



WE ARE ADEPT AT LEVERAGING PEOPLE, PROCESS, AND TECHNOLOGY FRAMEWORK FOR ENSURING CONTINUOUS IMPROVEMENT.

Mr. Vineet Mittal, Chairman, Avaada

WITH AWARDED PORTFOLIO OF MORE THAN 4000 MW IN INDIA AND AFRICA, WHAT ARE YOUR FUTURE PLANS?

Avaada Energy has scaled up rapidly and within 2 years of establishment, it has ~1000 MW of capacity under operation. The firm has created a solid pipeline of another 3000+ MW which shall be implemented over next few year. We plan to have installed base of 5 GW by 2022 and 11 GW by 2025.

WHAT DO YOU BELIEVE IS THE USP OF YOUR ORGANIZATION? WHAT ARE THE BEST PRACTICES ADOPTED BY YOU?

We don't believe in USP. We believe in nurturing family culture in organisation - thus every member of organisation believes in shared ethos and value system which is being practiced earnestly. This has been one of the basic reasons that a highly competent and experienced team is working together for last 10 years. There has been negligible attrition over some many years. we strongly believe in 3 principle as mentioned below:

- What gets measured, gets managed, gets delivered
- Inspect what you expect
- What get rewarded get repeated

We are adept at leveraging people, process, and technology framework for ensuring continuous improvement. With strong foundation of family culture, strict adherence to governance principles, and dynamic framework for evaluation for performance improvement we have managed to build a strong organisation which has exceptional expertise in Engineering, Procurement, Construction and O&M.

IS FINANCING STILL A MAJOR ISSUE IN THE SECTOR. IN TODAY'S TIMES HOW DIFFICULT IS RAISING FINANCE FOR SOLAR PROJECTS?

Financing infrastructure projects has been quite challenging for the past few years. Saddled with high NPAs, banks have become extremely cautious. In the appraisal process, banks are evaluating risk quite closely and are looking for projects which have adequate risk mitigants like land availability, proper radiation assessment, team capability etc.

Inspite of stringent due diligence, I would like to tell you that we have a strong project selection framework that we follow internally/ This has helped us immensely. I'm happy to inform you that banks have found our projects quite attractive and in fact our projects planned in Gujarat and Rajasthan have been oversubscribed.

PLEASE BRIEF US ABOUT YOUR WIND ENERGY SECTOR EXPANSION PLANS?

We have developed 2 large scale wind energy projects in past and we have the required capability. There are 10 wind sites that we are monitoring continually through our won wind masts. Also, we are keeping a close eye on wind bids., but we feel that tariffs quoted by bidders are too aggressive as there is lot of variation in wind intensity across India and should be factored suitably. Considering this, we are focussing primarily on solar, but we are evaluating wind on case to case basis. If we find an attractive opportunity that is financially feasible and meets our hurdle rate for returns, we are open to expanding into wind space.

We also foresee domestic manufacturing of modules to scale up in future. Govt. is quite serious in the matter and some breakthrough measures are expected soon in the direction.

WHAT YOU SEE FOR THE FUTURE OF THE INDIAN PV MARKET?

I strongly believe that future of energy is renewables. The world is going through energy transition and India is at forefront and is one of the leaders. It is presently 3rd largest market for Solar PV plants globally. The long- term prospects look promising. With 34 GW of operational capacity, solar is poised for further expansion. Decline in tariffs has made solar competitive and is one of the fundamental drivers for acceleration in adoption of solar. Amid climate concerns, there is no coal-based capacity planned in last 5 years.

We expect trend to continue as people collectively are realising importance of sustainable development. Govt. of India has also shown its intent and commitment as they plan to achieve 100 GW solar capacity by 2022 and 300 GW by 2030. Further, going by trends in technology, hybrid solutions comprising of solar, wind and storage will become cost competitive and would be able to meet base load which will obviate need for coal completely.

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HOW WILL COVID-19 OUTBREAK IMPACT THE SOLAR SECTOR IN INDIA?

COVID-19 has impacted electricity demand in the country. There is reduction of demand is by 30-35% at all India level. Solar plants have not been curtailed since tariff are lower than variable cost of coal-based power. MNRE has been extremely supportive - directions issued by Ministry to Discoms for not curtailing solar power has also helped. Thus, impact has been limited as far as generation is concerned

However, there is apprehension that Discoms may delay payments which may result in increased receivables and higher working capital requirements. For alleviating the worries, MNRE has proactively taken up the matter and has issued orders to Discoms to pay promptly to RE generators. Thus, we feel RE sector will be able to tide over the present crisis smoothly.