

Orient Green Power exits Sri Lanka wind energy project

To focus on expansion in domestic market

Our Bureau

Chennai, July 28

The Chennai-based Orient Green Power Company Ltd has sold its stake in Sri Lankan wind energy project Powergen Lanka (Private) Ltd to focus on the domestic market.

Over the next one year, the company expects to expand its domestic wind energy capacity to over 450 MW from the present 330 MW in Tamil Nadu, Andhra Pradesh and Gujarat. The estimated investment is around Rs 7 crore a MW.

According to information provided by Orient Green Power to the NSE, the independent wind energy producer has sold its 90 per cent stake in the Sri Lankan subsidiary to Windforce (Private) Ltd. The Sri Lankan buyer has also bought out the balance 10

per cent with minority shareholders.

The Chennai-based wind power producer entered into the overseas joint venture in 2010-11 to set up a 10.5-MW wind energy project and acquired the majority stake making it a subsidiary in October last year.

Mr P. Krishnakumar, Managing Director, Orient Green Power, said the decision to exit the project was due to the delay in getting power evacuation infrastructure. The company had entered the new market with plans to scale up operations significantly. But the wind market was yet to evolve there.

While not disclosing the transaction size, he said, the company has covered its costs with a "comfortable margin"

on the deal. Meanwhile, the conditions in the domestic market provide for faster growth. The company felt its energies would be better focussed on the massive expansions in the pipeline in the domestic market.

In India, it will add over 100 MW of wind energy generation capacity – 50 MW plus 50 MW in two phases – in Andhra Pradesh where it has about 27 MW installed; in Gujarat where it has about 4 MW installed, the company will add 50 MW; and in Tamil Nadu about 20-30 MW of capacity is in the pipeline against an installed 300 MW. Most of the additions will be in place by March-April next year to exploit the windy season that starts in May.

balaji.ar@thehindu.co.in