

'We want to be a major player in transmission business'

Praveer Sinha, MD & CEO of Tata Power, tells **Vikas Srivastava** that the company has big plans for the power transmission business. Both organic and inorganic means of growth are being considered, he said. *Excerpts:*

How did the second wave of Covid-19 impact your operational performance?

The June quarter not only witnessed the impact of the second wave but also heavy cyclones on both the east and west coast of our country. It was a very difficult period, but we have been able to post good results supported by consistent operational performance. Strong margins in the coal business helped and we also restricted losses at the Mundra unit by operating at lower plant availability and PLF.



Despite a strong revenue and PAT, the operating margins were down 300 basis points.

Our billing and collection efficiency was impacted by Covid-19 in our newly acquired Odisha discoms. The pandemic also delayed the execution of some of our EPC projects in renewables. Moreover, the shortage of containers for the import of solar equipment's led to three-to-four times jump in the con-

tainer prices during the quarter as also an increase in solar module prices. These are some of the cyclical things that affected our margins. However, things are looking much better in the second quarter with improvements in July and August. Even container prices have dropped substantially compared to the peak we saw in the first quarter.

What is the update on InvIT for the renewable business announced last year?

Initially, the InvIT was meant only for utility-scale generation projects, but we are now trying to combine the full renewable portfolio of manufacturing, EPC, utility-scale, rooftop solar, solar pumps and electric vehicle charging business. It requires more effort to go through the process and ensure that all future growth opportunities are fully

captured for the various businesses and it provides comfort to the potential investors.

What is the status of the announced merger of Coastal Gujarat Power with the parent?

The merger process is in progress and on track to obtain necessary statutory approvals. The performance at Mundra was affected due to higher imported coal prices and lower demand due to Covid led lockdown. However, on a combined basis the coal mining business and Mundra have given positive results. Higher coal prices positively impacted our coal mining business in Indonesia that mitigated the losses in Mundra. The domestic market obligation or DMO, which restricts suppliers to sell part of their mined products in the domestic mar-

ket in Indonesia, did not affect our mining operations, since there was no shortage of coal in Indonesia during the quarter.

Are you planning to re-enter the transmission business?

There is close to ₹4 lakh crore worth of opportunity in the transmission space in the next 10 years with the government of India targeting 450 GW renewable energy capacity by 2030. With our experience in Delhi and Mumbai T&D businesses, we are planning to have greenfield transmission projects and also looking at options for acquisitions in the transmission space. We want to be a big player with participation in both interstate and intrastate transmission projects. There are ongoing discussions on acquisition targets.