

## Deals of the Year 2008

### ASIA/ INDIA

#### The Deal:

#### **Guru Gobind Singh Refineries' Rs137.89bn Project Financing**

**SBI Capital Markets** was mandated sole arranger for debt and financial advisor; **State Bank of India** lead the lending consortium which comprised 26 banks and financial institutions.

The largest public-private partnership in India, this transaction has achieved great results for both the client and the country's economy. India is growing as a refinery hub, taking advantage of the limited capacities being added in the US and Europe. The deal is the largest foreign direct investment in India and the largest industrial project in the Punjab province.

The project is part of a boom in infrastructure and resources development in the country, which has drained the local banks's liquidity. Despite such constraints and the significant size of the deal, the Rs79.93bn (\$2bn) debt syndication was oversubscribed and the book closed in a record time. The pricing was also favourable and the deal obtained the lowest possible rates considering the 14-year tenor of the loan. Technically complex, the transaction was modelled on a non-recourse basis as a perfect project finance structure. As with all good project finance deals, the structure also allowed the client to refinance debt at a lower cost once completion risk is over.