

# Interview



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**Mr. Shrirang Karandikar || CEO || India Power Corporation Limited**

## **Q** Can you please give us a brief about India Power Corporation ?

- India Power Corporation Ltd. (IPCL) was born of the merger of India Power, a Kanoria Group company, and Dishergarh Power Supply Corporation (DPSC) Limited, a power generation and distribution company incorporated in 1919. The oldest distribution licensee in the region, it still operates over an area of 618 Sq Km in the coal-rich Asansol - Raniganj belt. It has been serving the area for nine decades, providing critical survival power to the underground collieries of Eastern Coalfields Ltd., hospitals, government utilities, industrial and commercial consumers. It also has a power sourcing and supply relationship with DVC and WBSEDCL, the state utility, in addition to its own generation.
- IPCL has also been awarded the distribution franchisee for Gaya, Bodhgaya & Manipur region by South Bihar Power Distribution Company Limited through its wholly owned subsidiary, India Power Corporation (Bodhgaya) Limited. IPCL took over franchisee operation from 1st June 2014. We supply power to more than

150,000 consumers in an area of around 1630 Sq km comprising both urban & rural pockets.

- India Power Corporation (Haldia) Ltd. has been promoted to contribute to the power requirements of the state of West Bengal. Incorporated as an SPV in April 2008, it is setting up a 450 MW (3x150 MW) coal based power plant at Haldia at an estimated approximate cost of Rs. 3200 crores. The first, second and third units of the power plant are expected to be commissioned in 2016.
- In addition to conventional generation, IPCL also has around 95.4 MW of wind assets in operation in Rajasthan, Gujarat and Karnataka, which it aims to increase to 500 MW in the near future. India Power has championed wind power since 2006. The company has also developed a 2 MW grid connected solar power plant along with West Bengal Green Energy Development Corporation Ltd. in Asansol.
- IPCL has always aimed at optimizing its distribution assets and creating benchmarks in efficiency by outperforming industry standards. As such, the T&D loss figures stand at less than 3% against the all India average of

about 25%.

## **Q** What are the services you offer in the country?

- IPCL offers entire bouquet of services from Generation of Power – Renewable and Non Renewable to supply of power to last mile consumer. IPCL has erected a 220 kV EHV substation and transmits power from the grid to its substation.

## **Q** What are the major challenges in Indian Power sector?

### **Major challenge in the sector is temporary power surplus situation**

- o Lack of demand from the industrial sector has resulted in power surplus scenario and this situation is not likely to change in the near future.
  - o The industrial recovery is being seen in IIP figures but has not been consistent.
  - o As the demand from industry picks up than the suppressed supply of generation plants which are running at low PLF would pick up leading to better utilisation of resources in the short run.
- Second challenge lack of opportunities of Private Sector Participation in distribution sector
- o Electricity Act 2003 has laid



foundations for competition and private sector participation through Open Access, Distribution Franchisee and Parallel License.

- o Open Access has not taken off due to the restrictions and high cross subsidy surcharge levied on Open Access availing consumer by the incumbent licensee.
- o Distribution Franchisee is a good PPP option however as most of the initial gains of Distribution Franchisee have been fretted away by current one sided contracts rather than even sided contracts earlier.
- o There is a need to promote and provide private sector participation in right earnest for growth of the sector.

**Q What are the opportunities you foresee in the power sector of Indian in coming years?**

**With a possibility of separation of Supply and Network functions of distribution company becoming a reality in the near future following opportunities are bound to arise as a result**

- o The supply companies/franchisee
- o The demand aggregators - demand aggregators are those operators who would maintain the demand of particular locality / area at a constant level by demand reduction /restriction etc. and thereby earn commission or percentage of profit through the same.
- o Smart Metering / Smart Grids Equipments etc. Would become affordable therefore their penetration would bound to increase.

**Q According to you what reforms are needed in the power sector?**

**The reforms in the sector should promote**

- o Healthy competition
- o Growth of private sector
- o Even sided contracts for better private sector participation in the sector

**Q Share the future plans of your company with our readers.**

As discussed earlier the company has laid foundation stones for progressing in Generation (Thermal & Renewable) and Distribution (has expertise of operating Licensee and Franchisee Models). The focus is to build on

the foundations. The company is focussing on these sectors for future growth. There are quite a few opportunities in both the above segments which we are evaluating. 😊



Mr Karandikar is a M. E. in Electrical and PG Diploma in Project Management with over 3 decades of multidimensional experience in business operations & development, project management, start - up operations and leadership & team management in various Power Sector Utilities.

He started his career with MSEB and has sailed through organizations like Kalpataru Power, Torrent Power, NDPL (Tata Power), NTPC etc. His last stint was in Crompton Greaves Ltd where he made remarkable contribution in acquiring Franchisee businesses while heading the Distribution Business. He brings with him sound knowledge of both acquisition and implementation of start-up operations with exposure to managing processes & procedures

and compliance & quality. Besides having a sound understanding of the dynamics in Power sector, he is very strong in Organization Development and has actively taken interest in this area in his previous organizations. His knowledge and interest in integrating business and people with a synergistic approach towards meeting organization's objectives will be highly relevant and encouraging for all of us in creating collaborative efforts for enhancing the quality and standards of work at IPCL. 😊

**Mr. Shirang Karandikar**

