

Quippo Energy plans to invest Rs 1,500 crore for expansion

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At a time when industries in Gujarat are reeling under shortage of gas, Delhi-based Quippo Energy Rental is planning for capacity expansion of its gas-based energy equipment assembly unit at Ahmedabad.

"Gas-based primary energy consumption in India is currently 7.8 per cent of total consumption. But this figure is set to rise to over 20 per cent in the next two decades. We believe more and more energy players will move towards gas based equipment and we don't want to fall be-

hind in supply," said Hemant Pincha, chief executive officer of Quippo Energy Rental, a part of SREI Infrastructure Finance Ltd.-sponsored Quippo Infrastructure Equipment Ltd.

Currently, the company has an equipment rental capacity of 27 MW per annum which it intends to take up to 100 MW by the end of financial year 2008-09. Over a period of three years, Quippo Energy aims to invest over Rs 1,500 crore for capacity expansion, said Pincha. Of the total 150 MW of energy equipment market, Quippo Energy, the only company in gas-based equipment segment,

holds a 20 per cent share.

Having pegged a turnover of Rs 6.5 crore in financial year 2007-08, Quippo Energy has a capex exposure of Rs 31 crore. For the next year, the company intends to earn revenues of Rs 28 crore and achieve a new asset base of Rs 70 crore.

According to Pincha, equipment rental penetration in India at present is less than 6 per cent. "However, there is a 1,000 MW domestic potential in the country," he added.

Quippo Energy supplies energy equipment to clients like Micro Inks Ltd., Raymond and IEDL.