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Impact investor Acumen fully exits nine-year-old investment

By Narinder Kapur | 26 June, 2020

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Social venture capital investor Acumen has marked a full exit from a portfolio company in the solar energy sector that it had backed nine years ago.

The impact investor, which has a significant international presence, has exited Orb Energy Pvt. Ltd via a secondary share sale to two other existing investors, Dutch development bank FMO and Shell Ventures BV, the venture arm of global energy giant Shell.

The exit comes after Shell in October last year **announced that it had picked up a stake** of almost 20% in the Bengaluru-based Orb Energy, which manufactures solar energy equipment such as photovoltaic panels and water heaters.

Acumen had **invested around \$1.1 million** in Orb Energy in May-June 2011. At the time, the company said that it would use the capital to extend its household lighting systems to rural customers and scale its manufacturing, besides developing new products.

In a statement, Acumen said its fund – Acumen Fund – had marked a profitable exit from its investment in Orb Energy, which was set up in 2006 by Damian Miller and NP Ramesh.

“Acumen was the first institutional Investor in Orb and we are glad to see the company has come this far in making solar more mainstream and attracting growth capital to shift to the next level,” Acumen India country director Mahesh Yagnaraman said.

Separately, Miller added that the secondary share purchase by Shell and FMO was validation of Orb Energy’s business model and work in the larger rooftop solar space.

In January 2018, Orb Energy **raised \$15 million** (around Rs 95 crore) through a combination of equity and debt from FMO and United States government agency Overseas Private Investment Corporation (OPIC).

Acumen

The impact-focused organisation and investor – founded by Jacqueline Novogratz in 2001 – says it invests patient capital in businesses that help in transforming the lives of underprivileged sections of society.

So far, Acumen says it has invested over \$131 million in companies across the world, including in the US, South Asia, Africa, and Europe.

In October last year, it invested an **undisclosed amount** in the Pune- and Boston-based Promethean Power Systems Inc., a refrigerated solutions provider. The investment was made from its Pioneer Energy Investment Initiative – a \$20 million fund.

Other companies in its domestic portfolio include work-integrated job training provider **LabourNet**, **Grameen Impact**, distribution company Frontier Markets and emergency medical services provider Ziqitza Healthcare Ltd.

Acumen | Mahesh Yagnaraman | Orb Energy Pvt. Ltd | Orb Energy | Shell | FMO | Damian Miller | NP Ramesh

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