

Hero's renewables arm looks to add 2.5 GW capacity every year

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HERO FUTURE ENERGIES, the renewable energy arm of Hero Group, is looking to add 2.5 gigawatt (GW) of renewable energy capacity every year, depending on the opportunities in the sector.

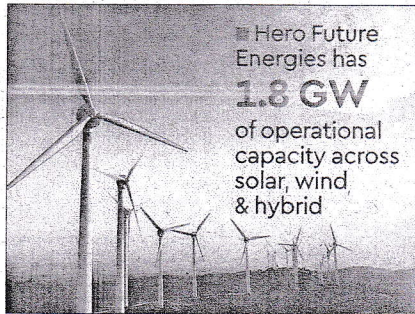
The company currently has 1.8 GW of operational capacity across solar, wind and hybrid projects. It has won bids to develop another 2.6 GW, global chief executive officer (CEO) Srivatsan Iyer said.

Given that 1 GW requires a capital expenditure of \$1 billion on a ballpark basis, the company requires to spend \$2.6 billion every year if it is to add 2.5 GW each year, an analyst said.

All the projects will be funded with a mix of equity and debt, Iyer said. Typically, the debt-to-equity ratio is 70:30 or 80:20 in these projects, he added. "We will focus on tenders of central government agencies such as SJVN, NHPC, NTPC and so on," Iyer said.

The country added a record renewable energy capacity of 18.48 GW in FY24, 21% higher than 15.27 GW it added in FY23, accord-

CLEAN & GREEN



■ Hero Future Energies has **1.8 GW** of operational capacity across solar, wind & hybrid

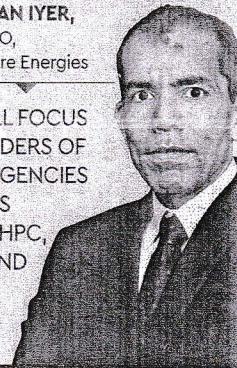
■ Company has won bids to develop another **2.6 GW**

■ All projects to be funded with a mix of equity and debt

■ Also has projects in **Ukraine, UK and Bangladesh**

SRIVATSAN IYER,
global CEO,
Hero Future Energies

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ing to the ministry of new & renewable energy.

Experts said there is a need to add at least 50 GW of renewable energy capacity annually for the next six years to reach the target of 500 GW of RE by 2030.

Though currently two-third of its capacity is solar and the remaining wind, going forward, solar and wind would be equal because each tender has a wind component, Iyer said.

The company also has projects in Ukraine, the UK and Bangladesh.

Iyer said in the next five years,

the company will enhance the equity valuation of the company by five times through new value-added projects, technologically complex projects, and soon. "We are doing a business of \$190-200 million every year," he said.

Reports earlier said the company is looking to launch an initial public offering (IPO). However, Iyer said IPO is just one of the ways to raise equity.

"We finished raising almost \$450 million from KKR and the Hero Group literally a year-and-half,

ago. We are focused on bidding for the projects and then executing them. That is the really short-term focus," he said.

On thermal remaining the mainstay of power supply, Iyer said the government has aspirations that by 2030, half of the power requirement come from renewable energy.

"By 2030, renewable energy will be available 24x7, either through solar, wind or battery. Thermal will be obsolete. No need to set up any new plants," he said.