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Newsletter

December 2009

INVESTOR Forum 09

Event Highlights

- ✦ Theme: Green Entrepreneurship – Opportunities and Challenges
- ✦ 2 eventful days
- ✦ 40 investors participated
- ✦ 30 industry experts deliberated on key issues
- ✦ 10 innovative enterprises showcased

About New Ventures India

New Ventures India (NVI) is a joint initiative of the CII - Sohrabji Godrej Green Business Centre, Hyderabad and the World Resources Institute, Washington DC. The initiative was established and supported by USAID under the Global Development Alliance. The programme is currently supported by British High Commission under the Strategic Programme Fund (SPF), USDoS under the Asia Pacific Partnership (APP) programme and Citi Foundation.

Services offered

- Connecting entrepreneurs with potential investors through Investor Forum and other targeted investor events.
- Access to New Ventures global resources through World Resources Institute (WRI)
- Training programs and sector based workshops for sustainable enterprises

Focus Areas

NVI identifies and tries to address the mentoring and investment needs of deserving enterprises operating in following areas: Renewable Energy, Energy Efficiency, Water Management and related technologies, Agriculture / Organic Products, Clean Technologies, Ecotourism, Green Building Materials and Recycle and Reuse.

Investor Forum 2009

Investor Forum is the annual flagship event of CII-GBC in collaboration with WRI and is aimed at bringing together entrepreneurs, business experts and investors on same platform to discuss the issues concerning Green Businesses and to facilitate interactions between these ecosystem players.

The 4th Investor Forum was held on 29th and 30th October 2009, at Hyatt Regency, Mumbai. The theme for this year's event was **"Green Entrepreneurship: Opportunities & Challenges"**

Event Proceedings

Inaugural Session

Speaking at the inaugural session of Investor Forum 2009, **Ms Vicki Treadell**, mentioned how the current water security issue has moved from an academic possibility to being a real issue on hands. She further stated that if there are aspirations to see the world economy 3 times bigger but with carbon emissions of 20% by 2020, there is a need to genuinely look at transformation in vision, leadership, execution of policies and the corporate world and government world working together.



Ms Vicki Treadell, Deputy High Commissioner, British High Commission



British
High Commission
New Delhi



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In her opinion, business success and low carbon path are not mutually exclusive; instead low carbon path can generate new jobs, create wealth and also improves the business bottom lines. She cited the recent HSBC survey and found that revenues in low carbon sector soared by 75% to \$ 530 bn in 2008, surpassing total combined revenue of aerospace and defense industries. Ms. Treadell stressed on informative and consultative process between corporate and government sectors in order to embrace the low carbon path in a genuine way and grow simultaneously.



Mr. Jamshyd N Godrej, past President-CII & Chairman,
CII - Sohrabji Godrej Green Business Centre

Mr. Jamshyd N Godrej, commended the readiness of Indian industry to embrace carbon reduction responsibility. He predicted that the National Action Plan will make India one of the most carbon efficient economies in times to come. He cited the example of shift from low landline telephony penetration to high Mobile usage, highlighting India's opportunity to leapfrog some of the learning curves that other nations had to go through.



Dr. Naushad Forbes, Chairman, CII Western Region & Director,
Forbes Marshall Pvt. Ltd

Dr. Naushad Forbes, talked about the virtue of perseverance in building a successful enterprise and cited the examples of REWA and SEWA while driving his point home. In order to highlight the potential for energy savings, he cited the study conducted by Forbes Marshall, which estimated the potential for Rs.6000 crores per year total energy savings in process team alone. This covers a range of initiatives ranging from improving housekeeping practices in plants to fundamental investments in new technology. He also invited all the CEOs to make a commitment to the CII's voluntary code on Ecologically Sustainable Business Growth.



Mr. Owen Jenkins, Counsellor & Head-Climate Change & Energy Unit, FCO-
DFID, British High Commission

Mr. Owen Jenkins, stressed on importance of the certainty of government policies and a predictable framework of regulations as major factors responsible for growth of businesses.

He supported his statement by stating that since 1990, the British economy has been growing by 48% but at the same time, it has registered a fall in its carbon emissions by over 20%. There has also been 21% reduction in their carbon emissions till now as against their Kyoto Protocol target of overall 12.5% reduction, against 1990 baseline.

Master Speaker Session Highlights



Mr. Tord Svedberg, President & CEO - IVL Swedish Environmental Research Institute

Mr. Tord Svedberg delivered a presentation on European Experience in environment sustainability initiatives. Mr. Tord also shared his knowledge & experience on the potential opportunities for co-operation between India & Sweden in the Environmental space.



Ms. Malini Thadani, Head - Group Communications & Corporate Sustainability, HSBC

Ms Malini Thadani shared various initiatives taken up by HSBC towards climate change mitigation at national and global level. The initiatives of HSBC include various activities related to Policy & Advocacy, Risk Management & Sustainable Development. She also made a mention of HSBC being the world's first carbon neutral bank, which has set a target of 6% reduction in GHG emissions from 2008 to 2011.



Ms Sahana Sarma, Partner, McKinsey & Co

Ms Sahana Sarma talked about the opportunities for India meeting the closely linked challenges of energy security & environmental sustainability that come with growth. The presentation was based on the recently released report by McKinsey & Co, "Environmental & Energy Sustainability: An Approach for India".

Panel Session Highlights:



Experts at the Panel Discussion on Size of Green Business Opportunity

Chairing the session on **Size of Green Business Opportunity**, Mr. Pramod Chaudhari, Chairman, Praj Industries and Chairman of National Committee on Biofuels, CII, drew an imaginary spectrum for 'Green' business opportunities. He remarked that the green can have various shades and the industry should make a concerted effort to address this. In his vision Green-Gold was creation of wealth for all through low carbon initiatives, Green-Silver was to do with new opportunities; Green-Black was to do with tackling the displaced and underserved in this new paradigm.

The other panelists for the discussion were Mr. Mohanjit Jolly - DFJ; Mr. Surojit Bose of PwC; Mr. Sanjeev Krishnan - Global Environment Fund; Mr. Ashish Sethia - New Energy Finance and Ms. Katie Hill - Acumen Fund.

Mr. Mohanjit Jolly talked about the regulatory challenges and contractual obligations for establishing and running businesses in India. He also raised the issue of energy starvation in Indian context, stating that, for sustaining GDP growth of 8-9% per annum, India needs to fill in huge gap in terms of combining efficiency, conservation and generation across the supply chain- ranging from actual generation to distribution to storage and to services and analytics.

Mr. Ashish Sethia brought on board some very interesting facts and figures stating that overall VC and PE investment in last quarter (July- September 2009) worldwide for Cleantech was \$2.2bn , which was 64% more than Q2 of 2009, but lagged behind Q3 of 2008, which had reported figure of \$4.6bn.

In 2008, the VC and PE investment in India was \$400mn and for 2009, till now the figure reported has been \$130mn US and \$105mn for announced deals, which assures a promising growth in near future.



Experts at the Panel on Addressing the Seed Funding Challenges

The panel on **Addressing the Seed funding challenges** was chaired by Mr. Pravin Gandhi of Seed Fund. This panel brought together seed venture capitalists and angel investors like Mr. Sandeep Singhal of Nexus Capital Advisors, Mr. Vineet Rai of Aavishkaar, Mr. Vishal Vasishth of Song Advisors, Mr. Sasha Mirchandani of Blue Run Ventures, Mr. Shashank Sinha of Technology Development Board and Mr. Simon Desjardins of Shell Foundation.

Mr. Simon highlighted the problem of lack of funds for companies addressing the BoP (Bottom of Pyramid) energy challenges. The current investment patterns call for a change in the mindset of investors w.r.t serving the BoP market and viability of projects pertaining to them.

Mr. Gandhi pointed to the fact that , in India , there are only one or two seed funds that have \$60-120 mn worth of capital, which is not sufficient .According to him, to make some significant impacts in this sector, there is a need for lot more money and greater public- private participation.

Mr. Sasha Mirchandani very clearly pointed out the problem of validation and adoption of technology as one of the major factors in attracting the follow on capital by drawing comparison between Technology companies and companies in clean tech. One of the solutions for seed funds in such a case is to collaborate with bigger investment players, in order to ensure the flow of follow on capital once the project takes off.

On 30th October, the forum began with Panel on **Voice of Entrepreneur**, chaired by Prof. Nandini Vaidyanathan, Promoter, Startups and the participants included Mr. Ashok Reddy – Team Lease, Mr. Anuj Kothari – Your Medical Help (P) Ltd, and Mr. Ravi Raina – Astonfield Management who shared their experiences and learnings while building up their businesses.



Experts at the Panel on Addressing the Seed Funding Challenges

Mr. Ravi underlined the importance of vision by citing example of HCL, which is one of India's leading software company today. He also stressed on the need to keep the entrepreneurial spirit alive as the years go by in order to ensure that the companies keep growing.

Mr. Anuj stressed on the need to ideate, welcome new thoughts and search opportunities to reinvent in order to establish and scale up in an existing product market.

Alternative Financing Mechanisms panel involved representatives of the banking community and multilateral funding agencies who discussed and shared their views on the unique funding requirements of green businesses, specifically from a project development perspective.



Experts at the Panel on Alternative Financing Mechanisms

Mr. P.R. Srinivasan, Managing Director (India Head) of Citigroup Venture Capital presided over the session and panelists included Mr. R. Ganesh – ICICI Bank, Mr. Yogesh Dixit – CRISIL, Ms. Lakshmi Ananthamurthy – Carbon Credit Capital and Mr. Divakar Kamath – Axis Bank.

Mr. Srinivasan talked about the emerging importance of Cleantech by stating that out of \$2.6 trillion economic stimulus announced by G-20 nations in response to financial crisis, \$400 bn have been earmarked for clean technologies.

Mr. Yogesh Dixit made a mention of government financing mechanisms by referring to SIDBI, who has been

spearheading the policy initiatives on small enterprises. SIDBI has come up with schemes relating to risk capital, technology modernization and capital subsidies to help the green entrepreneurs. NABARD also has schemes facilitating finance to NGOs who want to go for green technologies.

Ms. Lakshmi Ananthamurthy talked about alternate financing mechanism of selling the carbon credits by green companies or availing funds from banks as loans on the basis of credits earned.

Valedictory Session



Mr. Vinayak Shenvi, Vice President – Citigroup Venture Capital

During Valedictory Session, Mr. Vinayak Shenvi, laid out the judging criteria and explained the process of zeroing on the 3 finalists for Business Plan Competition held on the second day of the event.



Mr. Vijay Chandok, Chairman, New Ventures India Steering Committee, and Senior General Manager and Head SME – ICICI Bank

Mr. Vijay Chandok commended the entrepreneurs who have chosen the road less traveled in today's challenging times.



Ms. Ella Delio, Deputy Director, New Ventures – World Resources Institute, Washington D.C.

Ms. Ella Delio outlined the three steps required going forward in order to improve the services to companies operating in this space:

- Continue to build and scale up the local infrastructure for SMEs
- Attract mainstream investments for SMEs by trying to pilot new financial mechanisms for energy efficiency products.
- Nurture more active global networks for NVI portfolio companies

Business Plan Presentations

The second day of the event also witnessed the business plan competition, showcasing 10 innovative green business plans. Collectively, these companies are looking at raising Rs.102 crores (approx.) to scale up their operations.

Husk Power Systems, Sresta Natural Bioproducts Pvt. Ltd. and Noble Energy Solar Technologies Ltd. (NEST) were declared winners amongst the ten companies short listed.



Mr. Vinayak Shenvi – Citigroup Venture Capital and Mr. V. Chandok – ICICI presenting the certificates to Winners of Business Plan Competition.

New Ventures India Activities

Call for Business Plans 2010

New Ventures India invites green and sustainable enterprises to submit their business plans. NVI focus is on enterprises who are operating in Renewable Energy, Energy Efficiency, Water Management and related technologies, Agriculture / Organic Products, Clean Technologies, Ecotourism, Green Building Materials, Recycle and Reuse.

Eligible companies must:

- Be registered in India as a for-profit business
- Have operations based in India
- Legally-structured to be able to receive equity investments
- And seeking investment between INR 50 Lacs and INR 25 Crores

To participate, please download the Business Plan template online at www.newventuresindia.org and send it to bp@newventuresindia.org

New Ventures India will select promising, innovative companies that deliver environmental & social benefits and are financially viable. Selected companies shall be provided mentoring services prior to the showcasing to investors.

For more information on the entry form & business plan format, please visit www.newventuresindia.org or contact us at **040 23112971-73, Extn: 117 or +91 9000400230**

Green Investor Network

New Ventures India launched the Green Investor Network to facilitate investment into sustainable enterprises by providing investors with a source of deal flow and serving as a venue where knowledge about sustainable sectors and investment can be shared. Through joining the Investor Network, investors will benefit from:

- A good source of deal flow through the Investor Forum, Investor Summit, Green Investor Network meetings and access to business plans.
- Access to information on green sectors and sustainable investment
- ? Increased interaction with entrepreneurs and other investors in the sustainability space.
- ? Recognition as a supporter of sustainable enterprises and many more.

Coaches Network

This network was developed for those successful individuals who have faced the challenges of enterprise development and scaling-up successfully and are willing to assist other entrepreneurs by sharing their experiences and wisdom. The members of the Coaches' Network will give one-on-one mentoring to promising enterprises on specific business issues as well as feedback on their business plans on pro bono basis.

Portfolio Companies 2009

Ennatura Technology Ventures (P) Ltd



EnNatura has developed and commercialized an eco-friendly printing ink system, based on renewable feedstock, which is completely emission free. The printing ink system reduces emissions by 95% and reduces the total operating costs of the printer by 10-15%, thus solving the greater environmental pain at an economic price point.

Green Fields Power Services (P) Ltd.



Green Fields Power is a pioneer EPC player in the Renewable / Alternate Power generation solutions by providing state-of-the-art innovative hybrid solutions that embrace all feasible proven technologies using state of the art greenenergy™ and greenpower™ engine." The company specializes in combining various available power generation technologies into specialized solutions in line with customer requirements

Husk Power Systems (HPS)



HPS is a power generation and distribution company serving off-grid rural Indian villages. HPS designs, owns, and operates 40-110kVa biomass gasification plants that use waste rice-husks as feedstock. HPS generates revenue by selling electricity to residential, commercial, and agricultural customers, the waste product (rice husk ash), and carbon offsets in the CDM market.

Noble Energy Solar Technologies Ltd. (NEST)



NEST designs, develops and manufactures reliable and cost-effective solar lanterns. The company is in the business of manufacturing & marketing world-class affordable lighting products and solutions, such as solar-based lanterns, home-lighting-systems and street-lighting-systems. NEST is also involved in the business & research of High Purity Quartz intended to bring down cost of solar silicon.

Oriental Aquamarine Biotech India Pvt. Limited (OAB)



OAB provides a patented solution for water quality and disease management in the aquaculture industry. The patented product offered is the Nitrifying Bioreactor. Nitrifying Bioreactors are self-sustaining systems that remove Ammonia and Nitrites created in Aquaculture tanks and helps maintain reef quality conditions in aquaculture tanks leading to increased fish production.

Samuchit Enviro Tech Pvt. Ltd. (SET)

SET was promoted in June 2005 to provide environment friendly, efficient solutions for household energy needs of the rural and urban populations. SET is currently marketing fixed and portable biomass burning cooking devices, compact biogas plants using household organic waste as feedstock, and charcoal briquettes made from agricultural waste.

Solkar Solar Industries

Solkar has been engaged in solar energy products for the last 24 years. Their main specialization is Lighting : LED / CFL/Sodium Vapour /Metal Hylaide or be it Portable/Indoor Lighting / Outdoor Lighting The end products/application manufacturing factory is in Chennai and Module manufacturing plant is at Singapore.



Sresta Natural Bioproducts Pvt. Ltd.



Sresta is an integrated organic foods company, which produces a wide variety of organic foods from a vast network of farmers. It has established strong relationships with retailers such as Whole Foods, Walmart (in the global market) and Food Bazaar, Spencers', Hypercity and Godrej Nature's Basket (in the domestic market). Sresta markets under its brand - 24 Letter Mantra and emphasizes on value added branded foods thereby, making it different from other organic food companies.

Sustaintech India Pvt. Ltd. (SIPL)

SIPL is a social business venture which manufactures biomass stoves, targeting street food vendors, hostels, households, and textile units in rural and semi-urban towns of India. The company has evolved out of TIDE, a not for profit society with 15 years of experience in research and dissemination of firewood conserving equipment through local entrepreneurial networks. The use of these products lead to decreased use of firewood and kerosene thus helping these micro enterprises reduce their operational costs.

VayuGrid Marketplace Services Pvt. Ltd.

VayuGrid is a marketplace company built to leverage fragmentation via aggregated community supply chains for non-edible SVO (Straight Vegetable Oils) and Biodiesel for applications in Rural economy, Mass Transportation and Derivative markets. The environmental impact of the model lies in reduction of GHG emissions due to diesel substitution. In addition the use of derivatives such as biochar and organic manure leads to improvement in land productivity and water usage optimization.



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