



Financing RE Projects : *A Way Forward*

RE Financing : *Challenges & Solutions*

Convention Centre - NDCC, Parliament Street, New Delhi

21st August, 2015

Catalysed by:



Sanjeev Gupta, *Managing Director*

NEXGEN Financial Solutions Pvt. Ltd.

RE Financing : *Challenges & Solutions*

GOI : Target 2022

*Mission :
24x7 Power for All*

- ❑ **Target 2022 - 175 GW** : Solar 100 ; Wind 60 ; Bio Energy 10 ; Hydro 5
- ❑ **Solar - 100 GW** : Rooftop : 40; PSUs: 40; Pvt. Sector : 20
- ❑ **CAPEX** : Rs. 16 Tn (\$ 260 bn approx) ; Debt: 11 to 13 ; Equity : 3 to 5
- ❑ **Self Sustaining** : Grid Parity; Economically Viable; Bankability; Returns Assurance

Sponsors & Equity

- ❑ **Equity** : Adequacy of Promoter's Capital ; ROE
- ❑ **Challenges** : Sufficiency of Funds ; Success Track Record ; Guarantees ;
Alignment : Inter SPV Protection ; Default Escrow
- ❑ **Alternate** : Preference Equity ; FDI; Private Equity,
Exits : Capital Market – Domestic ; Global (AIM , FCCB ...)
- ❑ **Innovative Instts.** : Quasi Equity ; AIFs, InvITs

DEBT : Challenges & Solutions

- ❑ **Adequacy** : Underwriting ; ALM; NPAs; Sectoral Issues
- ❑ **Cost Effectiveness** : ECBs; Alternates (LC or Guarantees); Supplier Credit ;
Lease Rentals
- ❑ **Timely Availability** : * **Cash** : Lender's Synchronisation; Legal Issues
* **Tenor** : Longer Tenors ; Sculpting
- ❑ **Innovation**: Corporate Bonds Mkt ; Green Bonds; IDFs; YieldCos ;
: Takeout Financing; Credit Enhancement ; 5/25 ; Priority Loans

Introduction

- ❑ A SEBI Registered Permanent Merchant Banker
- ❑ Provides *integrated* Debt & Equity Solutions *especially* to the Energy Sector
- ❑ Transactions aggregating ₹ 50,000 Cr (US\$ 8 bn approx.) including:
 - Gujarat State undertakings: ₹ 32,000 Cr. (approx.) ;Pvt. Sector : ₹10,000
 - Other States : Maharashtra, Rajasthan, Andhra Pradesh, Himachal, Madhya Pradesh & others

Domain Area

- ❑ Power Generation : Govt, Public & Pvt. Sector (in Thermal ,Hydro ,Wind & Solar)
- ❑ Power Transmission & Distribution : especially GETCO
- ❑ Roads & Highways : Private Sector – MSRDC & NHAI
- ❑ SLUs; Corporates – Indian & Foreign : **Repetitive** Clients

Focus : Renewable

- ❑ Financial Advisor - Gujarat Solar Mission (GSM) since 2009
- ❑ Largest Solar Debt Syndicator – 23% GSM Share
i.e around 10% National Share
- ❑ Interest Savings : achieved for all Gujarat Companies since 2001 - aggregating to ₹ 20,000 Cr.
- ❑ Catalyzing a RE focused NBFC-IFC, now ...

Other Major Clients

- ❑ Valuation Advisor to :

✓ First Solar Inc., USA	✓ Nestle, S.A.
✓ ExxonMobil Corporation, USA	✓ LinkedIn Corporation, USA
✓ Schneider Electric, S.A	✓ Fabindia Overseas Pvt. Ltd., India

& others....



Financing RE Projects : *A Way Forward*

RE Financing : *Challenges & Solutions*

Thank You !

Further Deliberations Invited

Sanjeev Gupta, *Managing Director*

sanjeev@nexgenfin.com