



Private Equity Firms Acquire 44% in Asian Genco for \$425 MN

Appleby acted as the Mauritius legal counsel to the consortium led by Morgan Stanley Infrastructure including Norwest Venture Partners, General Atlantic LLC, Goldman Sachs Investment Management, Everstone Capital in connection with the acquisition of a 44% stake in power generation and engineering services firm Asian Genco for \$425 million. This was the biggest private equity transaction in India in almost two years. The deal is also the biggest private equity transaction in the country's power sector and the first one of over \$300 million since 2008.

The investment will be effected through convertible instruments that would give the investors around 44% in Asian Genco, a Singapore-based holding company that owns many hydro, thermal and non-conventional power generation assets in India, when converted into equity. The Asian Genco deal comes in the wake of a raft of new power sector firms raising funds to set up generation units to feed the voracious demand for electricity in the world's second-fastest growing economy. Asian Genco owns a power generation capacity of over 4,000 mw that is under development riding on an estimated capital outlay of \$4.5 billion. The consortium's investment will help Asian Genco complete its current pipeline of projects and to develop new ones.

The company is developing a project called Teesta III, which is among the largest hydro projects in the Indian private sector, with a capacity of 1,200 mw and a coal-fired supercritical thermal project in Andhra Pradesh with a 1,320 mw capacity.

Appleby, Davis Polk, JSA and Bangalore private equity boutique Lexygen jointly led the due diligence, structuring, negotiations and documentation advice for the consortium. The Appleby team was led by Malcolm Moller together with associate Kate Li Kwong Wing, the Davis Polk team was led by Hong Kong partner Kirtee Kapoor, together with associates, Li Han, Shaoyun (Anna) Xu and Sam Kelso while the Indian law advice was handled by JSA partners Vishnu Sudarshan and Dhananjay Joshi and Lexygen founder Vijay Sambamurthi together with associates Smita Sharma, Madhumita Sangma and Amit Vyas.

For more information, please contact:



Malcolm Moller
Managing Partner - Mauritius and Seychelles
Corporate & Commercial Practice Group
Tel: +230 203 4301
Email: mmoller@applebyglobal.com

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