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OGPL inks pact with Japan co to set up green power plant in TN

fe Bureau

Chennai, Aug 18: Orient Green Power Company Ltd (OGPL), an independent renewable energy generation company, has entered into a joint venture with Nishi-Nippon Environmental Energy Co Inc. (NEECO) of Japan to set up a 7.5 MW poultry litter-based power project in Namakkal district of Tamil Nadu with an estimated cost of Rs 45 crore. The project is structured on 30% equity and 70% debt. While OGPL would hold 60% stake in the joint venture company, Orient Eco Energy Ltd (OEEL), NEECO would have the balance 40% stake.

Commenting on the joint venture, T Shivaraman, vice-chairman of OGPL, said in a statement, "We are very pleased to partner with NEECO as we seek to grow our renewable energy business in India. There is a shortage of generation capacity in India and we feel that renewable energy offers exciting solutions to the domestic power sector. NEECO's expertise will be of value and will com-

plement our project management skills in this area."

Talking to FE, P Krishnakumar, managing director of OGPL, said, "Namakkal district in TN is a major poultry belt. The area generates at least 2,000 tonne of chicken litter per day. And our project is, by far, the largest poultry litter-based power project. All the other projects being talked about are less than 3 MW capacity." The foreign partner, besides pumping in funds for the project, would also provide technology inputs. "We have obtained in principle letter from banks to cover the debt part of the project," he said. The company is planning to commission the project by the last quarter of 2011. Krishna Kumar said, going forward, the company was planning to set up similar projects in other poultry belts like Pune, Chandigarh, Ludhiana and Chittoor.

The company, it may be recalled, had announced its plans to raise Rs 900 crore

through an initial public offering (IPO) of shares and had filed the drafted red herring prospectus which is still pending with the regulator Sebi. The idea of the IPO was to part-finance its Rs 4,400-crore capex plan, which would be financed through a mix of equity, debt and internal accruals.