

## 'It's a shame that situation now is not conducive to investment'



**Anil Sardana**, managing director, **Tata Power**, has ensured his company leads from the front. But the last three years have not been easy. The cost escalation of imported coal, without the ability to pass on the increased cost, has hurt Tata Power hugely. He discusses his concerns and plans with *dna*'s **Dhwani Pandya** and **R N Bhaskar**. Edited excerpts.

**You are the largest power sector generator in India at this moment. Do you think you will be able to maintain this lead?**

Retaining a leading market share vis-a-vis our peers is certainly our management objective — but there is a caveat; we hope that the exchange rate will not throttle this

aspiration. The second caveat is the resolution to Mundra issue.

We are very conscious of the fact that we had bid with our eyes open and that should not have asked for tariff compensation. But the changes in pricing announced by the Indonesian government were certainly not in our control. We wanted the Indian government to work out a resolution to this for us — and for other similar power producers — through diplomatic channels. Since that did not happen, we had no option but to insist on being compensated for the increase in coal prices.

Thus, we are legitimate in asking for this compensatory tariff. We are proud of the fact that even after adding this compensatory tariff, we will be selling power at

sub-₹3 per unit.

The state governments concerned have still not cleared the revised tariff... So, I feel this is a process being gone through. One can expect it to be a prolonged affair.

**Will the plant go to lenders?**

**Q&A**

Anil Sardana

If our equity gets wiped out, lenders may want to consummate and run it. But if this was

ever to happen, then lenders would be compelled to purchase coal at market prices. This means they too will have to get ₹3. So, ultimately it translates into the same picture. It's not easy to run such a huge plant.

I can say without mincing words that the situation in India is not very conducive to additional investments. Indirectly I am getting the message that (India) doesn't need the additional power

plants. So, if this country does not need us, let's look at opportunities outside. Fortunately for us, some of our geographical neighbours have embraced us. The projects which we are doing in Georgia, Australia, Myanmar, the UAE and South Africa in all of these locations, the threshold is far lower.

**As you look overseas, do you have any particular geographical region in your mind?**

We have shortlisted four regions, one region being Africa, West Asia-Turkey, India and the SAARC region and South East Asia. We are going in developing economies, which will allow us greater relevance. Wherever we go, we should be relevant.

Read full interview on the *dna* website, <http://dna1.in/bNnZ>