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Wind as power source draws India investors

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in New Delhi

WHAT is the common link between private sector giant Reliance, the US\$8 billion Suzlon Inc, non-resident Indian (NRI) businessman C Sivasankaran, cricket icon Sachin Tendulkar and Bollywood diva Aishwarya Rai?

All see profits in wind power, which is environmentally safe, cheaper, renewable and an alternate energy source.

Aishwarya and Sachin have invested in windmill projects in the Satara district of Maharashtra and in Jaisalmer in Rajasthan. Though the tax breaks due to such investments are good, they naturally hope for good returns.

This week, Anil Ambani's Reliance Capital, along with other private investors, acquired close to 68 per cent of Southern Wind Farms, a sister company of the NEPC group.

Reliance paid over US\$21 million and is looking to be an integrated player with presence in both turbines and gensets which would bring down power costs to as low as 1.2 rupees per unit (kilo watt).

Before Mr Ambani's move, Pune-based wind turbine maker Suzlon Energy announced plans to invest US\$60 million in its factory in Tianjin, China. The investment is the first by an Indian company in the Chinese energy sector and one of the largest by any Indian firm in China,

which has set itself a goal of 30 GW of installed renewable capacity within the next 15 years.

Suzlon, owned by billionaire Tulsi R Tanti, also acquired Belgium's Hansen Transmissions International NV, one of the largest wind energy and industrial gearbox makers in the world.

The more than US\$500 million all-cash transaction will allow Suzlon to gain control of Hansen's crucial gearbox unit and its world-class technology.

Hansen Transmissions is the world's second-biggest gearbox maker, a crucial input for wind turbines. Germany, Spain and the US are the biggest markets for wind power.

Meanwhile, NRI busi-

nessman Sivasankaran, who last year received US\$800 million from the sale of his mobile phone service Aircel to Maxis of Malaysia, is investing over US\$120 million in the wind energy sector, which is phase one of his more elaborate plans.

Mr Siva has acquired land across the most fertile regions for wind energy (Tirunelveli and Nagercoil districts in south Tamil Nadu) and is picking up equity stakes in O&M contractors for maintaining the windmills.

He is looking to generate 150 MW in the first year of operations.

Globally, wind is being seen as the foremost source of alternate energy, as price of crude oil rises and re-

serves get depleted. India is one of the largest markets for wind energy in the Asia-Pacific and a manufacturing hub for wind turbines.

Mr Tanti has said that India loses 45,000 MW of power daily due to the untapped potential of wind energy.

Suzlon has convinced firms such as Bajaj Auto, Godrej Group, MSPL Ltd, Ramco Group and a large number of textile units in Tirupur to take to wind energy.

According to government projection, 10 per cent of the 240,000 MW installed capacity requirement by 2012 will come from renewables. It is envisaged that half of this capacity or 12,000 MW may come from wind farms.