



## India: Solar and Wind Power Development Project

Project Name	Solar and Wind Power Development Project		
Project Number	47920-014		
Borrower/Company	WELSPUN RENEWABLES ENERGY LIMITED		
Country	India		
Location			
Approval Number	7400		
Type or Modality of Assistance	7400	Equity	US\$ 3,003.33 million Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Private sector development		
Sector / Subsector	<b>Energy</b> - Renewable energy generation - solar - Renewable energy generation - wind		
Gender Equity and Mainstreaming			
Responsible ADB Department	Private Sector Operations Department		
Responsible ADB Division	Portfolio Management Division, PSOD		
Responsible ADB Officer	Anshukant Taneja		
Project Sponsor(s)	WELSPUN ENERGY LIMITED		
Description	<p>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 2013-2014; 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.</p>		
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.		
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, 2013-2017, which calls for investments in renewable energy development, particularly solar.		
Status of Development Objectives	n/a		
Material Changes	n/a		

## 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

## Timetable for assistance design, processing and implementation

Concept Clearance	22 Jul 2013
Due Diligence	
Credit Committee Meeting	06 Nov 2013
Approval	12 Dec 2013
PDS Creation Date	15 Jul 2013
Last PDS Update	23 Sep 2014

Project Page	<a href="https://www.adb.org/projects/47920-014/main">https://www.adb.org/projects/47920-014/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=47920-014">http://www.adb.org/forms/request-information-form?subject=47920-014</a>
Date Generated	06 July 2017

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