



Government of India
Ministry of New and Renewable Energy



RE-INVEST

1st RENEWABLE ENERGY GLOBAL
INVESTMENT PROMOTION MEET & EXPO
15 - 17 FEBRUARY 2015 • NEW DELHI, INDIA

SIDE EVENT: FINANCING RENEWABLES IN INDIA: EQUITY PERSPECTIVE 16 FEBRUARY, 1130 – 1300HRS | EVENT REPORT

The session is structured as an interactive panel discussion bringing together leading Indian & Global Renewable Energy Developers, financial participants, sector knowledge experts & investors.

There was no formal slide presentation on Financing Renewables in India. It was intensive open discussion among the panellists and audience.

The List of Panellist / Speakers in the Session as follows:

Opening Remarks		Moderator	
	Mr. Vineet Mittal, Vice Chairman, Welspun Renewables		Mr. Vikas Dawra Managing Director, Sustainable Investment Banking, YES Bank
SPEAKERS			
1	Mr. Kerry Adler Founder, President & Chief Executive Officer, Sky Power Global	2	Mr. Don Purka Infrastructure Finance Division 1, Financing Renewables
3	Ms. Sindoor Mittal Executive Director, Welspun Group	4	Mr. Mahesh Kolli Founder, President & Joint Managing Director, Greenko
5	Mr. Stephen R Gallagher Managing Director, Wells Fargo Securities	6	Dr. Darko Hajdukovic Senior Manager, London Stock Exchange Group
7	Mr. Sanjiv Aggarwal Partner- Energy, Actis	8	Mr. Utsav Bajjal Principal, AppolloLP.com
Session Coordinator : Dr. R.P. Goswami, Director (CST), MNRE			

The following major points addressed by the panellists and audience during the discussion:

The government's plans for additional capacity of RE by 2022 would require a capital outlay of USD 120 billion and an equity requirement of about USD 40 billion. The session focused on emerging financing options such as Yieldco for meeting this mammoth financial requirement. Most participants were enthusiastic about Yieldco — a dividend income-oriented public company that bundles renewable and/or conventional long term contracted operating asset in order to generate predictable cash flows. The Yieldco model has been successful in the US, and most participants thought it can also help India to raise investments.

Mr Vineet Mittal of Welspun Renewables: He addressed that private equity has been the most important source of equity capital for the sector in India, and very few Indian developers have been able to access domestic capital market for equity. He said that funding is not a problem if the track record of a project is good and all permits are in place. "The problem lies in operations. Further he added that for instance, many DISCOMS pay after 3-4 months and dealing with the revenue department is a herculean task. These factors are making the sector not-so-attractive for the investors.

Ms. Sindoor Mittal, also from Welspun Renewables: She said that it is difficult to receive investment as most of the times there is a value mismatch between an investor and project developer. Moreover, investors often want a return of 20.25 per cent from RE projects and that too within a short time frame, which is not possible. She went on to state that insurance and pension funds are best suited for investment in the renewable energy market. Most of the participants felt that the power purchase agreements (PPA), power tariffs, and state governments' policies were creating an environment of instability which has been hampering the flow of equity in the sector

Mr. Kerry Adler, CEO of SkyPower Global: He said "The Indian government should stand behind credit to make sure overseas investment happen. With the right monetary policies in place, the Modi government can achieve its target."

The participants also stressed the fact that the state governments should create a system of insurance and guarantee, which will spur investors' confidence.

Mr. Don Purka of the Asian Development Bank: He mentioned that 2015 is the tipping point for the renewable energy sector in India and therefore it is important that the state governments should change their current policies.

Mr. Sanjeev Aggarwal of Energy, Actis: He said "Risks and returns go hand in hand and the state governments need to do a lot more to reduce project related risks".

Mr. Mahesh Kolli of Greenko: He mentioned that the company which has been quite successful in rising equity for renewable energy said their success was due to their positioning in the international market. According to him, the mantra of grid parity being achieved and demand being present in India helped them to get finance from investors.

The participants expressed their belief that they expected substantial consolidation and M & A happening in the future. Finally it was emerged, that India is a good market for renewable energy and expected that India will become a capital of solar energy generation.

The session on Financing Renewable in India on the Equity perspective was concluded with thanks to moderator, panellists and audience. At the end of session all panellists were honoured and appreciated with mementoes on behalf of MNRE.
