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Clenergen to buy 18 mw biomass plant in Chennai

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CLENERGEN India, a subsidiary of US-based renewable energy firm Clenergen Corporation, is set to acquire an 18 mw biomass power plant near Chennai. The firm, which is setting up biomass power projects in India, is in the final stages of concluding the deal.

The company will buy the biomass power plant of a brewery and distillery company near Chennai. It will be acquiring the plant as well as the plantations associated with the power unit. The total value of the deal is estimated at about Rs 140 crore, according to a top company official of the company.

The company intends to fund this acquisition through a combination of debt and equity. While the parent the company is expected to infuse about Rs 52 crore in the form of equity, the rest would be tied-up through loans.

Clenergen is keen on establishing a strong presence in the Indian renewable energy sector. The company last year acquired 1.5 mw per hour biomass power plant in Tamil Nadu and is in the process of scaling up the capacity of the plant to 10 MW per hour.

It is also establishing a 32 mw an hour biomass power unit in southern Tamil Nadu. The company has secured a power purchase agreement with the Power Trading Corporation of India for supplying power from its gasification technology-based biomass plants.

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