

## Munjals to Invest in Renewable Energy Sector

The Indian government's push towards renewable energy has motivated many Indian family business groups to explore and expand their presence in the sector. Sensing the potential of the sector, the Munjal family led Hero group plans to expand its operations in the renewable energy sector. Hero Future Energies, the group's holding company for all renewable energy projects is planning to raise about \$100 million to expand its portfolio. The move comes in the wake of the government of India's plans to make India one of the world's largest renewable energy markets. Hero Future Energies presently has a total installed capacity of 260 megawatts in wind, solar and hydro power segments in projects spread across 10 Indian states. Rahul Munjal, a member of the group's next generation member heads the company.

Hero Future Energies, part of the family managed Hero group with annual revenues of \$5.6 billion, now plans to expand its renewable energy projects portfolio to 1 gigawatt. It may even divest a minority stake to strategic or private equity investors. *"Currently the entire equity has been funded by the family. Hero Future Energies is expanding its portfolio to 1 GW and will therefore explore all options as and when required,"* responded the company to an email query. Recently, the company won the bid for a 38 megawatt solar power project from the Madhya Pradesh government. *"The trend today in solar is - falling project costs and financing costs. There is a surge of new entrants in the solar industry today. Some of them have been quoting very aggressive entry level prices to win the bid. Since we have been in the industry for the last three years, our bid prices are based purely on viability of projects in the long run. All our solar bids have been won at the higher end of the spectrum and the Madhya Pradesh bid was the highest successful bid,"* said the company to a query on competitive bidding for renewable energy projects.

Source: The Economic Times, July 30, 2015.