



Fourth Partner Energy - A Leading Distributed Solar Company based in India

Asia Clean Energy Forum

June 2016



Agenda



- Introduction
- The Distributed Solar Opportunity
- Our Business Models
- Our Clients
- Social & Environmental Impact
- Financial Performance
- Our Leadership Team
- The Road Ahead - Key Growth Drivers
- Fund Requirement
- Summary

Fourth Partner Energy – An Introduction

Our Vision

- Our objective is to Partner for sustainable change - We aim to be **India's Lowest Cost Distributed Solar RESCO**
- Our 'Fourth Partner'
 - Our customer, our supplier, our employee, our investor or any stakeholder.

Corporate Profile

- Focused on distributed solar projects, primarily for corporate clients
 - Over 450 projects pan-India; 50+ corporate clients
- End-to-end solutions for clients - Evaluation, Design, Execution, Financing and Maintenance
- Team of 78 motivated 'Partners' across 6 offices across India - strong in-house execution and O&M capabilities
- Initially self funded, completed 2 rounds of equity funding - from The Chennai Angels (July 2014) and  (July 2015). Received US\$130k from  through SCAF grant
- Technically approved/ registered with all key agencies in the solar industry
- SME Rating of 2A by CRISIL (a S&P Company) indicating 'High Performance Capability and High Financial Strength'

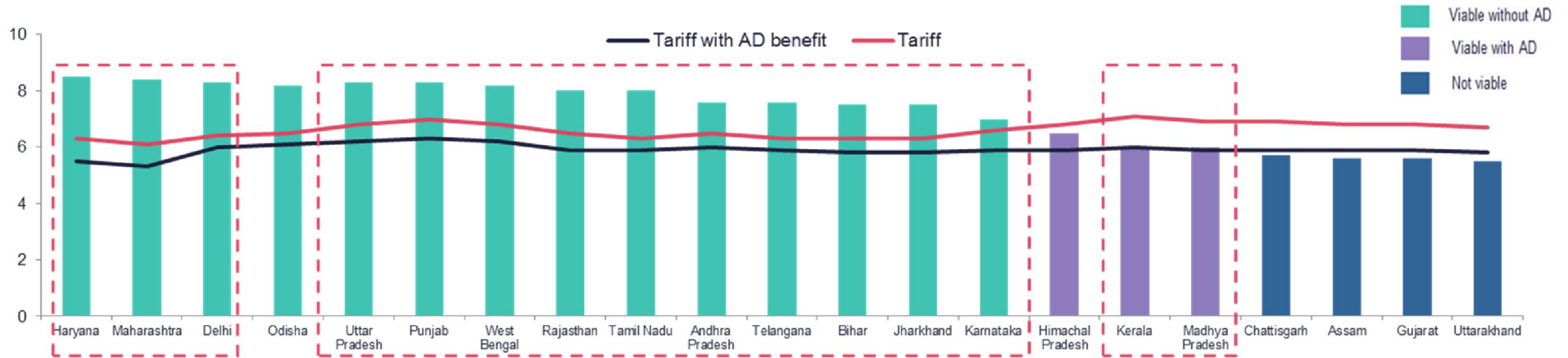
Strong working relationships with leading equipment suppliers and financial institutions/ equity investors such as Oiko credit and HDFC Bank

The Distributed Solar Opportunity in India

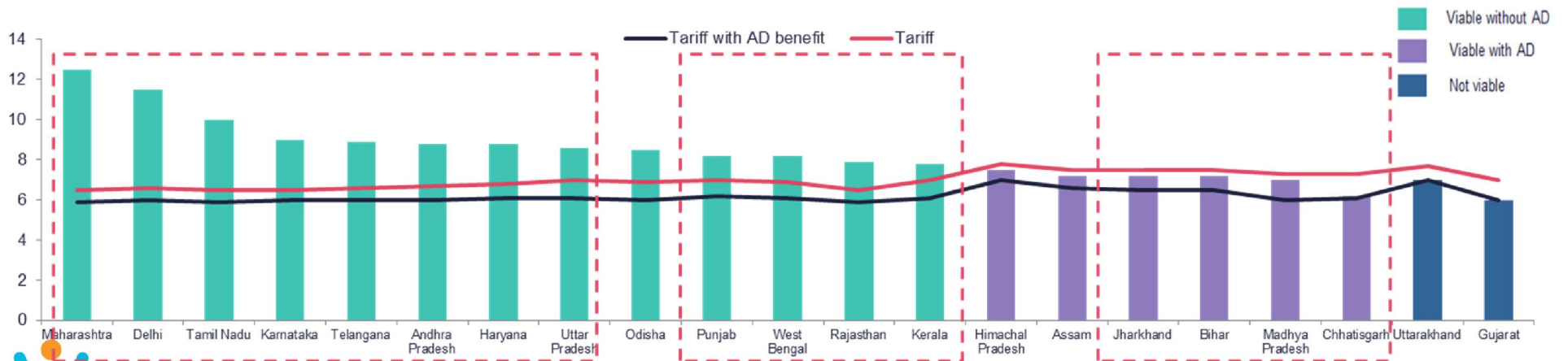
- India enjoys plenty of sunlight. We have power shortages. Distribution of power is inefficient.
 - Solar energy is a **technically** and **commercially** viable alternative
- Ambitious plan announced by Government of India to increase the solar energy installed base from 3GWp to 100GWp in the next 5-7 years
 - USD 100bn of investments to be mobilised
 - **Distributed (rooftop) solar is expected to catapult from 0.6 GWp to 40GWp**
 - Target based implementation plan for every State in India announced to increase the penetration of rooftop solar
 - India taking a global lead in this industry
- Amortised cost of solar power cheaper than variable cost of industrial and commercial power in more than 7 states in India
 - In the other States, availability of power is poorer, and hence cost of Diesel generation incurred by clients.
 - **So, rooftop solar selling as a cost reduction mechanism**
- Solar for homes (B2C) and solar pumps for rural India are large opportunities

Distributed Solar Viability – Commercial & Industrial

Industrial : Distributed solar tariff is cheaper than HT tariffs charged by utilities in 17 states

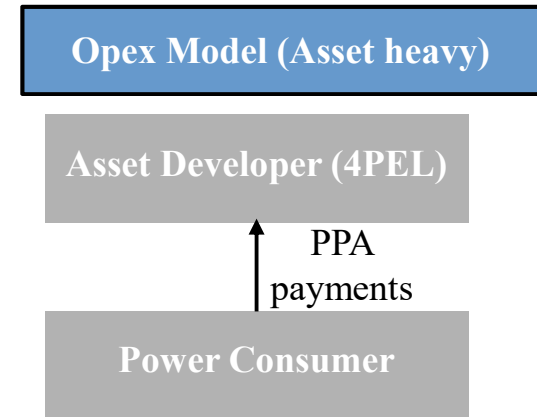
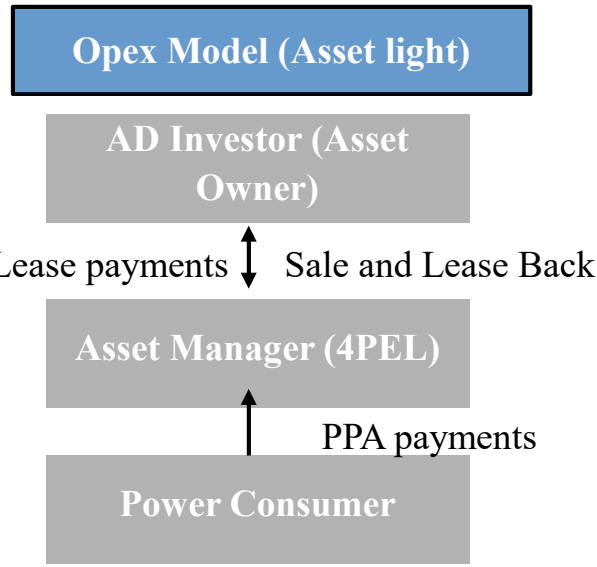
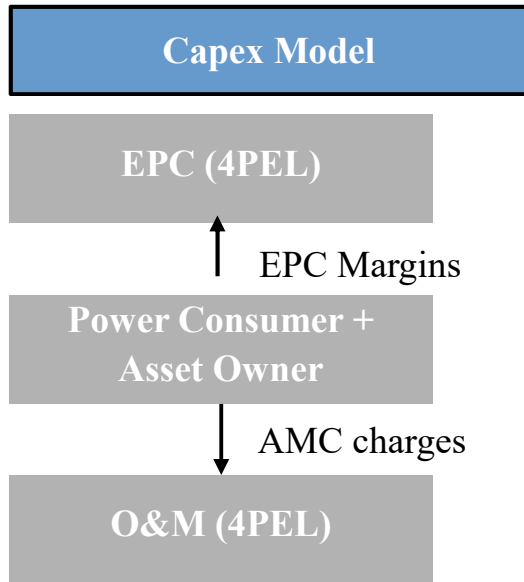


Commercial: Distributed solar tariff is cheaper than HT tariffs charged by utilities in 19 states



States where distributed solar is feasible and APEL has presence

Our Business Models



VALUE FOR 4PEL

EPC Margin, O&M Margin

EPC Margin, O&M Margin and Funding Margin (partial)

EPC Margin, O&M Margin and Funding Margin

4PEL started off with this model in 2010

Current model adopted by 4PEL in addition to capex

Strategic shift towards asset ownership



Marquee Clientele Across Sectors

Banks / Financials



PSUs / Government



Education



Healthcare



MNCs



Logistics / Warehousing



Bhusari Cold Storage

Industrial



Consumer



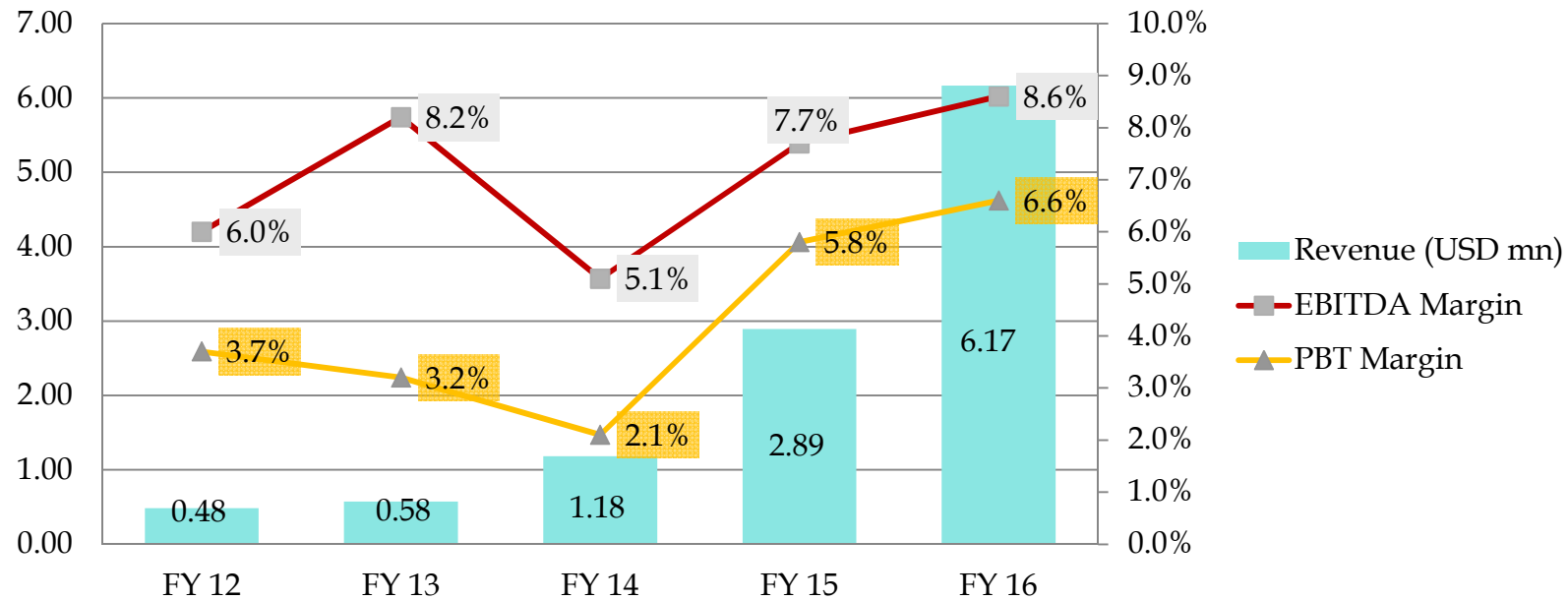
Others



Social & Environmental Impact

- At Fourth Partner Energy (4PEL), we closely monitor the positive social impact made by our Company: while pursuing its economic objectives
- Contribution to the Local Economy and Community
 - Positively impacted the lives of over 119,000 **rural Indians** through our products.
 - Our lighting products (solar lanterns, street lights, luminaries) have helped around 66,600 people.
 - Installed 350 solar retrofit systems in ICICI and Axis Bank’s rural branches, thereby facilitating rural banking and financial inclusion. Our solar systems have impacted 52,000 rural people
 - Implemented solar heating systems in difficult hilly terrains which are closed to public for over 6-8 months due to cold weather. Villagers there now have access to hot water for their daily needs.
 - As part of Andhra Banks’ Corporate Social Responsibility Program, we installed LED street lights in 20 tribal villages, some of which had no access to power
- Environmental Impact
 - Through our solar installations have improved the environment by reducing the emission of greenhouse gases and saving water and reduced usage of coal.
 - These equal planting more than 500,000 trees
- Creating Awareness
 - Educational institutions are a big segment for 4PEL
 - Rooftop Solar projects in their premises act as live case studies on clean energy for the students in those campuses

Financial Performance



Note: Conversion rate - USD = INR 66

- Strong growth with profitability
 - ~ 10 MW of distributed solar projects delivered to clients till date
 - Revenues have grown >5x in last 2 years and >10x in last 3 years
 - Net profit positive since inception (5 years)
- Asset light model so far
 - Signed 13 PPAs in FY16 with back-to-back financing
 - Only working capital debt on books
 - Plan to move into strategic asset ownership going forward

A Seasoned Leadership Team

Highly Experienced Team with Extensive Knowledge of the Sector



Vikas Saluguti
Co-Founder

- Serial entrepreneur / investor in ventures across healthcare, education, water and IT
- Extensive experience in setting and scaling-up of businesses
- Was earlier an Investment Banker with ABN Amro in Europe for over 10 years
- He holds an MBA from INSEAD and a BE in Civil Engineering



Vivek Subramanian
Co-Founder

- Experience of strategy, fund raising, operations and financial management
- Avigo Capital, Founding Partner: an Indian SME focused PE fund (AUM \$375mn).
- Oversees Finance, Sales and Corporate Development functions at 4PEL
- He holds an MBA from INSEAD and a BE in Mechanical Engineering



Saif Dhorajiwala
Co-Founder

- Over 12 years experience in operations and marketing
- At Avigo responsible for investments & mentoring portfolio companies
- Oversees Operations, Client Servicing and Technology at 4PEL
- He holds a PGDM from IIM Calcutta and a BE in Civil Engineering



Brajesh Kumar Sinha
Head – Business Development

- Over 20 years of experience in the solar and defence industries
- Was earliest at HBL Power Systems where he developed off-grid solar PV business and was responsible for North India operations
- Oversees North India operations at 4PEL
- He holds an MBA and a BE in Electronics



Gautam Handa
Head – Corporate Development

- 12 years experience in M&A, fundraising, financial advisory and business development; was earlier a Banker at Kotak Mahindra and ABN Amro
- Previous stints include Standard Chartered and GE Capital
- He holds a PGDM from IIM Calcutta and a BBS in Finance

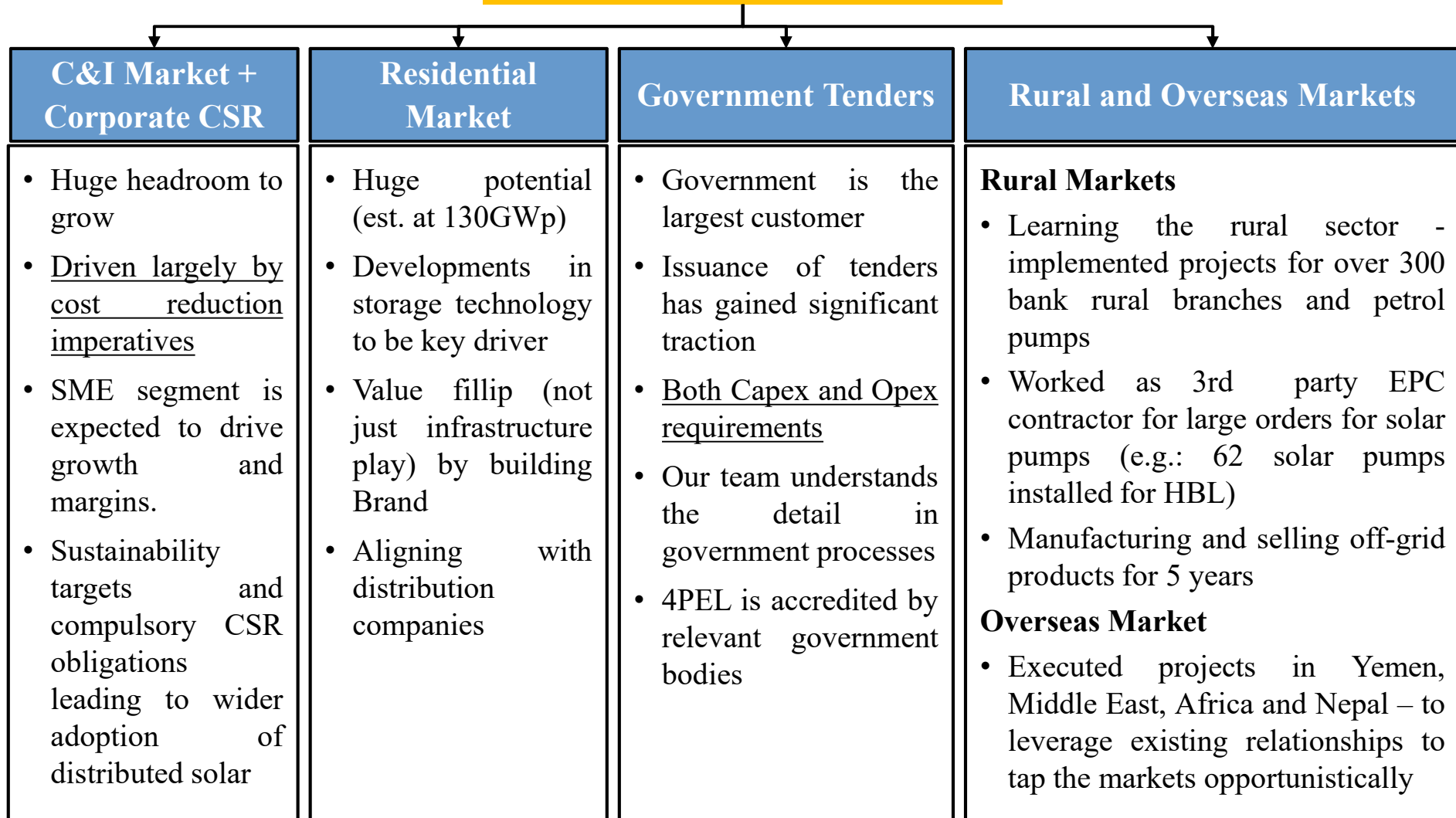


Srinivasa Reddy
Head - Operations

- Over 10 years experience in product development with Innovative Electronic Ideas
- Rich experience in solar projects and product electronics
- Besides operations, he is responsible for R&D and product development at 4PEL
- He holds an MSc in Electronics

The Road Ahead - Key Growth Drivers

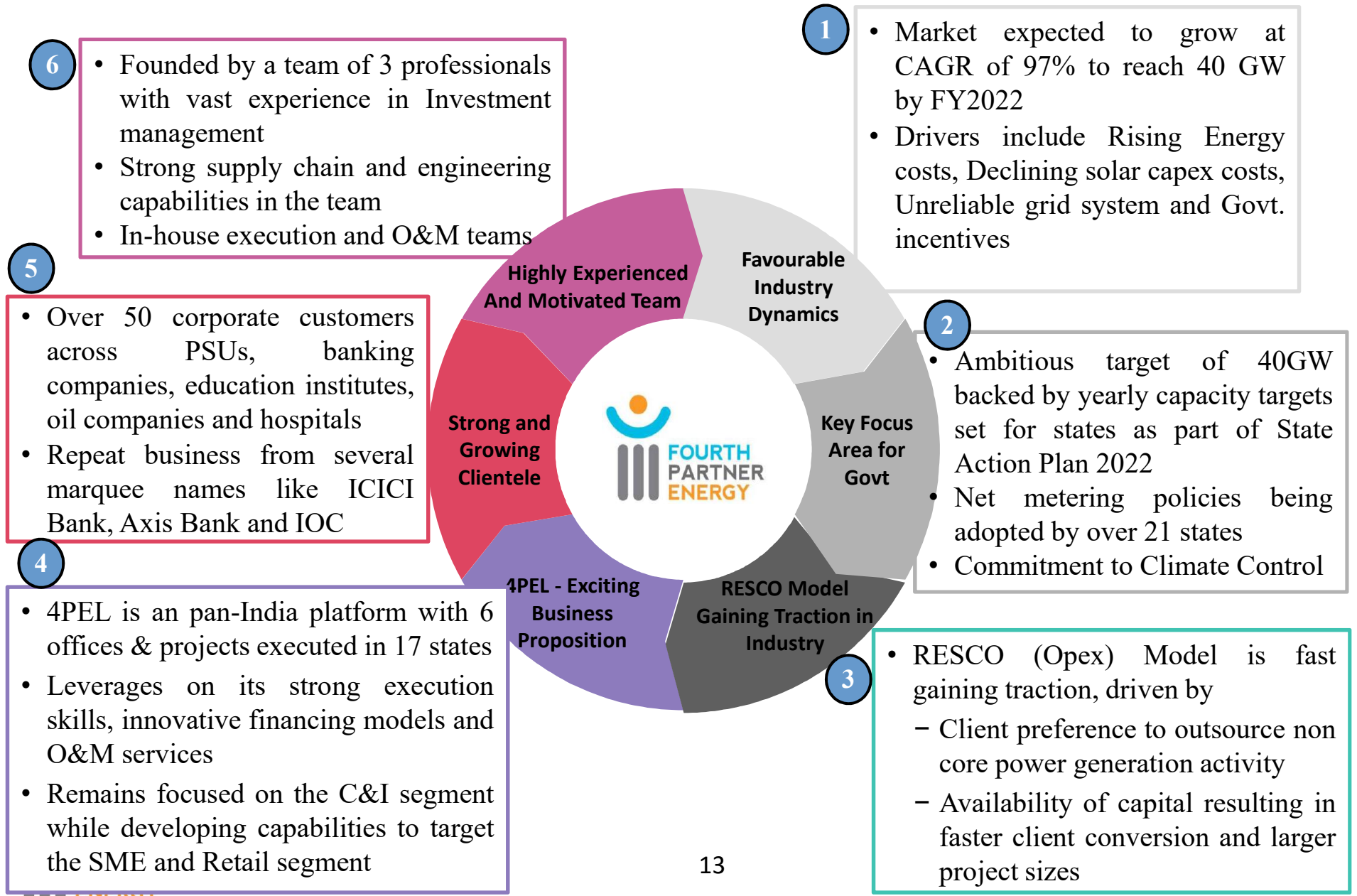
Growth Pillars



Fund Requirement

- We aim to raise US\$ 10 mn of equity to expand our scope from being a service provider to a comprehensive end-to-end solar project operating company in the distributed solar space
- Initiatives include moving into asset ownership for strategic assets, asset warehousing, building corporate brand and scaling up the platform.

Summary



-- THANK YOU --



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