



In January 2011, a consortium of BS TransComm, Patel Engineering Ltd and Simplex Infrastructure Ltd won the transmission system associated with 765kV Raichur-Solapur transmission line, under the tariff-based competitive bidding route. This represents the first instance of a consortium to have won an inter-state power transmission project under the competitive bidding route. **Rajesh Agarwal**, in an exclusive interaction with **Venugopal Pillai**, discusses the project that also marks the evolution of BS TransComm as an independent power transmission company.

Consortium approach brings in project execution strengths

— Rajesh Agarwal, **Chairman & Managing Director**,
BS TransComm Ltd

Please confirm that the Raichur-Solapur line awarded by REC marks the evolution of BS TransComm as an independent power transmission company, and summarize the various activities that BS TransComm has performed in the power transmission sector as a pure-play contractor.

Yes, BS TransComm has forayed into independent power transmission by bagging a BOOM project in a consortium. This foray marks a significant milestone for the company which started as a tower manufacturer and in a short span ventured into turnkey contracts and EPC. We also have strategic alliances with global firms for 765kV high-end transformers and for gas insulated switchgear up to 245kV.

Tell us more on the three-way association between BS TransComm, Patel Engineering and Simplex Infrastructures in terms of the equity stake held by each partner in the project SPV Raichur Solapur Transmission Company Ltd (RSTCL).

The consortium which includes Patel Engineering and Simplex Infrastructure along with us has an equal stake holding of 33 per cent in the project SPV. Each partner brings across domain specific expertise to the project.

What are the core capabilities and strengths that each of the three partners will be bringing into the consortium?

BS TransComm brings in tower manufacturing and strong execution capabilities. Last year, the company increased its tower manufacturing production capacity from 36,000 tpa to 1,20,000 tpa with a backward integrated structural of 90,000 tpa. We are currently executing multiple projects across India which further enhances our execution capabilities. Patel Engineering brings across the expertise in civil and erection works while Simplex Infrastructures has strong execution capabilities in civil works and is well renowned for pile foundations.





Please elaborate on the project scope of the 765kV Raichur-Solapur transmission line. What is the current status of pre-project formalities (land, clearances, etc) and when is physical work likely to commence?

The newly set up company RSTCL will establish the 765 KV transmission system associated with Krishnapattanam Ultra Mega Power Plant. This transmission system project is for the construction of the synchronous interconnection between the southern region and western region spanning 210 km from Raichur to Solapur with operation & maintenance for a period of 35 years post the commencement of the line. The system is slated to be completed by 2014. A newly-formed company was set up by the REC and handed over to the consortium. The consortium has appointed the board of directors and has initiated the project planning and has applied for the transmission license from the Union power ministry. All other statutory clearances are under process. The physical work is likely to commence by the second quarter of FY12.

We observe that all the private transmission lines awarded so far have gone to individual developers. Your project has initiated a consortium approach. Do you feel that the consortium approach would set the trend for future private transmission projects?

Yes. The present market scenario is evolving towards consolidation and consortium brings across financial and project execution strengths. As a first of its project to be bagged by a consortium, it sets the trend towards future projects also being bid in a similar fashion. The combined strengths of each partner will improve the quality of the transmission system. We are elated to be part of a changing dynamics in the field of power transmission. Independent power transmission company allows the consortium to enable efficiently and offer a reliable system.



What is your view on the evolving role of private sector in power transmission? Do you feel more contractors would turn owners and developers in the years ahead?

With rapid urbanization the demand for electricity is growing exponentially, there would be a need of private players investing and executing projects by using their expertise in the field of power transmission. For a progressing nation with exponential growth in power projects, the private players will allow for faster and more robust projects to be executed as per the scheduled Five-Year Plans.

In general, what measures could the government take to accelerate the role of private sector companies in power transmission?

Tariff-based competitive bidding needs to be given more prominence in the future with focus towards private participation in the power transmission. The government should also take proactive roles in creating a mechanism to facilitating the land acquisition, clearances and right of way. Emergence of Smart Grid technology to curb the distribution losses is another segment that the government should facilitate.

Speaking about BS TransComm, please summarize your future plans in the power sector.

We are undertaking an expansion of our tower manufacturing unit from 1,20,000 tpa to 2,40,000 tpa which is likely to be completed by end of 2011. We have strategic alliances with global firms for gas-insulated switchgear and for high-end transformers up to 765kV. We are proposing to foray into substation management for both urban and rural segments. Besides, our technology products and solutions are designed to support implementation of Smart Grid initiatives.



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