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Slow But Positive Growth



Recession looms as growth slows in developed countries, resulted a significant slowdown in the Indian economy. The central and state government is focusing on establishing an appropriate policy framework for the rapid infrastructure developments, says Mr. Rishabh Sethi, Executive Director, SPML Infra Limited, in an interaction with C&A Magazine.

Can you briefly take us through your company's journey?

Established in 1981 and became public listed company in 1983, SPML Infra has a legacy of over three decades in executing world class infrastructure for water treatment and transmission, waste water treatment and recycling, solid waste management, power transmission and distribution and civil infrastructure development including roads, highways and over bridges. An ISO-9001: 2008 certified company, SPML has executed more than 400 projects across India and has established its leadership in the construction of India's vital urban infrastructure on EPC (Engineering, Procurement and Construction), PPP (Public Private Partnership) and BOOT (Build-Own-Operate-Transfer) basis. SPML also owns and operates coal mines spread over 5000 hectares area with coal reserve of over 166 million tons in Indonesia. We have Rs. 38000 Mn worth of projects under execution and expect to add more new projects in the current financial year. SPML has recently been conferred with two prestigious awards, Infrastructure Excellence Award 2012 for Water

& Sanitation by CNBC TV 18 and Most Admired Infrastructure Company in Urban Development in 2011 by KPMG Infrastructure Today.

Right from the bidding process until the commissioning of the project EPC players have to address challenges at various stages to meet the tight timelines. What are the risks involved and your approach to avoid them?

EPC projects are highly schedule driven where phases are overlapped to complete the project as early as possible. These project challenges lead to cost overrun and schedule delay. SPML has a rich experience of executing several turnkey EPC projects in the last three decades.



Mr. Rishabh Sethi, Executive Director, SPML Infra Limited,

We have recently won orders worth Rs. 6170 Mn from Gujarat Water Infrastructure Limited (GWIL) for pumped water supply scheme including 75.5 kilometers of water transmission line and from PHED Jaipur for Water Supply Scheme for 153 villages under Bisalpur Dudu Water Supply Project.

SPML's Project Management Systems includes conceptualization & implementation with SAP-Enterprise Resource Planning applications and Quality Management Systems to complete projects of any magnitude as per the timeline.

Are the EPC projects facing serious problems like crew idleness, rework and management dilemma which lead to cost overrun and schedule delay?

Sometime EPC projects faces challenges like design changes and timely approvals, lack of suitable suppliers, delay in placing purchase orders, lack of contractor's experience, crew idleness among others. Some time we also face challenges but due to our vast experience and good coordination between client, contractor and suppliers, we minimise the cost overrun and schedule delay.

What are the opportunities for the EPC players due to the galloping Indian economy?

There is a significant slowdown in the Indian economy.

The continued recession in the developed world resulted in a slowdown in foreign financial inflows to India. The economic growth has slowed down over the past year around 7 per cent in 2011-12 from 8.5 per cent in 2010-11. The stimulus measures announced by the authorities to combat the economic slowdown contained infrastructure buildup plans. The central government has planned to spend 1 Lac Crore in infrastructure development during the 12th five year plan beginning this year. The State Governments are also focusing on establishing an appropriate policy framework for the rapid infrastructure developments in their states.

The Cabinet Committee on Infrastructure (CCI) has to fast-track the implementation of the infrastructure projects and monitor their performance. The Government has undertaken a series of legislative, administrative and executive initiatives to minimize infrastructure deficit as well. We see a positive growth in EPC projects in water, waste water, road, solid waste management and power sectors coming up during this 12th plan.

SPML has accomplished many EPC mega projects, share the best one with us.

SPML's alliances with offshore technology leaders have given us the access to technical and technological know-how. It helped us in executing projects and giving the best



available in the world to our clients. Over the last three decades, we have executed a number of EPC projects across the country. Some of our signature EPC projects are:

- Pokaran-Falsund-Balotra-Siwana (PFBS) Lift Project to provide sustainable source of potable water supply to 580 villages (177 in Jaisalmer and 403 in Barmer) together with 3 towns, Pokaran, Balotra and Siwana in Rajasthan.
- Chambal-Sawaimadhopur-Nadauti Water Supply Project to cater the complete water requirement of Sawaimadhopur and Karauli and also meeting partial requirement of Gangapur and Todabhim in Rajasthan.
- Treated Water Transmission Mains Project to provide drinking water to about 10 lac people spread over 40 villages in Meenad, Pattuvam and adjoining areas in Kerala.
- Haiderpur-Wazirabad Water Supply Project to improve the raw water supply for the treatment plant at Wazirabad and to enhance the water requirements of Delhi.
- Saurashtra Pipeline Project to transfer the excess water from the southern region of Gujarat to the drought prone areas of Saurashtra with 52 kms of cross country pipeline in Gujarat.
- Pranahitha Chevella Lift Irrigation Scheme of water conveyor system consisting of lined gravity canal of Tipparam-Chityal Canal Reach with carrying capacity of 44.20 cms in Andhra Pradesh.
- Water Intake and Plant Water System for Bakreswar Thermal Power Project in West Bengal among many others.

What will be your focus area in the coming 5-6 years?

SPML is aggressively pursuing EPC and PPP projects in the water and waste water space along with management contracts for city distribution. We believe the next phase of growth in the water sector will come in management of city water distribution systems and long term operation and maintenance contracts. Currently we are operating 6 city distribution systems. Our main focus will remain be on ULBs and government departments, but we are open for any opportunities with industrial or private sectors. We

have a strategic plan to increase our presence in water, waste water and SWM sectors in the next 5 years and make SPML as the largest player in the urban utility services in India.

Tell us about your CSR activities?

SPML's initiatives in the field of Corporate Social Responsibility are allied with its business and have been very significant. Some of our recent CSR activities:

- Charitable Eye Hospital: Shri Punam Chand Sethi Eye Hospital in Karnataka is in operation since 1997; is treating 60-70 eye patients per week including eye operations.
- Charitable Ayurveda Hospital, Sonagiri, Madhya Pradesh - This hospital provides door-to-door free of cost medical treatment to the needy people in Sonagiri.
- Gommateshwara Mobile Hospital in Karnataka - A well-equipped mobile hospital to address the medical requirements of people in the Kanakagiri region of Karnataka treating more than 500 patients every week.
- Social Advertisements for water conservation – SPML believes in “save water is found water” and to spread this message, a campaign on “Save Water” and “Conserve Water” is running across Delhi by SPML, where it has put a number of hoardings with the messages.
- SPML organize regular environment awareness workshops and training programs for residents, school students and waste collectors on effective solid waste management in different cities including Delhi, Allahabad, Dehradun, Mathura and Madurai. More than 150 programs were organized in year 2011-12. ■



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