



OPIC PROGRAMS HELP OHIO SMALL BUSINESS INVEST IN INDIA

DODSON-LINDBLOM OF COLUMBUS, OHIO



OPIC Client Profile

OVERSEAS PRIVATE INVESTMENT CORPORATION

When Vikram V. Rajadhyaksha bought Dodson-Lindblom Associates in 1979, the company employed just five people. Today, the engineering design services firm, based in Columbus, Ohio, employs 670 people in Ohio, Michigan and Indiana and is using OPIC's support to develop hydroelectric projects internationally.

When the Indian Government opened the market for private firms to develop hydro projects, Mr. Rajadhyaksha, a 1967 émigré from India, was looking at international ventures as an opportunity to expand the company's business. He investigated a number of financing options and, ultimately, approached OPIC to see how the agency could help.

In May 1999, OPIC signed a \$5 million loan agreement supporting Dodson-Lindblom's project to rehabilitate, construct and operate a 12-megawatt hydropower station in the Indian State of Maharashtra. The project, known as the Bhandardara Hydroelectric Power project, is located about 150 kilometers northeast of Bombay at the base of an irrigation dam that produces power when water is released for irrigation purposes. Water released from the dam to the powerhouse is sufficient to produce an average of 47 million kilowatt hours per year. The total project costs \$13.3 million and includes co-financing from the Indian Renewable Energy Development Agency. Along with the loan, OPIC has committed \$4.4 million in political risk insurance that will help protect the equity funding which is being provided to the project by the Policemen and Firemen Retirement System of the City of Detroit. According to Mr. Rajadhyaksha, OPIC's involvement "not only pro-

vides a great deal of comfort to other lenders on the project but also to the equity providers."

In India, state-owned-generating companies, which provide some 70 percent of the country's electricity, have been unable to find the financial resources necessary to increase generating capacity and meet market demand. The Dodson-Lindblom project is helping India meet its critical power demands in an environmentally friendly manner, utilizing a dam built in the 1920s and the renewable water resources provided by the annual monsoon. OPIC's support of Dodson-Lindblom's project is not only helping the U.S. small business, it is also helping to establish a stronger, private-market participation in meeting the electrical power needs of India.

OPIC's support of small businesses like Dodson-Lindblom helps these companies expand their investment networks and to take advantage of opportunities that would not otherwise be available. Mr. Rajadhyaksha notes that OPIC support for overseas energy projects, which are typically long-term investments that include areas of the world that are politically unstable, is critically important to U.S. energy companies. "OPIC is a very needed agency... that provides the full faith and credit of the U.S. government in international projects done by Americans. Without such backing of the U.S. government, many projects would not be occurring, and certainly not the project in which I am involved."