



WIND BENEATH THE WINGS

GIL's acquisition of a high quality portfolio of wind-farms was possible only because of the seamless partnership between 4 IDFC verticals

The case:

Green Infra Ltd. (GIL) was set up by funds managed by IDFC Private Equity with the objective of becoming India's leading renewable energy-focused independent power producer. In May 2009, GIL successfully bid for a 99.4 MW portfolio of wind farms owned by BP Energy (India) Private Limited, edging out strong competition from several larger companies for this prestigious portfolio.

The challenge:

GIL was a typical mid-cap company and one of the key challenges was financing the deal. BP Energy was also keen on closing the deal as soon as possible, the tight timeframe posing an added challenge for GIL. Another key consideration that BP put on the table was that of a fully funded bid. Since GIL was a relatively new player in this sector, these considerations posed as a major hurdle to a successful bid.

IDFC's 'one firm' solution:

IDFC Private Equity was already involved with GIL when it bid for these wind-farms. On winning the bid, IDFC Project Finance partnered GIL and IDFC Private Equity to structure and fully underwrite the entire non-recourse long term loan of Rs. 345 crore. This amount included securitisation of carbon emission receipts, receivables of Rs. 25 crore and sub-debt of Rs.15 crore.

IDFC Project Finance also supported this landmark transaction by providing full debt financing. Subsequently, IDFC Capital played a vital role in syndicating the loan to Indian Renewable Energy Development Agency and Axis Bank.

GIL's acquisition of these wind-farms was possible in an accelerated timeframe only because of the seamless partnership between IDFC Private Equity, IDFC Project Finance and IDFC Capital. Not only has the transaction allowed GIL to establish its leadership in the renewable energy sector but BP has achieved one of its objectives; transitioning the ownership of these wind-farms to an environmentally sensitive partner.

How it worked at IDFC

- IDFC Private Equity: Involved in the bid process with GIL
- IDFC Project Finance: Structured and fully underwrote the entire non-recourse long term loan. Provided full debt financing.
- IDFC Capital: Syndicated the loan to Indian Renewable Energy Development Agency and Axis Bank.

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