

India is “directionally right” in achieving renewable target: Tata Power Solar MD Ashish Khanna

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Rakesh Khar



Ashish Khanna, Managing Director & CEO, Tata Power Solar and President, Tata Power Renewables, has said India is “directionally right” in achieving the ambitious 175GW renewable target by 2022. He has, however, issued a note of caution in regard to the need for the establishment of the right renewable eco-system in India.

In an interview with Moneycontrol, Khanna said, “At the micro level, I think we should focus on the quality we will be adding to the growth in the renewable sector.”

Drawing the laundry list for the growth imperative, President, Tata Power Renewables, said, “We should scan whether we are able to achieve the overall objective, like the well-being of the community, the importance of the power, the climate that it is serving for, employment generation, and the cost-effectiveness of that particular market.”

‘Aatma Nirbhar’ Bharat Pitch

Asked to comment on whether the latest ‘Aatma Nirbhar’ pitch by the Prime Minister would give a momentum to the renewable pitch, Khanna welcomed the initiative. Asserting the need to draw a long term vision policy framework, he averred, “It is just that you need the right policy framework for us to use it as an enabler on a long-term horizon. And whatever I am hearing makes for good news. But, as they say, the test of the pudding is actually in the eating.”

The Tata Power CEO prayed for “long-term policy horizon” on how issues would pan out. This, he said, was important to reassure the industry and enable it to enhance capacity and capability over a period of time. In this regard, he listed the policy initiative of making renewables and including solar as a ‘must run’, from a policy standpoint has come out well too.

Outlining his perspective on the ‘Make in India’ campaign, he said growth imperative was welcome. However, he cautioned against tariff being a predominant factor. “We have been clamouring for the cost of a lower tariff. We have been celebrating the lowering of the tariff. Optically, it has been the biggest thing which catches the eye rather than whether our solar projects are being made from ‘Made in India’ program.”

Boycott China Sentiment

On the ever-growing boycott China sentiment in India and its sector impact, Tata Power Solar CEO said, “Chinese investments in India are of two parts. One is about getting Chinese to invest in India in this sector and that hasn't happened in a large way. Otherwise, it is all about imports which are relevant.”

In reply to another question on growing competition in the sector with the entry of big-ticket corporate, Khanna welcomed the idea of more players coming into the fray. However, his advice to new players is to stay invested in the India renewable story for the long run and not jump to exit at the prospect of some quick returns.

“It depends upon your horizon. Are you looking for a 25-year horizon or you're looking for a 5- year horizon and you intend to flip on accordingly. We have seen in the solar industry particularly that there are instances where there are good players but their intention is to flip it on after some years.” As consolidation gathers pace, more and more players are looking for a long term horizon. They are committed to the cause which is good for this industry, he observed.

India: Promising Renewable Market

What would be his advice to investors, especially PE funds, keen to have a piece of the cake in the renewable business? “If you're a big fund you come into this sector in India. Stay longer here because this is one market where there is stability and endurance and you will get good returns. Don't come here for five years.”

Asked to specify whether his own company was on the path to achieving the stipulated targets, Tata Solar Power MD said, “Our targets are not about the number game. Our targets are more to do whether the predictable returns are coming and whether we are in a position to make the quality of the projects. We are committed to the sector and here to stay for long.”