

InConversation

Potential increase in renewable power needs to be aided by substation automation technologies

Praveen Pai, Director - Land Based Solar EPC, Electrical EPC & Defence Business, Jakson Group shares his views on the EPC industry in India and why increasing share of renewable energy is expected to create demand for smart grid technologies to help utilities manage power.

Please provide an overview of your EPC business

Our EPC business can be broadly categorized into two key segments – Electrical EPC and Solar EPC. In electrical EPC, we provide turnkey engineering, procurement and construction (EPC) services for urban and rural electrification projects, electrical substations and transmission, building electrification, metro electrification and civil projects amongst others. In solar EPC, we offer EPC services for large scale land-based utility solar power plants as well as distributed (rooftop) solar power plants.

Jakson is known for its innovative engineering skills and expertise in delivering complex projects. We have a team of highly skilled engineering professionals and have executed several prestigious EPC projects for government agencies, Public Sector Undertakings (PSUs) and large global corporates.

What kind of growth opportunities do you foresee in the EPC industry in future? How much does the EPC business contribute to your overall group revenue?

India's economic growth in the past few years has been largely been driven by considerable investment in infrastructure development. With the current government's key focus on infrastructure development, the

Indian EPC market is poised to grow significantly in the coming years. The Government has announced various programs for infrastructure development and proposed large scale investments in sectors like power, urban transport, railways, shipping, smart cities and urban housing amongst others. All these projects will provide substantial boost to the EPC segment in India.

Our EPC business combining solar and electrical EPC contributes 60-70% to the total revenue. Traditionally, Jakson had been a market leader in the diesel genset business and we continue to dominate that market. We diversified into EPC segment in 2012 and have significantly grown the business in the past 5 years.

Please share your order book position for EPC business for this fiscal.

We have a healthy order book across our various lines of business. We have bagged several rural and electrification projects in Uttar Pradesh, Jharkhand and Maharashtra. All these projects are a part of the current government's vision of providing electricity to every Indian household by 2019. We are proud to be associated with prestigious government programmes like Deen Dayal Upadhyaya Gram Jyoti Yojana and executing projects in remotest corners of the country. We also have a strong order book for our solar EPC projects.



Praveen Pai, Director - Land Based Solar EPC, Electrical EPC & Defence Business, Jakson Group

What are the key challenges in the EPC industry today?

The current Union government has taken many initiatives to remove some of the hurdles facing the infrastructure sector. Several positive steps have been taken to remove bureaucratic hurdles, making the system more robust for all environment clearances and even are in talks with various banks to offer loans to tackle the problem of unavailability of long-term financing. The initiatives taken by the government have gone a long way in improving the overall scenario of the sector.

Please share some of your projects and initiatives in rural electrification.

Providing electricity to every household in the country is a key policy initiative of the government and Jakson has effectively partnered both central and state governments in the execution of several key power sector programmes in the country like Restructured Accelerated Power Development and Reforms Programme (RAPDRP),

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Deen Dayal Upadhyaya Gram Jyoti Yojana amongst others. We offer turnkey EPC services for rural and urban electrification projects encompassing ground survey, civil works, erection, testing, and substation construction amongst others. We are currently executing rural electrification projects in Sitapur and Shrawasti in Uttar Pradesh, Garhwa in Jharkhand, Yavatmal, Dhule and Chandrapur in Maharashtra.

How is the increasing demand for renewable energy generation expected to impact opportunities in the substation automation market?

The increased adoption of renewables – both solar and wind – in India has created an urgent need for smart grid technology that can help utilities efficiently manage power throughout the entire generation and distribution network. The potential increase in renewable power will likely need to be aided by substation automation technologies to make sure that these energy sources are able to efficiently meet the needs of electricity consumers. The ambitious renewable energy targets of the Government of

India – 175 GW by 2022 – will be a major growth driver of automation, intelligent electronic devices (IEDs), advanced communication technologies, smart metering, supervisory control and data acquisition (SCADA) and smart grids amongst others.

There has been tremendous focus on rural electrification by the current government. Since 2014, there has been significant development in achieving this objective. Schemes like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) have successfully electrified more than 14000 villages in the country in the past three years against a target of 18,452 village which is a remarkable achievement.

Do you feel India is on track to achieve 100% rural electrification by 2019?

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In addition to DDUGJY, the government recently announced another monumental program - 'Pradhan Mantri Sahaj Bijli Har Ghar Yojna' - named 'Saubhagya', aimed to provide last-mile power connections across India and provide electricity connections to each and every household in the country.

With a clear focus on achieving 'Electricity for All' by 2019, the current government seems on track to achieve 100% electrification across the country by 2019.

For suggestions email at feedback@infraline.com

