

All Renewable Biz to Merge in One: Tata Power Chief



PRAVEER SINHA

CHIEF EXECUTIVE OFFICER, TATA POWER

For the 12th straight quarter, Tata Power posted an increase in its consolidated net profit. Chief executive Praveer Sinha tells **Kalpna Pathak** that he expects this trend to continue as all the existing operations have been doing well and to bring in further efficiency, the company plans to merge all renewable businesses into one. Edited excerpts:

You have been focusing on debt reduction, asset-light strategy, and consumer-facing businesses. How has it panned out so far?

All our existing operations have been doing very well and some of our new businesses, including renewable, rooftop solar and large utility-scale solar pumps, among others, have started showing results as a good foundation has been laid for them. We have carried out a lot of changes in the new distribution acquisition in Odisha, in terms of proper billing and metering of the consumers collection. We've changed nearly 20

lakh meters out of 90 lakh meters and provisional billing has reduced drastically and collection has improved. Many of the things that we have done, the benefit of that will come in the subsequent quarters and you will see much better and improved results.

You had plans to reduce debt by hiving off the renewable energy business into an infrastructure investment trust? Any update?

We did have a plan at one stage but now we are not going ahead with it. We have debt of nearly ₹39,000 crore and debt equity which has now actually come down to 1.32, which is very good for an infrastructure company. Similarly, our EV to Ebitda has also

improved and we are at something like 3.6. Again, this is a very healthy number. Going forward, we expect that better performance and better Ebitda that we will have, we'll be able to serve and service the debt that we have.

Recently, your facilities faced cyberattacks. What are you doing to ensure this does not recur?

This was a very unfortunate incident. Our IT systems, operational technology and power supply system did not get impacted, but some of the data they had encrypted, we have now taken further steps in terms of consultations

with experts in cybersecurity and we are now ensuring that better software, better tools, better filters are being provided to ensure that these types of attacks do not happen and impact our business. And I think some of the best-in-class solutions that we are implementing will help us prevent any such incident in the future.

Your company has 61 subsidiaries. Any plans to consolidate?

For our renewable business, we will bring all the renewable business on one single platform and all the renewable companies will start getting merged into the renewable platform, which is the Tata Power Renewable Energy (TPREL). However, there will still be some subsidiaries because the nature of the business requires us to have an SPV (special purpose vehicle) for capital projects. There will be huge efficiency due to this because the extra manpower in each of these companies will all get subsumed in one company. There are synergies that will happen.



We have debt of nearly ₹39,000 crore and debt equity which has come down to 1.32, which is good for an infra company

FOR FULL INTERVIEW, GO TO
www.economictimes.com