

POWER GRID, ADANI TRANSMISSION, STERLITE IN RACE

Power Transmission Cos Shift Gaze to Brazil

With slack in domestic business, cos are keen to tap into opportunities in Brazil

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Mumbai: Indian power transmission companies including the state-run Power Grid Corporation of India and private sector firms Sterlite Power and Adani Transmission, along with engineering players such as KEC International are vying for orders from Brazil to make up for the slack business in the domestic market.

Earlier this year, Brazil invited bids for power transmission projects that would cumulatively attract investments of \$4 billion. The next round of tenders, scheduled for December, is expected to be as big, if not bigger.

"We are very aggressive about the international market. Our consultancy programmes are going on but now we are concentrating on Brazil. We will bid for two to four projects in December," Power Grid Corporation of India chairman IS Jha told ET.

The state-run company is looking at expanding its business overseas from only consultancy jobs to turn-key projects, and is keen to win projects in Brazil under the build-own-operate-transfer (BOOT) model.

RPG Group's engineering company, KEC International, plans to tap into the opportunity in Brazil by entering pre-bid pacts with international developers. The company already has a presence in Brazil through its acquired subsidiary, SAE Towers.

"Orders in India have slowed down. Also, banks are reluctant to commit more money. This market is still very competitive. Brazil is offering volume and easier financing options in transmission projects," said Vimal Kejriwal, managing di-

Joining the Carnival

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Next round of tenders scheduled for December is expected to be around the same size or bigger

KEC has a presence through its arm SAE Towers

Co's vying for a slice of the orders:

- Sterlite Power
- Adani Transmission
- KEC International
- Essel Infrastructure

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VIMAL KEJRIWAL, MD, KEC International

rector of KEC international.

Sterlite Power bagged two orders in Brazil earlier this year worth \$200 million, becoming the first Indian company to do so in the South American country. The company will bid for the next round, albeit with caution, said the company's CEO Pratik Agarwal.

"When we look at overseas markets, we look for countries which have the right regulatory environment, payment security and volumes. Brazil is one market which offers these three but it also has serious challenges of environment clearances. They have far greater risks around right of way and environment than India. They also have a dearth of vendor ecosystem," Agarwal said.

Adani Transmission and Essel Infrastructure have also set up teams in Brazil to explore bidding for projects there and are likely to participate in the next round, people familiar

with the matter said.

India has sharpened its focus on the power transmission sector but orders have slowed down, according to industry experts, who said that if these projects don't pick up, it may lead to congestion in power transmission. They said policy issues have held up transmission lines, which require power purchase agreement to be signed by the generator and the power distribution company before plans can be drawn up. Issues relating to right of way, environment clearances and financing of projects have also hit the momentum. According to rating agency Crisil, power transmission is India's most attractive infrastructure segment to invest in. The country envisages investment of \$3.5 billion in the green energy corridor alone by 2021-22. But the agency cautioned that slow planning by state governments and issues relating to right of way could impede growth.