



India: Solar and Wind Power Development Project

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| Project Name | Solar and Wind Power Development Project | | | | |
| Project Number | 47920-014 | | | | |
| Borrower / Company | Welspun Renewables Energy Limited | | | | |
| Country / Economy | India | | | | |
| Location | Nation-wide | | | | |
| Type or Modality of Assistance | 7400 | Equity | Ordinary capital resources | INR 2,963.42 million | Committed |
| Strategic Agendas | Environmentally sustainable growth Inclusive economic growth | | | | |
| Drivers of Change | Private sector development | | | | |
| Sector / Subsector | Energy / Renewable energy generation - solar - Renewable energy generation - wind | | | | |
| Gender | | | | | |
| Responsible ADB Department | Private Sector Operations Department | | | | |
| Responsible ADB Division | Portfolio Management Division, PSOD | | | | |
| Responsible ADB Officer | Taneja, Anshukant | | | | |
| Project Sponsor(s) | WELSPUN ENERGY LIMITED | | | | |
| Description | Welspun Renewables Energy Limited (WREL) is one of the leading solar power developers in India. The company has 30 MW of operational solar projects, 50 MW under construction, and another 610 MW in pipeline for implementation over 2013-2015. The project involves the funding of WREL's equity injection in the solar projects that will reach financial close in 2013 72014; in the form of compulsory convertible debentures (CCD) in WREL. This will be ADB's first mezzanine investment in the renewable space in India, since the CCD instrument will be structured to fit in-between project-level senior secured debt and WREL's equity in the cash waterfall and from a risk-return perspective. This innovative, financing is intended to have a demonstration effect and help attract more much-needed growth capital in the Indian solar sector. The deal team is in discussion with co-investors that may join ADB in this investment. | | | | |
| Objectives and Scope | ADB's assistance will: (i) Support the government's policy to develop renewable energy sources; (ii) Support a local renewable energy sponsor with good track record; (iii) Catalyze private equity investment and facilitate a future IPO. | | | | |
| Status of Development Objectives | n/a | | | | |
| Status of Operation/Construction | As of 31 March 2014, the company had 328 MW of operational projects (308 MW of solar power projects and 20 MW of wind power projects). ADB's investments will help the company reach at least 600 MW of operational projects by March 2016. | | | | |
| Material Changes | n/a | | | | |
| Linkage to Country/Regional Strategy | The project is consistent with ADB's Strategy 2020. It relates to two of the strategy's five core pillars: infrastructure and environment. The strategy calls for ADB support to clean energy development to meet growing energy demands in a sustainable manner. The project will also contribute to ADB's operational goal of scaling up private sector development. The project is aligned with the India country partnership strategy, 20132017, which calls for 'investments in renewable energy development, particularly solar. | | | | |
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| Safeguard Categories | | | | | |
| Environment | | | | | B |
| Involuntary Resettlement | | | | | C |
| Indigenous Peoples | | | | | C |
| | | | | | |
| Summary of Environmental and Social Aspects | | | | | |
| Environmental Aspects | The proposed equity investment is considered as general corporate finance in accordance with ADB's Safeguard Policy Statement (2009); it is classified category B for environment and category C for involuntary resettlement and indigenous peoples. Although solar and wind power projects involve potential environmental impacts during construction and operation (e.g. potential water and land pollution), these impacts are site-specific, reversible and can be mitigated using tested mitigation measures. As required under the Safeguard Policy Statement, a corporate safeguards audit was conducted during due diligence. A corrective action plan which describes gap-filling measures at the corporate and project level was prepared based on the audit findings. WREL will be required to adopt an environmental and social management system (ESMS) satisfactory to ADB prior to ADB's investment. To ensure adequate implementation of its ESMS, WREL has agreed to develop its capacity to oversee the ESMS implementation at the corporate level and at the project level. | | | | |
| Involuntary Resettlement | - | | | | |
| Indigenous Peoples | - | | | | |
| Stakeholder Communication, Participation, and Consultation | n/a | | | | |
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| Timetable for assistance design, processing and implementation | | | | | |
| Concept Clearance | 22 Jul 2013 | | | | |
| Credit Committee Meeting | 06 Nov 2013 | | | | |
| Approval | 12 Dec 2013 | | | | |

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| PDS Creation Date | 15 Jul 2013 |
| Last PDS Update | 23 Sep 2014 |

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| Project Page | https://www.adb.org/projects/47920-014/main |
| Request for Information | http://www.adb.org/forms/request-information-form?subject=47920-014 |
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