

# Top Indian cos shy off home turf, look abroad for growth

**MOVING OUT** Low returns, delayed decisions, policy flip-flops drive foreign push

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**NEW DELHI:** Policy flip-flop and delay in approvals is causing India's top private and public sector companies including Tata Power, Reliance Industries and Bhel to look outwards and to invest in countries that offer stable policy regimes and higher returns than at home.

HT spoke to the management of the three companies — leaders in their respective territories — and was told that they are scouting for opportunities outside due to regulatory and policy delays.

The ₹33,000 crore-plus Tata Power is clearly focusing on growth outside the country. The company has added 8,500 mw since its inception within India, but has added projects worth 3,000 mw across the globe in its short two-year journey.

"We went international in last 2 years and clearly we no longer consider India as the only turf anymore... I have teams investing globally in four blocks including Africa, West Asia and Turkey, Saarc (including India) and South East Asia... whichever offers us a bet-



## THE SEARCH FOR GREENER PASTURES

### TATA POWER

- Secured global projects worth 3,000 mw based on coal and hydel worth ₹12,000-15,000 cr
- Looking at additional projects in Africa, West Asia, Turkey, South East Asia and Sarah

### BHEL

- Looking at West Asia, Indonesia and Africa and co-nations to set up new manufacturing facilities

### RELIANCE INDUSTRIES

**\$6 billion** Already invested in US shale gas assets

**\$4-6 billion** Additional investment lined up for acquiring shale gas assets in US

- Billions of dollars lined for developing oil and gas fields in Iraq and Venezuela and to put up mega refineries

ter option to grow, we will grow there," Anil Sardana, MD, Tata Power told HT.

Tata Power is planning to add 26,000 mw capacity in 6-7 years, and a major chunk of its planned capacity expansion is expected to come from global projects.

"We have diversified in geographies and all of our investments made globally are offering higher returns than what you get

in India... In India growth will depend on how fast clearances come... as and when India offers us the opportunity, we will continue to grow in India," he added.

Public sector giant Bhel's CMD BP Rao said the company has planned new manufacturing units in Dubai, Africa and South East Asia. "A slowdown has hit all sectors... it is not just the growth in the power sector

that is seeing a contraction, but other areas where Bhel had planned big expansion, such as transportation," Rao said, adding that as much ₹10,000 crore of investments planned are not happening, and despite follow-ups at the top level, decisions are not forthcoming.

Faced with delay in securing approvals and unstable policy practices, the ₹4 lakh crore-plus conglomerate Reliance Industries Ltd (RIL) too is looking for growth outside India for the company's largest and core business — oil and gas.

A senior RIL official seeking anonymity told HT that the company is focusing on expanding its international oil and gas business following regulatory issues on the home pitch. "We had a portfolio of 45 oil and gas exploration blocks in India in 2010-11 and thanks to the policy and pricing issues, the number is down to six," the official said. RIL recently bagged two oil and gas blocks in Myanmar.

"We are clearly focusing on growth outside India.. we are in Venezuela and Iraq and will look at expanding there by developing oil blocks and setting up new refineries.