

January 17, 2013

## VC funding in solar power sector down: Mercom Capital

**Our Bureau**

Hyderabad, Jan. 16

Global venture capital (VC) investments plunged nearly 50 per cent to \$992 million in 103 deals last year compared to \$1.9 billion raised in 108 deals in 2011.

The funding in 2012 represents the lowest amount since 2007, according to Mercom Capital Group.

"The slowdown in VC funding can be attributed to the grim prospects for thin-film, concentrating solar and concentrating PV technologies," said Raj Prabhu, Managing Partner.

"The diminished funding activity is not a true reflection of the health of the solar sector. Global solar installations look set to grow by around 10-12 per cent this year," he said.

Corporate M&A activity in solar amounted to \$6.7 billion in 52 transactions compared to \$4 billion in 65 transactions in 2011.

Announced debt funding last year came in at \$6.9 billion in 34 deals, compared with \$19.9 billion in 41 deals in 2011, and \$35.7 billion in 29 deals in 2010. Mercom tracked 35 solar companies that filed for insolvency or bankruptcy protection during 2012.

Among some project developments, Megha Engineering and Infrastructures Ltd signed a 15-year term loan backing development of a 50-MW solar project in Anantapur. Welspun Energy secured a long-term project funding for a 50-MW solar PV project in Rajasthan from a consortium of lenders comprising three PSU banks.

Mahindra Suryaprakash secured a loan from The Export-Import Bank of the US to construct two solar photovoltaic plants of 20 MW and 10 MW in Rajasthan.

IFC provided debt finance to Mahindra Solar One for a 5-MW solar power project in Rajasthan. Azure Power received loan from IFC for a 2.5-MW rooftop solar power project in Gandhinagar, Gujarat.

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