

# Key Players

## JNNURM drives participation

The water sector is served by both domestic and foreign private players. The private sector has been involved in different segments ranging from provision of water supply (this includes the laying of pipelines, upgradation of pumping stations, improvements in distribution systems, etc.), to water treatment plants (WTPs) and seawater desalination. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been a major driver in increasing the private sector's involvement in the water and wastewater management sector.

*Indian Infrastructure* examines four companies – SPML Infra Limited, Larsen & Toubro (L&T), VA Tech Wabag and Veolia Water India Private Limited – which are active in the sector. Between them, these leading players have undertaken several big-ticket projects.

### Larsen & Toubro Limited

Incorporated in 1938, L&T is involved in technology, engineering, construction and manufacturing contracts in a wide array of sectors including water, power, hydrocarbons, cement and buildings. L&T has been active in the water

sector for the past 20 years. The company offers engineering, procurement and construction (EPC) services for water transmission and distribution, and water treatment including effluent and sewage treatment and disposal. It provides integrated solutions involving both water and wastewater treatment with desalination and recycling services.

L&T is involved in several projects related to water supply, the laying of pipeline networks, utility development, construction of WTPs, etc. These projects have been undertaken mostly on an EPC basis. It has undertaken projects in Tamil Nadu, Andhra Pradesh and Rajasthan. The key projects being undertaken include the Dhanbad Water Supply Scheme, Hogenakkal water supply and fluorosis mitigation project (Packages III and V) and the Swarnim Gujarat Saurashtra-Kutch water grid project. During February-October 2013, L&T secured several contracts in Gujarat, Rajasthan, Naya Raipur and Kolkata in the water supply and wastewater segments.

On the financial front, the company recorded robust growth in its revenues during April-

December 2013. Its total revenue grew by 8.21 per cent to Rs 379.18 billion in April-December 2013 from Rs 350.38 billion in the corresponding period of 2012-13. In the first nine months of 2013-14, the net profit grew by 3.4 per cent to Rs 26.65 billion from Rs 25.77 billion in the corresponding period of the previous fiscal. During 2012-13, the company earned a total income of Rs 755.94 billion, recording an increase of 16.04 per cent over the Rs 651.41 billion in the last fiscal. During the same period, the company posted a net profit of Rs 52.06 billion, an increase of 10.9 per cent over the Rs 46.94 billion during 2011-12.

### SPML Infra Limited

Established in 1981, SPML Infra has over three decades of experience in executing infrastructure projects for water treatment and transmission, wastewater treatment and recycling, solid waste management, power transmission and distribution, and civil infrastructure development. The water segment of the company deals in potable/industrial water supply, desalination, intake structures, transmission and distribution mains, pumping stations, storage reservoirs, WTPs, refurbishment of pipelines, etc.

SPML Utilities Limited, a wholly owned subsidiary of SPML Infra Limited, has been established to oversee the public-private partnership businesses in the water supply and waste management sectors. The scope of services



include metering, non-revenue water (NRW) reduction, development of transmission networks, asset management, water utility management, etc. The company also provides a range of water treatment solutions such as demineralisation, reverse osmosis (RO), biological filtration, membrane filtration, etc.

The company has undertaken water projects in Rajasthan, Maharashtra, Karnataka, Uttar Pradesh and Andhra Pradesh. It is involved in the setting up of 15 WTPs as part of several water supply projects. Some of these are a 60 mld WTP at Davangere and a 57 million litre per day (mld) WTP at Shimoga in Karnataka; three WTPs for Pokhran, Balotra and Siwana in Rajasthan; a 100 mld WTP under the Goa water supply scheme; and a 146.75 mld WTP under the Chambal-Sawai Madhopur-Nadauti project in Rajasthan.

In November 2012, the company was awarded a \$95 million contract to improve water supply services in Malviya Nagar, New Delhi, in a joint venture with Suez Environment. In May 2013, the Public Health Engineering Department, Jaipur awarded a Rs 3.96 billion project for undertaking construction of a 100 mld WTP and other works in Ratangarh-Sujangarh and Fatehpur-Laxmangarh towns in Jaipur. During August and September 2013, the company received water supply-related contracts worth Rs 15.7 billion in several cities of Rajasthan and Karnataka.

On the financial front, the company's total income grew by over 4 per cent to Rs 8.05 billion during April-December 2013 from Rs 7.7 billion in the corresponding period of 2012-13. In the first nine months of 2013-14, the company posted a net loss of Rs 710.9 million as against a net profit of Rs 46.5 million. In 2012-13, SPML earned a total stand alone income of Rs 11.3 billion, registering an increase of 23 per cent over the Rs 9.2 billion earned in the previous fiscal. During the same period, it posted a net profit of Rs 117.5 million, almost three times the Rs 29.9 million earned in 2011-12.

#### VA Tech Wabag Limited

VA Tech Wabag was incorporated in 1996. The company is involved in the water technol-

ogy market and holds a market share of about 50 per cent in India. It offers services in the areas of municipal and industrial water and wastewater treatment and recycling. The Municipal Business Group of the company provides water and wastewater treatment solutions to municipalities covering drinking WTP, sewage schemes, etc. The group is a major contributor to the company's revenues through EPC contracts in India.

The company is involved in several projects in India, of which five pertain to water treatment and desalination. It operates in various states such as Delhi, Tamil Nadu, Odisha and Maharashtra. It is involved in the country's largest RO plant in Chennai and has also commissioned India's first wastewater treatment plant in Alandur. During April-December 2013, the company secured several contracts in the water and wastewater sector. These include a Rs 1.15 billion contract awarded by the Chennai Metropolitan Water Supply and Sewerage Board for provision of water supply services under the Chennai Mega City Development Mission Project; a Rs 3.25 billion contract from the Odisha Water Supply and Sewerage Board for construction of sewage treatment plants (STPs) in Bhubaneswar; a Rs 2.5 billion order from the Bangalore Water Supply and Sewerage Board. The international orders secured by the company include a Rs 2.62 billion order from the Melamchi Water Supply Development Board in Nepal and the Rs 3.44 billion contract from the Manila Water Company in the Philippines.

On the financial front, the company recorded robust growth in its revenues during April-December 2013. Its total revenue grew by 44 per cent to Rs 13.4 billion in April-December 2013 from Rs 9.31 billion in the corresponding period of 2012-13. In the first nine months of 2013-14, the net profit of the company grew by 40 per cent to Rs 0.41 billion. During the first nine months of 2013-14, the company's order intake grew by about 110 per cent to Rs 30.48 billion. As of December 2013, the order book stood at Rs 71.6 billion.

During 2012-13, the company earned a total income of Rs 16.18 billion, recording an increase of 12 per cent over the Rs 14.44 bil-

lion in 2011-12. During 2012-13 the company posted a net profit of Rs 903.4 million, an increase of 22.5 per cent over the Rs 737.5 million during 2011-12.

#### Veolia Water India Private Limited

Veolia Water India, a subsidiary of Veolia Water, provides the complete range of services required to design, build, maintain and upgrade water and wastewater treatment facilities for municipal authorities and industrial clients. The company provides operational assistance in the areas of drinking water production and distribution. It offers a gamut of customised solutions including engineering and construction, refurbishment and operation and maintenance (O&M) services.

Veolia Water Solutions and Technologies, a wholly owned subsidiary of Veolia Water AML, entered into a joint venture (JV) with Doshion Limited to form Doshion Veolia Water Solutions (DVWS), a special purpose vehicle with the former holding 30 per cent and the latter holding 70 per cent. The JV was formed to provide water and wastewater management solutions to the industry and public, utilising the expertise of both the companies.

The company has been involved in undertaking 24x7 water supply projects in Nagpur, Karnataka, Jamshedpur and Chennai on PPP basis. In 2011, it was awarded the Nagpur 24x7 water supply project by the Nagpur Municipal Corporation. In Karnataka, the company has undertaken five pilot projects for the provision of 24x7 water supply in Belgaum, Gulbarga, Hubli-Dharwad, Bijapur and Bengaluru. These zones represent 10 per cent of the geographical area in these cities. In 2012, the Ilkal City Municipal Council awarded the contract for construction and rehabilitation of the water distribution network and O&M of the entire water supply system to about 9,000 households in Ilkal. In 2012, the company was also awarded the 15-year contract for provision of 24x7 drinking water supply in Nangloi, Delhi, by the Delhi Jal Board. In June 2013, the company bagged three 24x7 water supply contracts in Karnataka. All three are performance-based management contracts. ■