

# Shriram's energy arm gets \$55m equity funding

SANJAY VIJAYAKUMAR

Chennai

DESPITE the credit crunch, Orient Green Power Company (OGPL), renewable energy unit of Shriram EPC, has raised \$55 million from a set of private equity players to fund its capacity expansion plans.

Olympus Capital has invested \$35 million, while Shriram EPC and Bessemer Venture capital have invested \$10 million each in this new round of funding. Shriram EPC and Bessemer Venture Partners had earlier invested \$10 million each in the venture.

After this fund raising, the company would have \$75 million for funding its renewable capacity expansion to 216 mw from present 70 mw.

OGPL would be looking to set up and buy power generation assets based on renewable sources including biomass, cogeneration, wind, small hydro and biogas, with majority of assets focused on biomass and wind energy.

"Our shareholding in OGPL would come down below 51 per cent, while Olympus and Bessemer Venture would have significant minority stakes in the venture", T Shivaraman managing director and CEO of Shriram EPC said.

However, he refused to

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disclose the share holding pattern. OGPL, currently has biomass and wind energy assets with a capacity of 70 mw and would further add 146-mw capacity through the funding. It would have a capacity of 92 mw by fiscal 2009.

Shivaraman said the company would be mainly looking at acquiring renewable assets from players who are trying to exit the projects either at the development stage or at the completion stage in wind and biomass segments.

OGPL looks to take its renewable energy assets total capacity to 500 mw in the next five years at a total outlay of Rs 900-1,000 crore. Shivaraman noted that the remaining capital would be raised through debt, while an initial public offering can be looked at within 3-5 years.

SHRIRAM EPC/BSE Rs 110 ▲

NSE Rs 113.25 ▲

sanjayvijay@mydigitalfc.com

