



## Pursuit of Innovation

Finding innovative solutions is the primary motivation for Sunil Wadhwa, managing director of IL&FS Energy Development Company Limited....

**S**unil Wadhwa is MD, of IL&FS Energy Development Company Limited (IEDCL). He joined the IL&FS Group in 2012 after a quarter of a century with the Tata Group, where his last assignment was as MD of Tata Power Delhi Distribution Limited (TPDDL), formerly North Delhi Power Limited (NDPL).

At IEDCL, Wadhwa spearheads the IL&FS group's initiatives in the power sector. IEDCL has been closely associated with several projects for private sector players, state governments and public sector enterprises besides its own projects. Initially, the energy sector projects were developed and housed in a "special infrastructure projects" group of IL&FS. In 2007, IEDCL was incorporated as a separate business entity to play a more focused and active role in energy sector development.

IEDCL conceptualises, develops and

operates power projects using conventional and non-conventional fuel sources. As of September 2016, it had an operating renewable energy generation capacity of 873 MW comprising wind, solar, biomass and bagasse-based cogeneration power to complement (in terms of fuel mix) its 726 MW gas-based combined cycle power plant in a joint venture (JV) with ONGC Limited, and an imported coal-based power plant of 1,200 MW in Cuddalore, Tamil Nadu, taking the total to 2,800 MW. The company is also developing 5,000 MW of multi-location solar parks in a JV with the Rajasthan government.

"The biggest challenges that the sector is witnessing are grid integration issues of large-scale renewable power leading to backing-down of renewable energy generators, non-compliance with renewable purchase obligations, and reluctance of discoms to sign wind power

purchase agreements; the poor financial health of discoms is not permitting them to improve reliability of supply and there is a perception created that India is power surplus. We get actively involved in policy advocacy to address such challenges and have been a key contributor by assisting in the formulation of policies for the sector. IEDCL is also actively working with state governments in the areas of energy storage and wind-solar hybrids, and to develop innovative models for rural electrification," he says.

Wadhwa's 25-year-long innings with the Tata Group began in 1986 as chief financial officer (CFO) of Hitech Drilling Service India Limited, a JV of Tata Industries and Schlumberger of France in the oil and gas drilling business. He was also involved in the setting up of Tata Petrodyne Limited, the oil exploration business of the Tata Group. In the oil and gas business, he dealt with matters such as foreign collaborations, JVs in India and abroad, cross-border leases, foreign tax issues, financial restructuring, policy advocacy, capital raising, acquisitions and divestments.

After 15 years in the oil and gas business, he moved to Tata Chemicals as CFO. The move to the power sector was made in 2002 when he took over the reins of TPDDL as director of finance and then became MD. Wadhwa also held non-executive directorships and was chairman of the Audit Committee of Powerlinks Transmission (a JV of Tata Power and Power Grid Corporation of India) and Tata Power Trading Company Limited.

During his 10 years at TPDDL, Sunil Wadhwa presided over a "golden period" for Delhi's power sector reforms, when the company kept winning accolade after accolade. Here's a small sample: the Edison Award for Innovation; the Asian Utility of the Year Award for four years from *Asian Power* magazine, Singapore; the Best Performing Discom by the Ministry of Power; the Edison Award for Policy Advocacy; a rank of 70 as a Great Place to Work; and for Wadhwa person-

ally, Most Inspirational CEO of the Year 2008 in the power sector by Asian Power.

“I remember how we succeeded in achieving a huge reduction in AT&C losses at NDPL, mainly through social inclusion initiatives. When NDPL took over from the old Delhi Vidyut Board, the AT&C losses were 58 per cent and we brought them down to 10 per cent,” he says.

Another memorable phase of his career was in his offshore oil and gas days. “Some time in 1992, we had a challenge tiding over a financial crunch caused by the idling of an offshore oil production platform. A financial restructuring plan was executed with the help of IL&FS around a sale and lease-back arrangement between my company and IL&FS. This restructuring gave us the much-needed breathing time to regain our business and the company went on to become the most profitable venture of its time,” he says.

Given India’s ambitious solar targets, Wadhwa says the power sector landscape will shift towards a low-carbon economy in the coming decades. Coal will still be the dominant fuel but he anticipates that innovative processes and technologies will move power producers towards cleaner coal technologies.

“Distribution segment reforms and, in particular, tariff rationalisation and reduction in AT&C losses will be critical. Addressing transmission constraints too will be important so as to connect the unconnected population and decongest the remaining from transmission and sub-transmission constraints,” he says. The government, he adds, is making laudable efforts in this direction through schemes such as the Ujwal Discom Assurance Yojana, which is aimed at financially turning around the discoms.

“I want to help improve the efficiency and performance of the distribution segment in such a way that the entire purchasing power works towards solutions that ensure the profitable co-existence of all generation sources.”

Wadhwa is pleased with the government’s focus on the power sector, but stresses that the aforesaid distribution reforms will have to be undertaken in earnest if India is to unlock suppressed demand. He also believes that off-grid power generation will have an important role to play in providing access and service reliability and contribute to the government’s goal of “24x7 Power for All” by 2019. “The standard for rural electrification will slowly have to move from a strictly uni-dimensional metric of number/percentage of villages electrified to a more wholesome, multidimensional standard,” he points out. “The aim is not only to electrify all villages but to ensure that all the electrified villages get reliable and quality power supply.”

As to his management style, Wadhwa says that measurement is the only thing that means anything. Whatever gets measured gets done. Measurement motivates. All the rest is just air. “We at IEDCL have adopted a management system based on the well-established Balanced Score Card approach. The approach essentially covers the identification of measurable objectives which, in the context of our business, need to be accomplished to meet and to balance stakeholders’ expectations. Cross-functional teams identify the objectives and the key performance indicators to periodically measure the performance and the specific timelines for achieving each target.”

“For each objective, there are multiple specific initiatives identified to support the achievement of these targets. These initiatives become the basis for individual goals for the year. The entire process ensures alignment between individual employee goals and the corporate score card,” he says. In addition, he feels that this entire process also results in high levels of engagement and healthy performance competition across the group”.

For him personally, it is the innovation culture at IEDCL flowing from the highest levels of IL&FS that makes every day at work rewarding. “This pursuit of innovation starts at the top and percolates down seamlessly. We constantly innovate in our business models, for our own companies and for our clients, and for me that is most satisfying,” he says.

An alumnus of The Mother’s International School in the capital, Wadhwa topped the school in 1977. His years at the school were important in forming his core personality. “The teachings of Sri Aurobindo around Karma Yoga and the *Gita* had a profound impact on me and my thinking, and they continue to drive my actions around my personal and professional life,” he says. So much so, that he made it a point to send both his sons to the same school.

Wadhwa went on to pursue his undergraduate studies at the Shri Ram College of Commerce, Delhi University, and is a rank-holder chartered accountant. His family includes his wife, Rashmi, who is a doctor, their two sons and daughter-in-law, and their dogs. Their elder son is a chartered accountant with Deloitte, their daughter-in-law heads a leather products exports business and the younger son, who did his articleship training at Deloitte, is also currently pursuing chartered accountancy.

For relaxation, the family head off to the hills for frequent breaks. Recently, Wadhwa restarted an old interest of his – oil painting. Classical and Sufi music are his other two loves.

“What would I like to accomplish personally over the next five years? Let me think. You know, I want to play an active role through IEDCL’s consulting group in the process of improving the efficiency and performance of the distribution segment in such a way that the enhanced purchasing power of the sector works towards solutions that ensure the co-existence of all generation sources, and help achieve the highest level of customer satisfaction,” he says. ■