

Empowering India: What the leaders say



We believe "Make in India" is a great initiative by the government to give necessary boost to the manufacturing industry. The Indian manufacturing sector should know how to exploit its own uniqueness in its DNA instead of blindly following what other countries are doing or setting them as benchmark.

— **Farokh N. Cooper**,
Chairman & Managing Director,
Cooper Corporation Pvt Ltd



To us, India is one of the most important markets that we have. There is no two ways about it. There are several reasons for this— huge population; huge demand for material goods, for energy. And also, between government and private industry, there has been a cooperation to solve those problems. To us, India is growing, investing and thinking forward.

— **Dr. Peter Martin**, Vice President,
Business Value Solutions,
Schneider Electric



The Government sector is the single largest user for LED lights in India today. Apart from the large scale street lighting projects, increasing usage of LED lights for in-cabin lighting as well as the lighting of railway stations, etc. has contributed to the government sector being the single largest adopter and growth trigger.

— **Arun Gupta**, Managing Director,
NTL Group



Yes, it is quite challenging to create a local vendor base for components of supercritical power equipment since they are highly engineered and quite precise, which calls for sophisticated

machine tools and infrastructure for its manufacturing. Indian suppliers have the capability but a limited experience to execute such requirements. The biggest challenge is to upgrade supplier skills to make products meeting global quality.

— **Yoshiaki Inayama**, Managing Director,
Toshiba JSW Power Systems Pvt Ltd



Energy consumption in India is the fourth highest after China, USA and Russia. By 2035, India is expected to be the second-largest contributor to the increase in global energy demand accounting for 18 per cent of the rise in global energy consumption. It is a given that energy storage systems will play a very significant role.

— **Biju Bruno**, Managing Director,
Green Vision Technologies



There is a shortage of skilled manpower in the industry. With four years of execution experience, Mahindra Susten understands the importance of skilled manpower and hence works jointly with its subcontractors to provide extensive training and development of manpower to bridge any skill gaps.

— **Basant Jain**, CEO,
Mahindra Susten



When something is good and accepted, it stands no competition. The sole idea has been to be able to reach to the people and their needs and not to promote what we have. So it becomes much easier in building the right relationship and building that trust when you are able to cater to the needs of the people.

— **Jayanth Jain**, CEO,
GM Modular Pvt Ltd



I firmly believe solar will have a definite role in India. And I would not be out of place to say that solar has the potential to bring disruption in energy segment of India. Down the line, say 10-15 years, the energy segment will possibly have another face from what we see today.

— **Vikalp Mundra**,
Joint Managing Director,
Ujaas Energy Ltd



In the field of power transmission, the government is putting in efforts to lure private players to participate in the new bidding process and provide a level playing field. A policy level change that can be brought about to promote private enterprise is to subsidize funding or provide access to low-cost funds. Reduction in interest rate can bring in more participation. For example, EXIM Bank provides loans at nearly 12-14 per cent interest rates. In comparison, Chinese players have access to funds at 2-4 per cent, and hence dominate the overseas market.

— **Rajesh Agarwal**,
Chairman & Managing Director,
BS Ltd



Since most of the raw material used in transformer industry is imported, the transformer manufacturers in MSME sector are not able to import these raw materials directly, which results in costlier purchase by MSME manufacturers. I suggest that these items to be imported through NSIC for further sale to MSME sector. The system will not only ensure reasonable rates for MSME sector but also availability of the raw material throughout.

— **Nisar Ahmed Baba**, Director,
Alba Power Pvt Ltd

These quotes are extracts from exclusive interviews that are presented in the following pages



Vikalp Mundra
Joint Managing Director,
Ujaas Energy Ltd

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Distributed generation is future of solar

You have often strongly pointed out that state utilities are not honoring their RPO commitment. All the same, what could be a way out of this predicament?

The solution of this problem is very simple:

Regulators are responsible for RPO enforcement and they should enforce it. But, normally things that appear simple are not easy and this is the case, I would like to make the following points:

- Unfortunately renewable energy certificates (REC) have earned a bad name unnecessarily.
- Normally our states are power hungry, hence without accessing cost benefit of buying REC or buying solar power they have prejudiced that why to buy only certificate without power.
- We as a country are very poor on following regulations, especially when it is government-to-government.
- Regulators are supposed to act independently as a quasi-judicial body. Fortunately, most of them are acting independently. But in few cases like RPO, it looks like it is an extended arm of the state government.

Renewable energy sources like solar are intermittent. What kind of challenges does this present to the transmission infrastructure?

Yes, renewable energy sources are intermittent. Although solar is less intermittent, but it is. Any intermittent energy sources makes grid unstable.

As of now when penetration is only up to 10 per cent is not a serious challenge, but in future when this penetration will increase, there would be need of intelligent and smart software to manage the same. I also see a need of storage in this space.

We have been witnessing solar tariffs of below ₹5 per kwh. Even assuming that capital costs have gone down over the years, do you feel such tariffs are sustainable?

First of all let me clarify that cost of solar equipment has not gone down much in the last year or so. In fact, in the last 3-4 months it has gone marginally up because of US dollar appreciation and heavy demand in China. So, what are the elements which are bringing solar tariffs to such low levels are:

- Most of these bids are from overseas companies
- They have deep pockets and very cheap cost of fund





- In their respective country or region there may not be an avenue to invest big amounts
- Some of the countries are even witnessing a negative rate of interest in bank deposits
- Lower expectation of IRR. Even CERC says that any generation project can claim for 16 per cent IRR; now few aggressive bidders are happy for even a single digit IRR

In other words, it is a currency war because our Indian currency does not have relative strength in the forex market.

Will it be sustainable in Indian conditions or not is a million dollar question, I personally have my doubts, but nevertheless, it is good for the country.

Please discuss how a large emerging area like solar power should get matching talent pool in the form of academic training, O&M of solar plants, etc.

The solar sector in USA already has a significant percentage of share in employment. I firmly believe solar will have a definite role in India. And I would not be out of place to say that solar has the potential to bring disruption in energy segment of India. Down the line, say 10-15 years, the energy segment will possibly have another face from what we see today.

Talent pool is not a big problem. Many universities have started courses in RE. Even from Central government, several institutes are conducting short courses for developing skilled technicians.



What is your view on the role of rooftop solar in India's solar ambitions?

Rooftop generation, in conjunction with net metering policy, is one of the great opportunities if bagged by power utility companies. Government has already set target of 100 GW, out of which 40 GW has to come from rooftop, and this will go up with time.

One may love it or hate it but distributed generation is future of solar. The utility companies are not in very much favour and create one obstacle or the other to the best of their ability. But, it should not last long. Finally they have to accept this reality. If I would have been a utility company, I would have smelt this opportunity and grabbed it, instead of trying to resist and oppose solar.

Tell us in details about the various services that Ujaas Energy offers, especially with respect to solar parks.

Ujaas has built and operates six solar parks in Madhya Pradesh, with a total capacity of approximately 130 mw. Ujaas is pioneer of this concept of solar parks and market has shown great interest towards it.

Solar park has established itself as financial products for the investors. It has provided investment opportunity to those that wish to invest. We are now offering as low as 200 KW solar power plant in our parks targeting professionals like doctors, lawyers, architects, small businessmen, as the returns are better than bank fixed deposits.

You have had an early-mover advantage in the solar space. How do you plan to tap emerging opportunities in this booming sector?

Ujaas is the most reputed brand in the solar space. We are the only pure solar services company in BSE/NSE listed space. A large part of our business comes as repeat order and I think this is the most highlighting feature.

Now, government and PSU are largely invested into solar, we are aggressively looking to these opportunity and already executing approximately 40 mw orders with a bid book position of more than 200 mw. ■