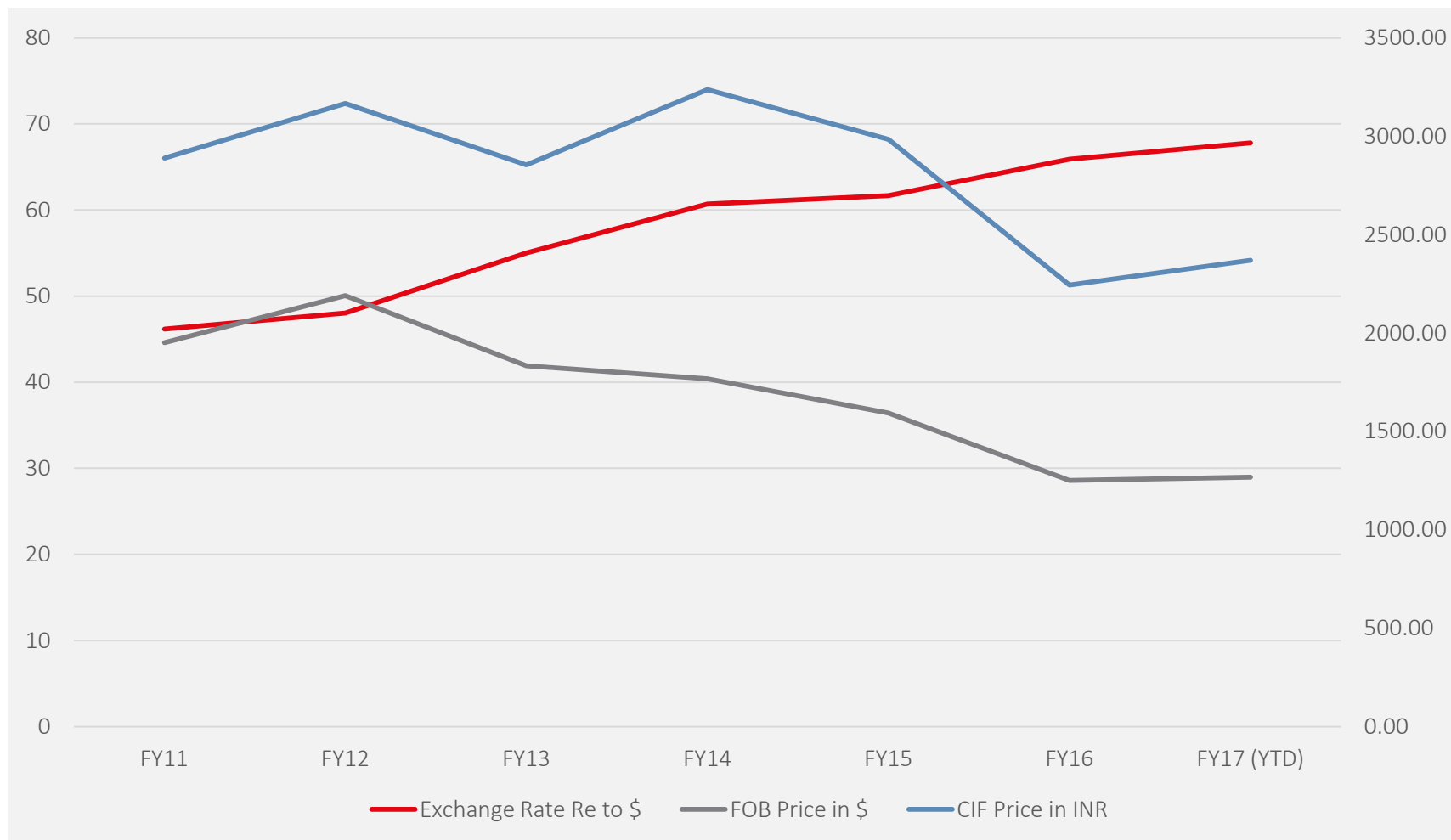
- Heat Rate – energy required to produce a unit of electricity
- Coal Management
- Human Resource
- Focus on Asset Information

HEAT RATE AND COAL

INITIATIVE	RESULT TO DATE
HEAT MANAGEMENT PROGRAM – STEP (Station Thermal Efficiency Program)	Reduced total unaccounted losses from 300 kCal to 150 KCal
FUEL MANAGEMENT PROGRAM – Quality determination by in-house Laboratory and automated sampling process	Identifying better coal suppliers
FUEL MANAGEMENT PROGRAM – System driven logisitics	Minimised loss of coal from 0.5% to 0.2%

Blue Print for the Group – will be implemented in Gujarat in FY 17

LANDED COAL COST SINCE COMMENCEMENT OF OPERATIONS



COAL PROCUREMENT & COAL LOGISTICS

- Coal procurement plan prepared on financial year basis
- Coal 'Just in Time' to reduce holding cost and minimize loss
- Long term contracts with established mines and traders
- Logistics from port to plant completely driven through SAP
- Monitoring of truck movement with GPS
- Coal quality analysed in the in-house 'state of art' laboratory

FOCUS OF ASSET INFORMATION

- OPG has a robust Asset Information System developed in SAP as this information is essential for increasing the efficiency of business operations
- Managing Repair Expenses
- Asset Information provides inputs for simultaneously achieving two goals:
 - Maintaining and Improving Stability and Safety
 - Reducing Costs

HR INITIATIVES

- Succession planning
- Fast track for 'star' performers
- Rewarding of continuous improvement projects
- Job rotations for enhancing cross-functional exposure
- Opportunities for transition from workmen to executive cadre

GROUP'S BALANCED SCORE CARD – EVERYBODY ALIGNED

Financial		Customer	
Objectives	Measures	Objectives	Measures
To achieve a high return on investment	ROI, ROCE	To dominate our major markets	Market share
To maximise profitability per transaction	Unit costs	To delight our targeted customers	Customer Satisfactory Survey Results
To minimise our cost of obtaining funds	Credit rating	To build customer recognition	Corporate Image
To delight our share holders	Value Added Measures		
To improve our cash flow	Creditor days		
Learning & Growth		Internal Business Process	
Objective	Measures	Objectives	Measures
To value our staff	Employee Retention Index	To ensure maximum Generation	PLF
To develop a skilled workforce	Number of Training hours completed per head	To reduce forced outage and minimise planned outage	Availability
To create orgnsational alignment	Peer evaluation measures within/ between teams	Embed a comprehensive Safety management system to achieve and maintain a zero harm culture	TRIR
To cultivate a core competence in ..	Skill and Technology measures related to desired competence	Comply with all Environmental Legislation.	Environmental Parameters
		To integrate seamlessly into local communities and other stake holders	
		To procure and deliver the most suited coal at the lowest price	Coal Cost per kCal
		Create a "total quality" culture to ensure consistent implementation of plans, procedures and performance standards and take actions to achieve results	



OPG'S MOVE INTO SOLAR

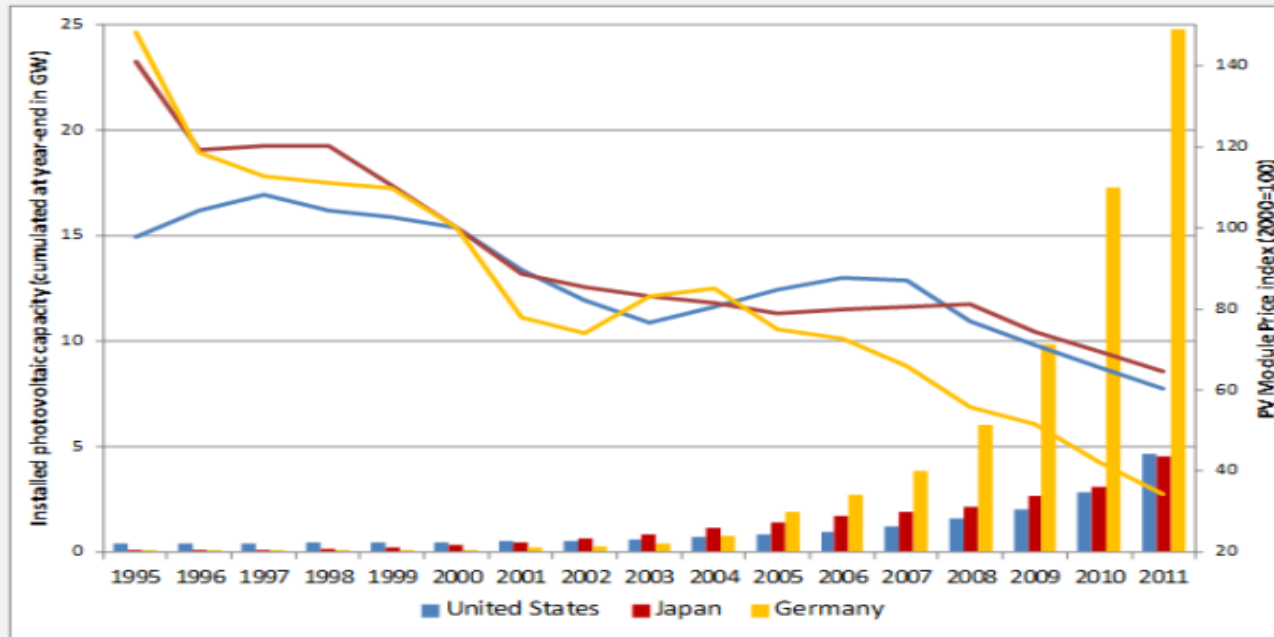




SOLAR ENERGY IN INDIA

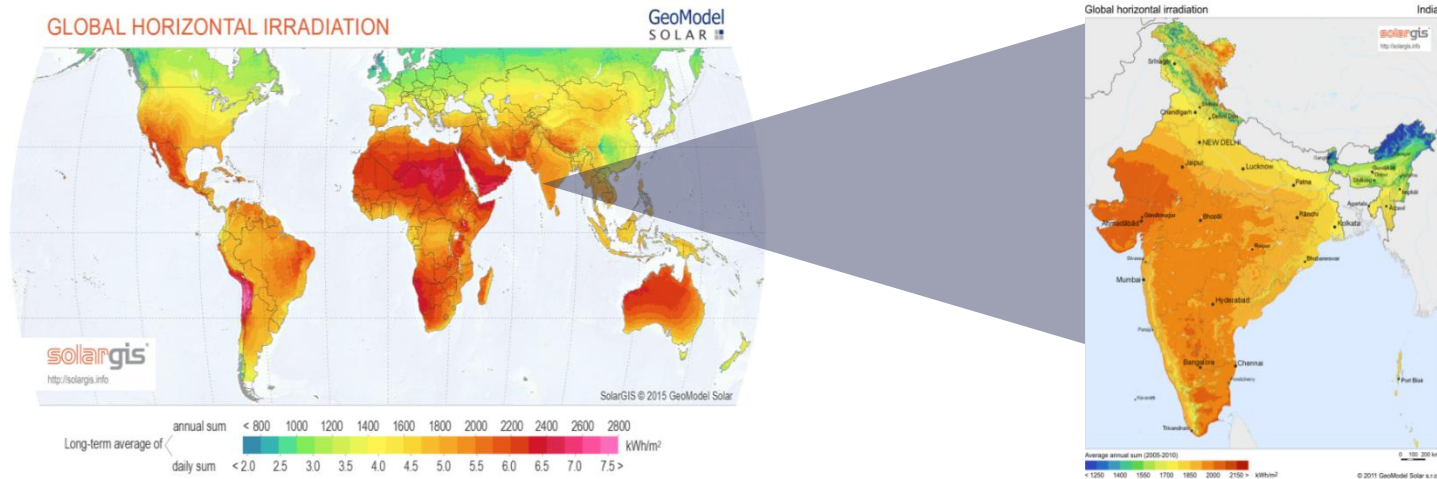
SOLAR HAS BECOME ATTRACTIVE IN ENERGY-THIRSTY INDIA

LEADING GLOBAL SOLAR CAPACITY AND SOLAR PV COST TREND



Source: 3rd party research

SOLAR ATTRACTIVE IN INDIA - ECONOMIC WITHOUT SUBSIDIES



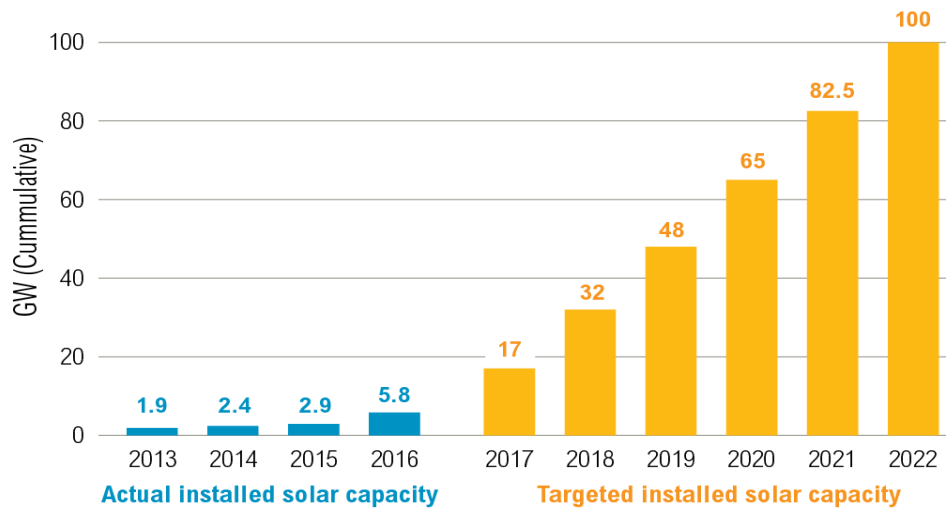
INDIA'S SOLAR COSTS - HIGHER IRRADIATION AND LOWER CAPEX – COST PARITY

	India	UK
Yearly sun hours (Net 20% conversion loss)	1,604	792
System cost (\$/MW)	\$1.1m	\$2m
Discount rate	12%	5%
LCOE (\$/kWh)	<\$0.08	\$0.23

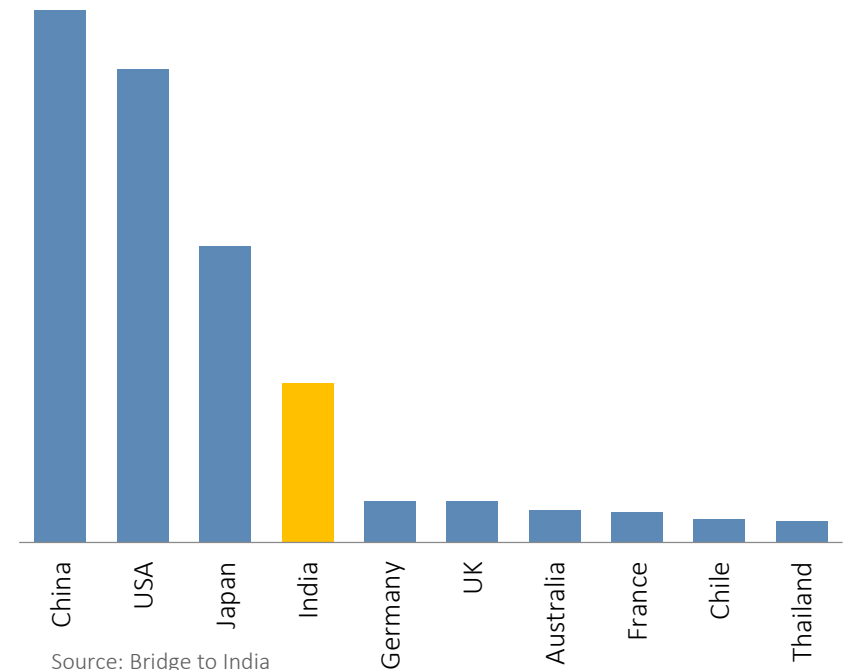
Source: Deutsche Bank

INDIA'S FUTURE SOLAR CAPACITY ADDITION

INDIA TARGETS 100 GW SOLAR CAPACITY BY 2022



TO BECOME ONE OF THE WORLD'S LEADING SOLAR PLAYER



Source: Bridge to India

Notes: FY = All years in chart are fiscal year from April 1 to March 31; 1 GW = 1,000 MW.
Sources: Bloomberg New Energy Finance (BNEF); The Economic Times.

GOVERNMENT POLICY TO DELIVER 100 GW SOLAR BY 2022

4 GW DELIVERED IN FY16

Tariff setting	Priority Status	Tax	Green Corridor	Renewable Purchase Obligation
<ul style="list-style-type: none">• 25 year Power Purchase Agreement (PPA)• No feed-in-tariffs	<ul style="list-style-type: none">• Evacuation of power• Automatic approvals	<ul style="list-style-type: none">• 10 year tax holiday• Duty exemption for solar panels	<ul style="list-style-type: none">• New renewables transmission network	<ul style="list-style-type: none">• 3-8% of energy generation• State DISCOM bundles solar power

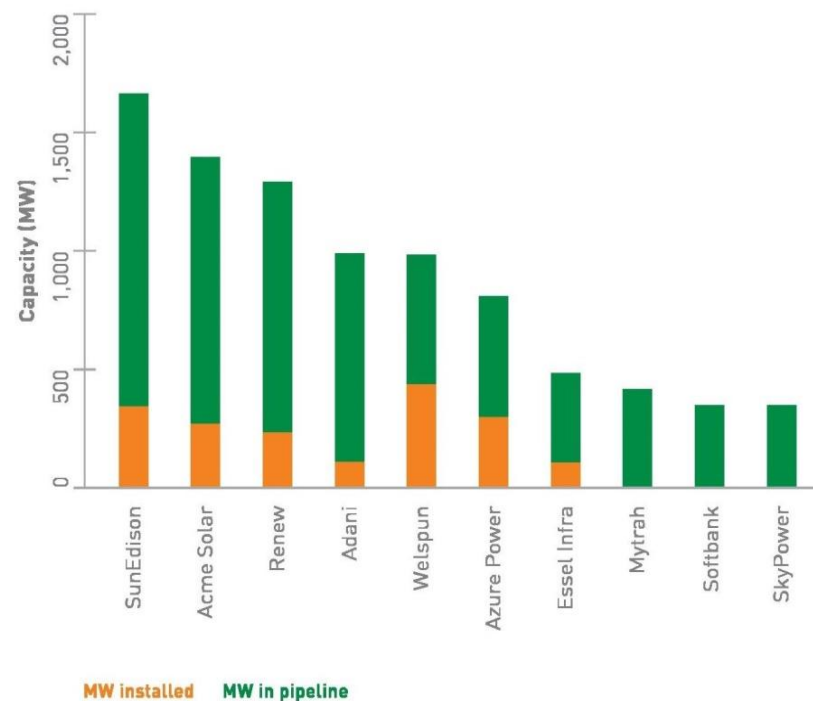
OTHER PRIVATE COMPANIES IN INDIAN SOLAR SPACE

INDIA'S PRIVATE SOLAR DEVELOPERS' RECENT BIDS FOR CAPACITY (MW)

Company	Investors	Recent projects	Tariff (Rs/kWh)/ Date of bid
Welspun *	ADB, GE Energy	100 MW Maharashtra	4.41 (Jan 16)
Renew	OPIC, ADIA, Goldman Sachs, GEF	180 MW Karnataka 100 MW Telangana	4.76-5.05 (Mar 16) 4.66 (May 16)
Adani		50 MW AP 50 MW UP	5.13 (Dec 15) 4.78 (Jan 16)
Tata *	Indorama, Ideal Energy, Tata BP solar, Sunenergy	100 MW Karnataka	4.79 (Apr 16)
Azure Power	IFC, DEG	100 MW AP 100 MW Telangana 150 MW Punjab	5.12 (Dec 15) 4.67 (May 16) 5.63 (Jun 16)

* TATA power to acquire Welspun renewable assets – Jun'16

INDIA'S PRIVATE SOLAR DEVELOPERS BY CAPACITY (MW)



Source: BRIDGE TO INDIA analysis

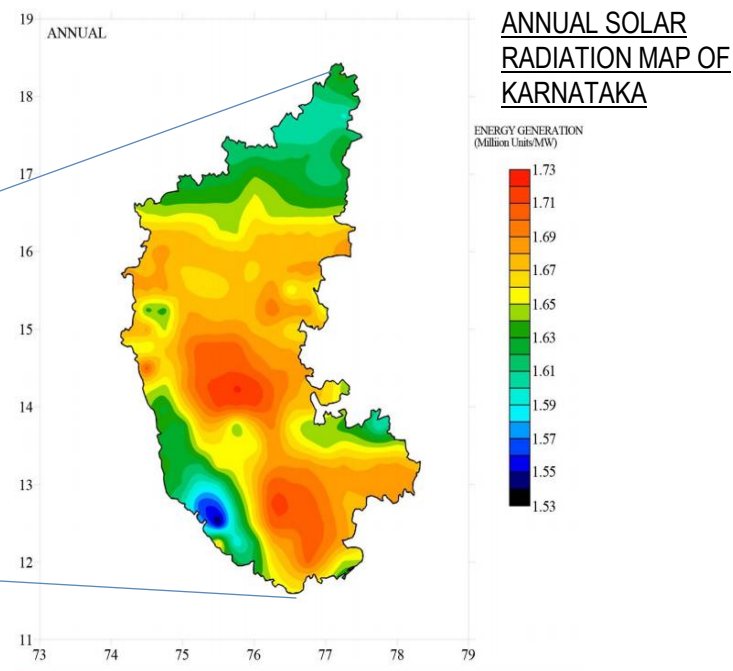
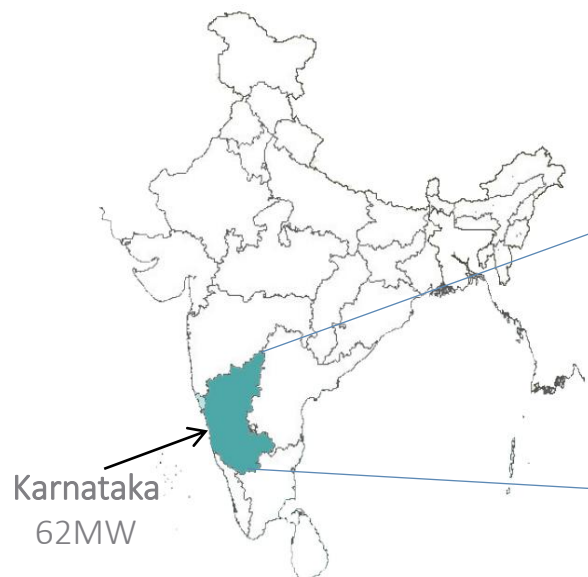


OUR SOLAR PROJECTS

OUR FIRST PROJECTS – EXPECTED ONLINE BY JUNE 2017

Project	Average Tariff	COD Commitment	Capex Estimate	Target Equity IRR (INR)
Name	Rs/kWh	Date	£m	%
62 MW Karnataka	5.00	June 17	45	High teens

COD : Commissioning Date



OPG'S DEVELOPMENT PROCESS – PROGRESSIVE RISK REDUCTION

INDICATIVE SOLAR DEVELOPMENT TIMELINE



THE PROJECTS: 62 MW KARNATAKA

4 SITES WITH HIGH PLF & CLOSE TO EXISTING TRANSMISSION NETWORK



PROJECT DETAILS

- 62 MW – 4 sites
- Karnataka
- £45m capex
- COD : June 2017



TARIFFS

- Rs 5/kWh
- 25 year PPA with DISCOM
- PPA secured by LoC



LAND & TRANSMISSION

- Sites under acquisition
- 6-8 kms from Sub-Station
- Transmission line included in capex



DEBT FINANCING

- Typical terms:
 - 70% debt
 - 11% coupon
 - 17 years repayment



EPC

- MoU IBC Solar Germany



CONCEPT



PREFEASIBILITY



FEASIBILITY



FINANCING

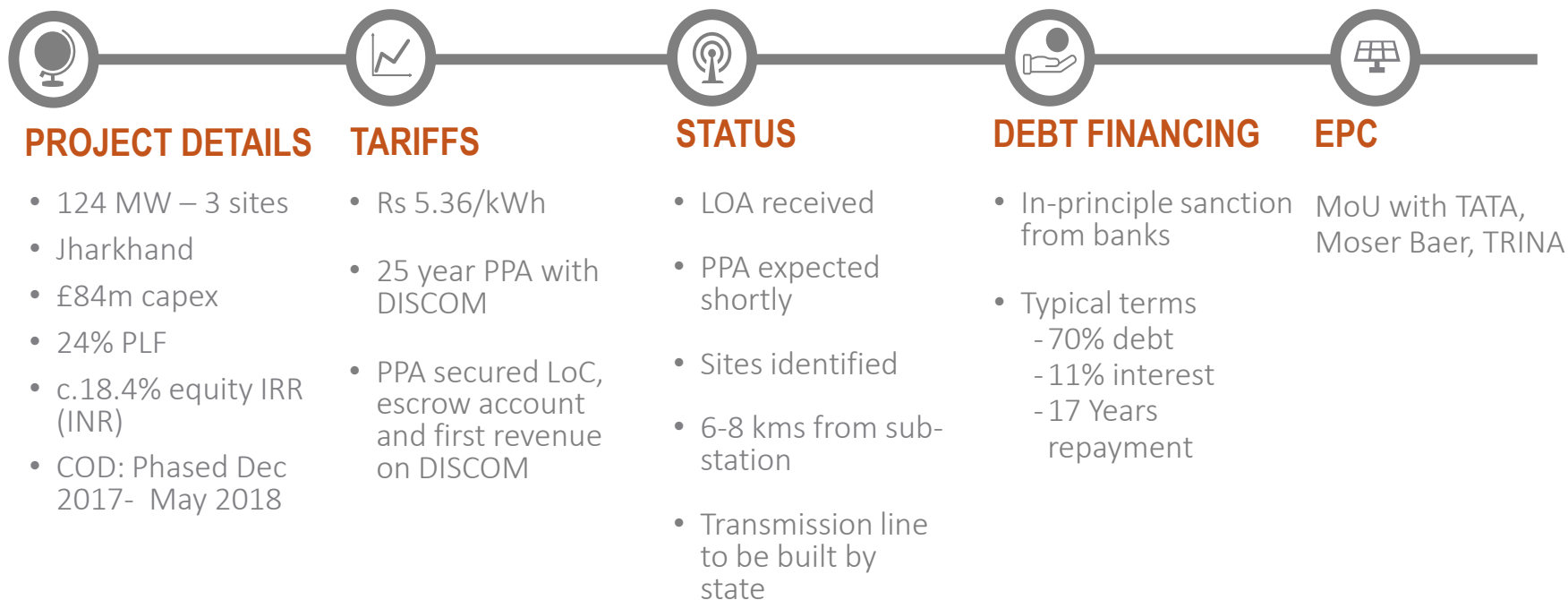
20 -30 weeks



BUILD (EPC)

124 MW JHARKHAND PROJECT: **AT FEASIBILITY STAGE**

3 SITES WITH HIGH PLF & CLOSE TO EXISTING TRANSMISSION NETWORK



WE ARE DEPLOYING OUR BEST PROJECT DEVELOPMENT ABILITIES TO MINIMISE RESIDUAL RISK



LACK OF TRANSMISSION

- Multiple sites
- Proximity to grid



LAND AVAILABILITY

- Suitability
- Location



TARIFFS – STANDALONE ECONOMICS

- Selective about tariffs
- Competitive bidding
- No feed-in-tariffs



OVER LEVERAGE AND COSTLY DEBT

- Debt/Equity mix
- Feasibility on standard debt terms



EQUIPMENT PERFORMANCE

- Vendor selection
- Fixed price and capex
- Performance warranties and liquidated damages

THE 'ANNUITY' NATURE OF SOLAR

ILLUSTRATIVE CASH FLOWS FROM 100 MW SOLAR ASSET

		Year 1	Year 2	Year 3
Capex	£m	65		
Debt		46		
Capacity	MW	100	100	100
Tariff	Rs/unit	5	5	5

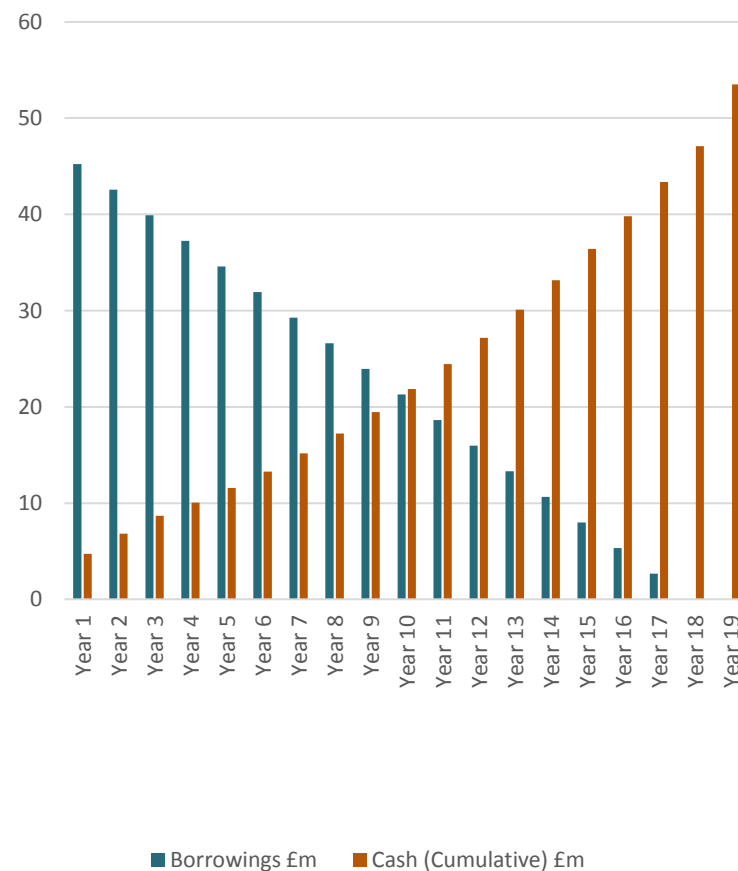
Profit & Loss Account

Net Revenue	£m	9.4	9.3	9.3
EBITDA	£m	8.7	8.6	8.6
Depreciation	£m	2.2	2.2	2.2
EBIT	£m	6.5	6.4	6.4
Financial Cost	£m	3.6	3.6	3.6
Profit before Tax	£m	2.9	2.8	2.8

Balance Sheet

Cash (Cumulative)	£m	5	7	9
Borrowings	£m	45	43	40

ILLUSTRATIVE BORROWINGS & CASHFLOW PROFILE



AN EXPERIENCED TEAM: BRINGING TOGETHER THE RIGHT TALENT

RENEWABLE EXECUTION TEAM

Arvind Gupta
Group CEO

Responsibility

- Bid evaluation
- Project risk management
eg negotiating performance
warranties with EPC

Sunil Singh
CEO Renewables

Responsibility

- Project management of the
renewables from identifying to
commissioning

OPERATIONS

T Chandramoulee
Group COO

Responsibility

- Oversee transmission line
construction

R K Sharma
VP Renewables

Responsibility

- Day to Day EPC
- Day to day O&M of assets

FINANCIAL

Ramesh Shrivastav
Head of Finance (Group)

Responsibility

- Oversee project finance

V Narayanswami
Finance Director (Group)

Responsibility

- Negotiation of financing facilities

Ashwani Gupta
Director Finance Renewables

Responsibility

- Finalisation of project finance term
sheet including debt covenants

* Not related to Arvind Gupta

IN SUMMARY

Strategic entry into solar

- Low risk solar development portfolio driven by sustainable economics

Attractive tariffs

- Attractive tariffs competitively bid
- Standalone economics with target equity IRR >16% (INR)

Low risk development; 8-12 months construction

- Multiple sites and suppliers to mitigate risk of transmission and execution
- Well developed EPC process minimises equipment under performance

Management track record

- Experienced renewables team
- Track record of management team of delivering 750 MW

Cash flow visibility

- 12 months to cash flow generation
 - Underpins dividend strategy
-



FINANCIAL OVERVIEW

V NARAYAN SWAMI



FOCUS ON KEY METRICS

- Certain key financial measures/metrics are employed in delivering performance and growth

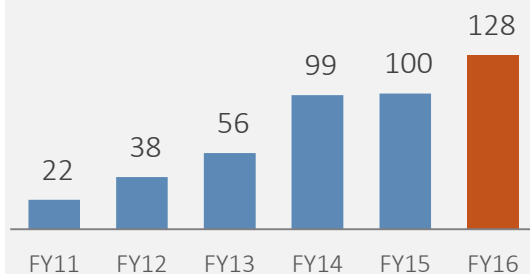
	Units	2012	2013	2014	2015	2016
Average tariff realisation	INR/kWh	4.9	5.6	5.6	5.7	5.6
Gross margin (post coal consumption)	%	34	41	40	42	48
EBITDA	%	29	31	32	33	39
PLF	%	92	94	96	91	70

TRACK RECORD OF FINANCIAL PERFORMANCE

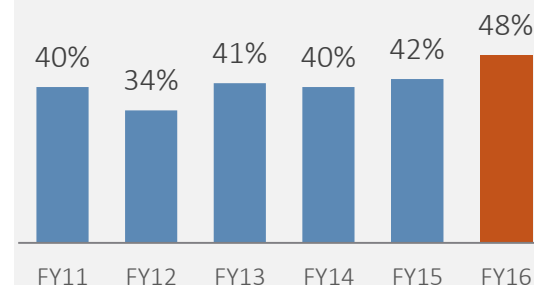
Consistent rise in all financial performance measures

Underlying INR growth stronger still

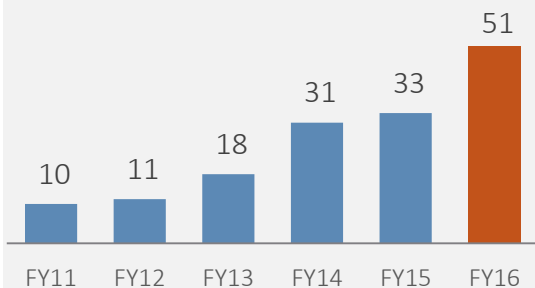
REVENUES (£M)



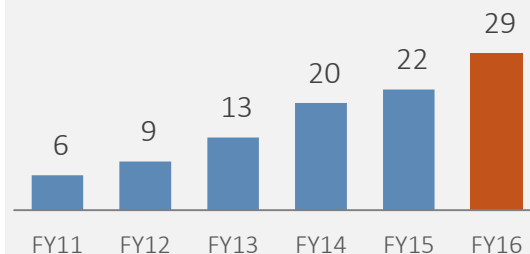
GROSS MARGIN (%)



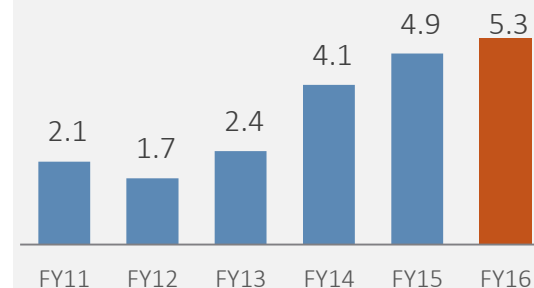
EBITDA (£M)



PROFIT BEFORE TAX
(PRE- EXCEPTIONALS) (£M)

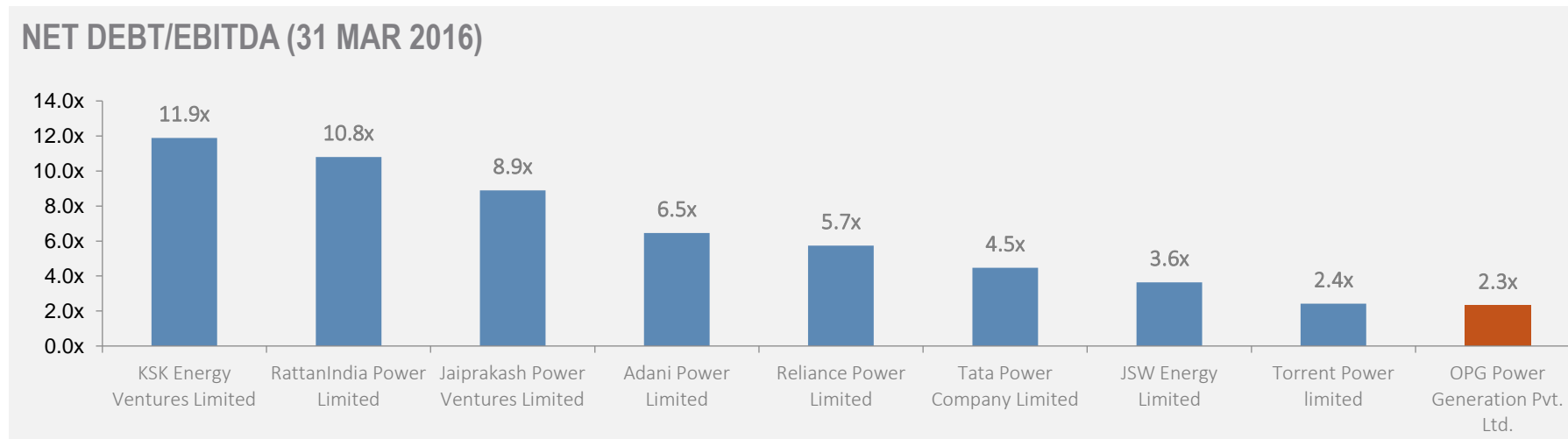


EARNINGS PER SHARE
(£ PENCE)



OUR LEVERAGE COMPARES FAVOURABLY TO THE SECTOR

- Among the lowest debt levels in the Indian power sector



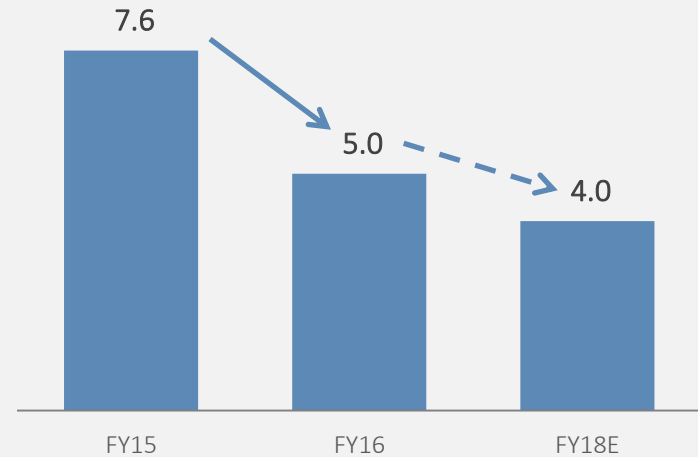
- A low debt profile actively managed by:
 - sequential roll-out of projects (the earlier project already in cash flow amortising its debt by the time the new project is commissioned)
 - Prepayment of debt by 12-24 months at any given time (deploying a strong cash flow)
- All debt denominated in Rupees – no mark to market, FX or hedging consequences

Source: Factset, Company Data

GEARING: NET DEBT/EBITDA FOR EXISTING ASSETS – 750MW

- Net debt/EBITDA improves as 750MW commence operations and ramp up
- Target: less than 4 times in FY2018

GROUP NET DEBT (£M) & GEARING (%) PROFILE – EXISTING ASSETS



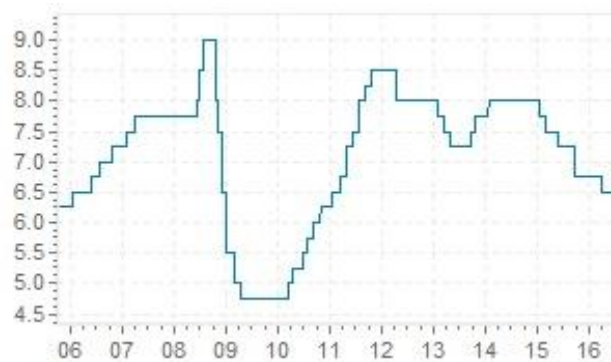
PERSONAL GUARANTEES OF ARVIND GUPTA

- OPG the first mover in Group Captive Power Segment (GCP)
- GCP being a new segment / model, the banks required the comfort & commitment of guarantees of the CEO.
- It is expected that – the GCP model having been validated – further projects can be financed without the need for this.
- This is attested by the “Refinancing” of Gujarat by a new group of lenders – even before commissioning:
- Original debt - 100% guaranteed by Arvind Gupta; New debt - 83% NOT guaranteed

REFINANCING PROSPECTS

- It is generally possible - post commissioning of a plant - to obtain refinancing - since completion risks are dealt with and the plant is in revenue.
- Several such refinancing offers received since 2013.
- But under Central Bank regulations require that a refinancing should not dilute original security - thus guarantees need to be retained.
- In addition, Central Bank rates (with transmission to bank lending rates) have been in decline since 2012

Interest rates



- As such the benefits of any refinancing have been marginal - after considering front-end fees and pre-payment charges.

REFINANCING NEW OPTIONS

- Accordingly OPG is focusing on refinancing by means of bond and loans.
- Both Rupee and Dollar instruments (appropriately hedged) are under consideration & some offers under evaluation.
- This option has now become a possibility thanks to continuous increases in credit ratings:

		2014	2015	2016
OPGPG	Long Term	A-	A	A+
	Short Term	A2+	A1	A1
OPGS - Gujarat	Long Term	BB+	BB+	A-
	Short Term	-	A4+	A2+

WORKING CAPITAL, FREE CASH FLOW & FURTHER INVESTMENTS

- As at March 2016, some £26.5m past due receivables over 6 months outstanding under past TANGEDCO contracts.
- As at end August 2016 £7.2m collected, representing release from working capital.
- The remaining £19.3m is anticipated to be collected in the next 12 months or less (following the expected entry of TANGEDCO into the Govt. of India sponsored UDAY financial restructuring).
- Equity requirements of about £12m for the Karnataka 62MW Solar Investment to be internally funded



YOUR QUESTIONS

CAPITAL MARKETS DAY – RECAPPING ON THE OBJECTIVES

INTRODUCE OTHER SENIOR TEAM MEMBERS

DEEPEN UNDERSTANDING OF HOW WE RUN OPG

SHARE EXAMPLES OF WHAT WE HAVE LEARNT

ILLUSTRATE OUR VISION FOR THE FUTURE

ANSWER YOUR QUESTIONS

HEAR FROM INDEPENDENT SOURCES OUR TRADING ENVIRONMENT IS CHANGING

KEY MESSAGES

BECOMING A LEADER ...

.....IN WORLD'S FASTEST GROWING MAJOR ECONOMY

Moving forward...

- Maiden dividend - expected FY17
- Deliverable investment programme for continued growth
- Become a leader in Indian energy

...from a strong base

- ✓ Eight year track record of rising profits and project delivery
- ✓ Robust, visible revenue streams from installed asset base
- ✓ 714 MW built within budget
- ✓ Experienced senior management team and project / operations teams