



# 'We would like to keep the power momentum going'

— Rajiv Rattan, Chairman, RattanIndia Power Ltd

RattanIndia Power represents the power business of the undivided Indiabulls Group. The power business was hived off into a separate entity, RattanIndia Power, in August 2014. The company is pursuing two coal-fired power plants in Maharashtra apart from some green energy projects. **Rajiv Rattan**, a co-promoter of Indiabulls Group and now the sole promoter of RattanIndia Power, interacts with **Venugopal Pillai**.

**Q** In recent years, thermal power projects have been adversely affected by delays in pre-project formalities like land acquisition, securing environment-related clearances and coal linkages. What has been the experience with RattanIndia's Amravati and Nashik plants?

We have faced numerous challenges in securing external support especially in land acquisition, environmental clearance and coal sourcing. This is a common problem for most of the infrastructure projects of this magnitude. Moreover, major projects in sectors like steel and power, equivalent to ₹244,815 crore, are stuck due to procedures relating to land acquisition and forest and environmental clearances. Due to similar problems our company came across many hurdles and obstacles but eventually we managed these external challenges quite well and hence our Amravati project is completed and Nashik plant is near completion.

**Q** Coal, in particular, has been a pressing problem for thermal power plants. Do you see the situation improving under the new government?

We see the coal situation improving under the new government as Coal India Ltd plans to aggressively increase its production to 1 billion tonnes by 2019. Besides this, the recently-concluded auctions of 74 coal



▲ An inside view of the Amravati coal-fired power plant whose phase-I comprising five units of 270 MW stands fully commissioned.

blocks coal blocks cancelled by the Supreme Court order and further 18 more coal blocks planned to be auctioned soon will result in another 310 million tonnes production.

So, given these steps taken by government, coal shortage is expected to reduce significantly in the future.

**Q** What is the broad status of the Amravati and Nashik power plants? When do you expect both the plants to turn fully operational?

Phase-I of Amravati (5x270 MW) is fully commissioned and Nashik (5x270 MW) is expected

to be commissioned by December 2015. Phase-II will be taken up once we have clarity on PPA and FSA.

**Q** We observe that RattanIndia Power has sourced main plant equipment from Bharat Heavy Electricals Ltd. Given that several private power producers have opted for Chinese equipment, was it a conscious decision to go in for an Indian supplier?

It was a conscious decision to go for BHEL equipment instead of Chinese equipment due to number of issues like visa problems for Chinese nationals in

India, forex risk due to limited hedging options against Chinese Yuan and the fact that there was no proven Chinese unit operating at that time. This decision to go for BHEL equipment helped us to save project costs in comparison with projects based on Chinese equipment due to their exposure to rupee depreciation.

**Q** Please discuss your future plans in terms of expanding your conventional power generation portfolio.

Phase-II of Amravati plant will be taken up aggressively upon phase-I completion as all BOP, railways, water pipeline etc. are in place and hence only work is required to be done within plant boundaries. Therefore, Phase-II will be completed once we have clarity on PPA and FSA.

**Q** Would RattanIndia Power be interested in bidding for ultra mega power plants?

RattanIndia Power would also be interested in bidding for UMPPs as these projects provide comfort due to better preparedness in terms of land acquisition and other clearances.

**Q** Tell us in brief about your operations and plans in the solar power field.

Currently, we are operating three solar plants with total installed capacity of 6 MW and are targeting 2-3 GW in the next

couple of years. Already, we have about 100 MW in various stages of development and construction. Further, we are also active in rooftop solar segment with the new policies like net metering being brought out by a number of states. We have about 50 kW installed with about 2.5 MW under implementation at various locations.

**Q** What key changes in government policies would you recommend for faster clearance and implementation of power plants, especially coal-fired ones?

State governments can create land banks along with required clearances (plug and play model) so that the time required in land acquisition can be saved. Also, government can create single window clearances with time bound approvals/ disapprovals for the projects.

**Q** The Indian power sector offers tremendous opportunities for private entrepreneurship in power transmission and distribution as well. Do you have any plans in this direction?

RattanIndia is actively doing the transmission business and has constructed 160-km long transmission lines. Moreover, whatever opportunity comes our way the company would like to evaluate it on case to case basis and go forward with it accordingly.

**Q** Please discuss your key future plans in the power business, and what milestones would you like to see RattanIndia crossing in the next five to seven years?

We have been making swift progress and we would like to keep the momentum going by making efforts to complete Nashik phase-I & II for both our Amravati and Nashik power plants once we have clarity over PPAs and FSAs.

RattanIndia is also poised to expand its renewable energy portfolio and we are targeting 2-3 GW production in coming years. RattanIndia, as earlier discussed, will also be interested in actively participating in the bids for the ultra mega power projects in the coming future.



▲ Another view of the Amravati power plant.