

Fourth Partner Energy

Country

INDIA

Investment Amount
(USD millions)

135

Business type

GREENFIELD

Project IRR (%)

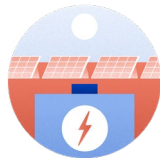
16

Installed capacity (MW)

400

Technology Area

**SOLAR
ENERGY**



What has PFAN done?

In 2016 and 2017, the company benefitted from PFAN's advisory services, helping it to develop a business plan and financial model for the construction of solar plants for captive consumption. PFAN Advisors advised on a debt-to-equity mix and valuation and exit perspectives, whilst providing guidance on the company's risk management strategy. Moreover, comprehensive analyses were carried out on order mix and working capital requirements based on the company's targeted customers' profiles.

In addition to customised support from seasoned advisors, PFAN introduced Fourth Partner Energy to selected investors, as well as provided the space to present its business and project in front of international investors. In 2017, Fourth Partner Energy was shortlisted to participate at the PFAN 7th Asia Forum for Clean Energy Financing, where it won the competition for best clean energy project. Fourth Partner Energy was also selected to showcase its business at the Vienna Energy Forum in 2017.

As a result of these efforts, Fourth Partner Energy gained visibility and attracted investors' interest, and raised financing for its project. In 2018, the TPG Rise Fund made a private equity investment of USD 70 million in Fourth Partner Energy. This was followed by two credit lines, amounting to USD 50 million and USD 15 million, by Bank of America in 2019 and the Swiss investment firm, ResponsAbility in 2020 respectively.

Fourth Partner Energy's portfolio includes rooftop, ground mounted and car port installations accross India.



What transformational change did PFAN lead to?

- ❖ **Subsequent rounds of financing raised.** Thanks to PFAN's support, Fourth Partner Energy improved its skills and knowledge to establish sound business models and financial plans, as well as to present them effectively to investors. The enhanced capacity helped Fourth Partner Energy raise subsequent rounds of financing without the need for continued PFAN advisory services.
- ❖ **Financial advisory services in emerging markets enhanced.** Gautam Handa, the firm's former CFO and main beneficiary of PFAN's advisory services, is currently one of PFAN's top advisors and was selected to provide emergency support to projects affected by Covid-19 in India.
- ❖ **The deployment of clean energy solutions accelerated.** Since 2017, Fourth Clean Energy has added a clean energy capacity amounting to 400 MW, reducing CO2 emissions annually by 500,000 tonnes in India.
- ❖ **Livelihoods in rural communities improved.** Clean energy solutions introduced by Fourth Clean Energy impacted the lives of thousand in rural India. Not only has energy access of rural communities increased, but clean energy projects have indirectly supported socio-economic development by creating jobs and offering new business opportunities.

PFAN's strong track record shows clear evidence of creating long-lasting transformational change and structural alterations. In particular:

- ❖ Subsequent rounds of financing raised – thanks to the capacity originally built by PFAN – funding without, or to a lesser extent, further PFAN investment facilitation services;
- ❖ PFAN's Advisors becoming independent market players, having gained confidence to offer their services on market terms to entrepreneurs and businesses not associated with PFAN;
- ❖ Investors, after having acquired relevant knowledge about emerging markets and low carbon climate resilient technologies, as well as having gained enough confidence in them as a result of deals successfully closed;
- ❖ PFAN's projects having successfully raised financing create a demonstration effect. This enables a paradigm shift towards low and climate resilient development by making business models around the deployment of such solutions viable and mainstream;