Tata Power looks to expand global footprint

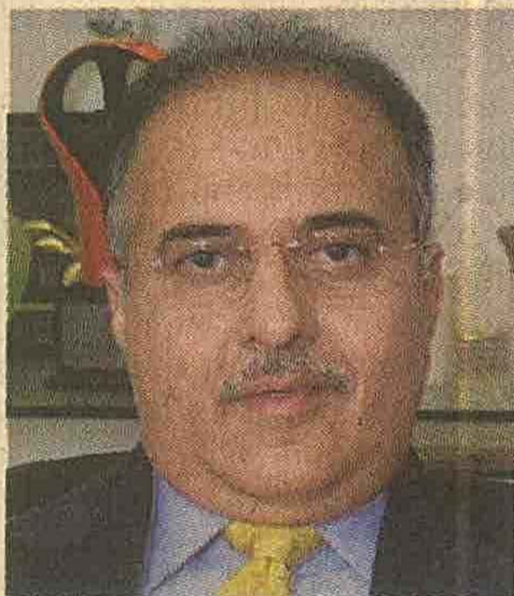
Sandeep Dikshit

NEW DELHI: While the Union Government sets about revamping the policy framework for the infrastructure sector, Tata Power is setting its sights on business opportunities in Asian and north African countries.

"India continues to remain the primary focus but due to fuel shortages, land availability and other delays, we started making investments in projects in select international geographies to strengthen and diversify the portfolio," says Tata Power MD and CEO Anil Sardana.

The company's plan for the future includes a mix of conventional and clean energy. It intends following the same strategy in its overseas expansion. Tata Power has prioritised four regions — Africa, the Middle East, the immediate neighbourhood and South East Asia — for setting up 2,600 MW of capacity.

Mr. Sardana mentions two overseas breakthroughs in



Anil Sardana

clean energy that will encourage it to target at least a quarter of its planned foreign generation capacity from this segment. A Tata Power subsidiary recently signed an agreement for developing hydro projects in Georgia for sale of power primarily to Turkey. The company has also achieved financial closure of its 230 MW wind project in South Africa.

On the Supreme Court verdict cancelling the coal block allotments, Mr. Sardana feels any effort to make good the shortfall in domestic fuel will adversely affect the economic cost of power as also the current account deficit.

He is of the view that the distribution reforms in the power sector should be an area of priority. India needs immediate distribution reforms and that too in a massive way, he says. "There is lack of political will in pursuing the reforms, and whatever is being done today is more to tick the box," he observes.

While the power sector in India witnessed a few success stories in the last four to five years, the road ahead is challenging, he says. "There is the deteriorating coal supply situation and poor financial outlook of discoms, which is a matter of concern because the fiscal health of all associates in the value chain will get impacted. Going forward, a combination of tariff increases, distribution reforms, open access, and enforcement of the 'obligation to serve' is required," says Mr. Sardana.