

ENVIRONMENT-FRIENDLY & ECONOMICAL

Clean Tech Startups Help Large Cos Trim Power Use

Energy conservation techniques provided by cos such as Light Pipe find favour with VCs as well

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Several clean technology startups offering innovative ways to conserve electricity are signing marquee clients who are eager to trim their power bills and, in turn, receiving greater attention from venture capitalists.

"Everybody wants to cut down energy costs today," said Sekhar Nori, founder of five-year-old startup Skyshade Technologies, which has bagged a slew of large customers, including Mahindra & Mahindra, PepsiCo, ITC and TVS. The Hyderabad-based company's Light Pipe takes sunlight to dark and remote areas. The product helps companies bring down power bills by over a fifth, according to Nori, who expects revenue to more than double in the next two years to ₹25 crore.

Experts said rising demand for utilities, such as power and water, is creating a huge opportunity for such young ventures. "These solutions will fit well in the gap between demand and supply," said Abhishek Vastava, an investment manager at the Ventureeast Tenet fund that has so far invested over \$30 million in clean technology startups in India, including low-cost ATM maker Vortex and Bharat Lighting & Power.

Food and beverage maker PepsiCo, which aims to reduce fossil fuel use, is turning to renewable energy and energy efficiency products from

startups. "Our energy use per unit of production has decreased by 17.7%," said Vivek Bharati, executive director of agriculture and corporate affairs in PepsiCo India.

Viswanath Attaluri, chief operating officer at consultancy Capital Fortunes, estimates the energy efficiency market to grow 10% at an annual rate.

Sensing this demand, Dileep Patel, a real estate entrepreneur in Mumbai, turned to the clean technology sector. He co-founded EcoPower along with son Siddharth. The six-year-old company, which has customers like Larsen & Toubro and Reliance industries, expects to earn revenue of ₹4 crore in the next fiscal.

Sateesh Andra, a managing partner at Ventureeast, said the market for clean technology solutions is still nascent with a lot of headroom for growth. In Hyderabad, Vivek Subramanian, co-founder of Fourth Partner Energy, is building solar energy solutions. He teamed up with other co-founders—Vikas Saluguti and Saif Dhorajiwala—to pool in seed capital of ₹1 crore to set up the company that uses a pay-per-use model for the solar energy it generates.

With several public sector and private banks, including ICICI and Andhra bank, as its clients, the company, which was set up in 2010, earned revenue of ₹4 crore in the 2013 fiscal. Technology firms, such as Wipro and Microsoft, are also

Green Might

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moving towards renewable energy. "Renewable energy contributes to one-fifth of our energy consumption," said Narayan P S, vice-president and head of sustainability at Wipro. Energy efficiency measures have helped the company reduce energy costs by 4-5% annually over the past two years.

At Microsoft, data centre cooling systems account for about 40% of the energy bill. "Due to an initiative we took, our energy consumption for the cooling systems has reduced by 400 kilowatts per month," said Ajit Kumar Varma, manager—real estate and facilities—at Microsoft India.

Arun Shenoy, founder of Mumbai-based Green India Building Systems and Services, said the benefits of using energy efficiency products are usually apparent immediately. The Mumbai-based company, founded in 2010, uses technology to reduce power consumption by air-conditioning systems on large campuses.

Shenoy teamed up with co-founder Mandar Karpekar to set up the company with a seed capital of ₹65 lakh. By fiscal 2016, the company expects to clock revenues of ₹300 crore. "We have worked out company and project-specific solutions," said Shenoy.

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