

EXECUTIVE VIEW



Rajendra Shrivastav

**President & Market Business
Leader - AES India and
MD & Chairman - JV between
AES and Mitsubishi**



EXECUTIVE ACCESS
INDIA'S LEADING GLOBAL SEARCH FIRM

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Rajendra Shrivastav is currently the President & Market Business Leader of AES India and MD & Chairman of JV between AES and Mitsubishi for India businesses. Total investment in the business is about 2 billion USD. His mandate is to build India's first \$10 Million, high tech - innovation project in Delhi for 10 MW Grid connected Battery storage system as a pilot plant, which will be first of its kind in India.

He was earlier Managing Director of Alstom India, for Nuclear and Solar Business.

Prior to that he was President of a listed Indian company manufacturing Synthetic yarn, fibre and products.

Rajendra has 15 years of International experience as Country Director for Electricite de France S.A (EDF), for India and neighbouring countries. He has led high tech consultancy contracts, Joint Venture negotiations and formation of companies, large size investment driven business in the Indian power industry and management of inter-govt. relations between India & France at the highest level.

What has worked for you in your career in life?

My key learnings are-

- A. Willingness to learn from juniors/seniors/peers and ready / open to ask for help and willing to admit limitations of knowledge / experience.
- B. Work in companies that follow ethical practices, respect excellence and maintain high professional standards. Growth in professional career cannot happen without effort, engagement, discipline and try to excel in the job.
- C. Always reach office an hour before regular start time to align your day.
- D. Strongly believe in basics, solid continuing education and keep eyes and ears open for whatever is happening around. Observe children, spouse and their evolution as student to mature professional adults and exchange ideas and be challenged intellectually on the dinner table.
- E. Do not be afraid to take a deep dive in order to grasp the nettle, take courage to decide on unpleasant issues and be as transparent as possible all the time with colleagues. Communication is the cardinal and fundamental skill for any job and for the progression of career in life.

Given your changing experience in the energy sector, what changes do you anticipate in the energy sector in India.

I see five areas that will change in the Energy Sector:

- A. Energy sector has changed dramatically over the years. Nuclear power fell out of favour due to public fears by 1980. Coal is now not liked due to global warming impact and by 2010 it had become a somewhat dirty technology-coal mines are disliked and fouling local environment and environmentally offending. Large hydro-plants are a rarity worldwide.

- B. Renewable energy needs less people, small O&M man power, service industry for renewables is also very small. It will be largely driven by funds, lenders and smart financing.
- C. Big corporations based on coal and hydro are turning towards renewables due to market evolution, peer pressures and investor's/lender's growing abhorrence to lending funds to CO2 emitting power plants. No buyers for coal fired operating power plants in Europe and hence the valuations of Utilities in Asia, North and South American operating assets have significantly eroded.
- D. New developers/investors without utility skills and experience are succeeding in a big way with no historical baggage of thermal (coal/gas) operating plants. In India, the coal, hydro and nuclear will have space for many years to come. In the Indian context, renewables need strong and smart grids and, this would require investments in lot of technology, lot of money and lead times of several years. Adequate funds are not available or made available for these specific purposes.
- E. Technology such as battery Energy Storage (BES), Drones, Artificial Intelligence and Big Data Analysis are also changing the way energy sector will evolve in doing their business both within and outside India.
- F. New virtual power companies buying power from utilities and selling to bulk and retail consumers are also changing the game.

What have been some of your biggest challenges and how did you overcome them?

My biggest challenges were that of changing my first job from being a government employee to move over to work for a MNC and adapting quickly to a new environment. It was so much more of unlearning than learning in this new paradigm shift.



Seriously, loss of job at the age of 54 and deciding to turn entrepreneur, complete metamorphosis, struggle for years but eventually enjoying it once settled. It was one of the biggest learning curve as I never saw it coming and was never prepared for it.

Last but not the least, managing 2 billion USD size of investment with Government as majority stakeholder. Fully responsible to deliver as majority stakeholder on powerplants, build and operate one's own rail lines and trains, develop coal mine and engage thousands of employees.

Myriad problems each day and each hour, a 24x7 job for the leadership team. It is one of the toughest place to be in and can reduce one's life span due to extreme work pressures.

Do you foresee some major changes in terms of regulations or overall strategy of players in this sector?

Two major changes that I anticipate are:

- A. Regulations are generally lagging behind the technology in energy sector. Regulators tend to follow some proven track record of performance and keep evolving their guidelines over time, causing regulatory risk. Renewable energy is relatively new area, it is evolving and lot more to come from regulation side on grid stability, making renewable generation dispatchable and energy storage applications succeed in India.
- B. Power utilities having decades of traditional role will experience big upheavals in the coming years, more intensely in the free and competitive markets like North America and Europe. It will be less pronounced in India as renewables largely survive on incentives, facilitation, guarantees for life time off take, support from government for land availability, power evacuation by state and water availability etc.

What kind of an organization are you trying to build in India? How is AES different from other players in the market?

In India, AES first came through the equity acquisition of a distribution company in Odisha, in 1996 through a competitive bid. Later in 1999, AES won global competitive bid to acquire 49% equity in the Odisha state owned generation company called OPGC. OPGC is a unique Public Private Partnership (PPP) model where AES is running the company taking up the key roles and delivering, profitable, safe and reliable performance of an operating thermal plant for over 22 years. Now, two supercritical power units are being built, nearing completion and will commence supply of power next year onwards. The new thrust is take the India business towards cleaner and greener power generation. This will be coupled with innovation and state of art technologies such as Battery storage, Drones, AI and big data analytics.

AES is a large American, value driven global company present in 15 countries with multi-cultural work force. Every day we as leaders must uphold and live the core values in business and personal life of Safety, Integrity, Excellence, Fun and Agility. Everything we do validates and revolves around these values.

AES is driven by innovation and its worldwide presence is a kind of testimonial to this attribute. In Panama and Columbia, we are the biggest utility, based on LNG terminal, gas fired power plant and hydro stations. These countries have saved very expensive imported diesel and prevented millions of tons of CO2 going into the environment. We are investing in a big way in renewables worldwide viz., wind, solar and run some of large generation base in the US on solar. AES is one of the leading utilities in Chile, Brazil, Mexico and Argentina with generation and distribution assets. Biggest Battery Storage operating assets of over 300 MW are with AES. Globally operating 50 -50 JV with Siemens viz. Fluence was created in 2017. AES has placed its IPR and best brains of the company who developed this BESS technology for over 10 years as its key contribution.



The Indian economy is now looking positive after an initial slowdown. How do these phases impact your business in India?

Power is a long-term business and in the short run economy may go up or down, but effects are felt with some delay and over time. AES business in Odisha will be ring fenced by the fact that it would possess a coal mine (its own fuel) and MGR with own rail transportation through wagons and railway engines. The off taker viz., GRIDCO will sign a 25-year Power Purchase Agreement (PPA) and each year tariff will be set up by Odisha electricity regulator. It is good business for OPGC and will be the biggest investment by the state government ever in Odisha on mega scale of about INR 13,000 crores. State has been very professional in dealing with this project and AES greatly appreciates and admires it lead partner.

What do you look for in the people when you hire them? What are some of the do's and don'ts in hiring?

Five areas which the company and I focus on are:

- A. Good quality education and relevant experience is an essential ingredient.
- B. References are important, particularly of peers and previous employers for senior positions.
- C. Company looks for top notch, high quality people at each position. We prefer if one of our employees recommends names / experts that we should interview for a given position. The process is long and unnerving as many as 4-10 interviews on phone/ in person/ Skype/TP can take place before informing of final verdict. For wider choice we prefer to hire head hunters for finding good potential candidates.
- D. We in AES are very sensitive to gender equity issues, sexual harassment at work and treat personal data privacy seriously. Even if we have inkling of any violations, we do not hire or can ask the employee, after due process is completed, to leave without delay.

E. The work culture in AES is one of freedom to work wherever you wish to work from. People call each other with first name and this sometimes makes senior recruits/new comers rather uncomfortable. We have experienced this in South Asian countries a lot.

What are your views on cross-hiring from other sectors?

What are the key aspects you look for in an individual when hiring for leadership positions?

There is a lot of cross hiring and it goes on all the time. AES is currently engaged in hiring experts from different industries having commercial, technical, finance exposures from across the world. Many of these are very senior positions, hired over the existing employees in the company.

I have seen lawyers as leaders in nuclear power and nuclear power plants experts are moving to build metros in Middle East. The renewable energy business is mostly led by finance and non-technical people as leaders. Many of such cross hired leaders work harder than those from industry and bring fresh perspective so germane for new ideas and challenge to routine approach.

Any one hired in leadership roles in a company must have a few traits and personally I would value energy levels, capacity to take and own decisions and must have passion to succeed. We take an intelligent guess while recruiting, involving head hunters, but some candidates quickly prove us wrong and some exceed our expectations. In case the leader just does not measure up to expectations it is could prove very expensive failure for a company.



Finally, on an informal note, how does your average day look like? What do you do when you are not at work?

I lead a very average and uneventful life. One constant in life that I value is spending time at home, maintain the discipline/regimentation on food and exercise such as walking / running each day. Exercise and that takes an hour plus after office, in the gyms of the Hotels and whenever possible, at places I stay in various cities.

I also prefer to travel within and outside Delhi with family, meet relatives/friends whenever feasible including on business trips. Watch TV, read newspapers and try to do crossword puzzles with my wife at home. Being married to an Indian civil service officer for more than three decades and having two grown up daughters (all three women were Gold Medalist students) in family, places a lot of strain on me in meeting their high intellectual standards to succeed at home.



ABOUT EXECUTIVE ACCESS

Executive Access India was setup in 1995 and is today one of the most prominent global executive search firms in India. We cover 9 industry practices and have till date executed more than 2200 search mandates at leadership levels. Our client list is a healthy mix of Fortune 500 companies as well as most respected Indian corporates. Although a firm with global capability and coverage we are still boutique at heart because we understand the need to be nimble and innovative.

Our core strength is undoubtedly our knowledge base and a team of efficient and experienced consultants with in-depth understanding of their chosen sectors. We are the pioneers of the “Accountability Clause” in the Indian retained search industry and we always strive to align our business model with the industry needs.

Our services include the following

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