



Whether it is promoting sustainable water management or strengthening road and bridge infrastructure, SPML Infra Ltd has made important contributions. With a legacy of three decades, SPML Infra has successfully cemented its name as a company that builds landmarks as well as dreams. In an exclusive conversation with **Dibyendu Roy Chowdhury, Rishabh Sethi**, ED and COO, SPML Infra talks about SPML's philosophy and how it has been adding value to road and infrastructure segment.

Interface

SPML builds landmarks, monuments and dreams

How would you like to describe SPML Infra's philosophy, "SPML builds landmarks, monuments and dreams"?

Since its inception in 1981, SPML Infra has come a long way to become the leading infrastructure development and the largest water management company in India. We belonged to the state of Rajasthan where water is scarce and my grandfather, Late Punam Chand Sethi, decided to focus on efforts towards providing safe drinking water to the people. That was the beginning, and we started developing water infrastructure when the water sector was in its nascent stage.

Many years of dedication and sweat have contributed to this fruitful yet exhilarating journey.

Today SPML has a legacy of more than three decades of managing and implementing over 600 projects, world-class infrastructure for water treatment and transmission, power transmission and distribution, municipal solid waste management and civil infrastructure including roads and highways across India on EPC (Engineering, Procurement and Construction), PPP (Public Private Partnership) and BOOT (Build-Own-Operate-Transfer) basis.





We have constructed some of the very important infrastructure projects over the years which have touched the lives of millions of people. Our Pokhran Water Supply project is one among them that will provide drinking water facilities to over 1.2 million people in the parched area of Pokhran and other three cities and 580 villages. The Bangalore Water Supply Project is to provide drinking water to over 2 million populations of Bangalore's new settlement colonies. The Jaipur-Bhilwara Toll Road have reduce the travel time from Jaipur to Bhilwara by almost 1 hour as well as improved the overall economic development of en-route towns and villages. The Mehrauli-Vasant Vihar Water Supply Project in Delhi has improved the water supply in the project areas, and we have managed to achieve the target of 24/7 water supplies in West End Colony. We are also focussing on smart city, and our very first Smart City Development Project — Vikram Udyogpuri — in Madhya Pradesh will be completed in 3 years' time, where we are going to build a complete city with all modern and smart facilities, including roads, water supply, wastewater collection and treatment, power distribution system, domestic gas distribution, drainage network, solid waste management, street lighting, safety and security, information and communication technology and all other aspects of a smart city. There are lot of other landmark projects that we have executed and under execution at present and you are right that "SPML builds landmarks, monuments and dreams".

The value of roads and bridges infrastructure in India is projected to grow at a CAGR of 17.4 per cent over FY12–17. As a leader in the infrastructure space, how excited you are? What are your strategies to get a strong foothold in this segment?

With the growing urbanization and the world coming to India, we are compelled to develop high-quality road network to meet the economic growth requirement of the country. With the central government focussing on the enhancement of existing national and state highways and construct new networks, the sector looks promising, and we expect the growth will be much higher than the existed. The recent approval to award six highway projects worth Rs.12,646 crore on engineering, procurement and construction

(EPC) mode is a welcome move looking at the previous experience of PPP and BOOT mode in road sector. With good experience of executing a number of road projects, we are looking forward to new initiatives of the government and would be happy to partner with them in the development.

What are the most exciting road or bridge projects you have done? What makes them exciting? What kinds of challenges you faced while working on them?

SPML has completed and commissioned a number of road and bridge projects, including state highways in Bihar, Madhya Pradesh, Rajasthan and so forth. SPML has also completed a kilometre long Y-shaped flyover along with rail under bridge and service road with cycle track near the busy Chennai Railway Station. The facilities are a boon for travellers and local residents, travelling to and from the railway station. The execution was challenging being the 24/7 busy stretches leading to the railway station. We planned and executed these projects with minimum disturbance to the traveller as well as the local residents of the area by using a combination of modern machines and high-quality materials with complete safety standard. The Jaipur-Bhilwara Toll Rod faced a number of challenges, including land acquisition, removal of encroachment, residential and commercial establishments, tree cutting, shifting of water, power and sewer lines, and non-availability of construction materials due to a complete ban on mining by the court. These challenges were handled with regular review and steady persuasion with the state government and all relevant agencies involved.

SPML Infra is the only Indian company in world's top 50 private water management companies as per Global Water Intelligence. What are the major differences between working in water management and working in road and bridge infrastructure?

SPML has been promoting sustainable water management, a task that has become essential and critical as natural supplies deplete and demand rises. Whether it is water supply or wastewater treatment, SPML makes an important contribution towards conserving the precious resource across the nation by reducing



wastage, losses and pilferages. SPML helps municipalities to provide safe, clean water to the residents. SPML is providing drinking water to about 40 million Indian population through its several water supply and distribution projects. Due to the size of the population it serves, it has become the only Indian company featured into world's top 50 private water and wastewater management companies for the third consecutive year. The yearly survey being done by Global Water Intelligence (London) has recently published their reports for 2015, and we are happy to see our company featured again. It's a proud moment for us that the journey which began three decades ago and the passion we have for water is being recognised world over with the coverage and prestigious awards.

The road and water sectors have both similarities and differences. They both deal with people's lives and important for the development of the nation. The availability of potable water is essential for human habitat, and road connectivity is important for the development of the habitat. The difference between the two, water projects are intensely designed, engineered and developed keeping in mind the present requirement as well the future increase in demand and need to be maintained on the daily basis, whereas road projects requires occasional review and maintenance.

The Indian government plans to develop a total of 66,117 km of roads under different programmes and has set an objective of building 30 km of road a day from 2016. Is it a feasible mission? If yes, how should the government address this mission and achieve the goal?

We are optimistic about the target fixed by the government looking at the conducive environment being created with a number of reforms. The govt have initiated a number of measures to increase the speed of construction, including the hybrid annuity model that reallocates the risk-sharing of road construction. With land acquisitions and environment clearances to be faster and smoother than before, the development would be fast and we may achieve the target of building 30 km of road a day. I believe if govt succeeds in getting the finances from insurance and pension funds for the road development apart from their own budgets, this target is achievable.

SPML is executing and managing projects on PPP, BOT, BOOT and DBFOT basis. How crucial is PPP or BOT in the present scenario of roads and bridges infrastructure?

We have executed projects on EPC and other modes earlier, but now there are number of issues with other than EPC modes — be it PPP or any other model. Most of such projects are not completed due to various reasons and the developer runs into financial problem because of inordinate delays. For example, an ₹1,000-crore costing project becomes ₹1,400 crore, and the banks are not ready to provide further finance. How to arrange finances for the projects that get stuck is a big issue with the developer, and to curtail further losses either they prefer to exit or abandon it. The present scenario is yet to become fully favourable, and till the time the planned reforms of land acquisition, environment clearance and clear return on investment are not in place, it would be crucial to engage in a PPP or BOT project in road sector.

SPML Infra reports 30 per cent growth in turnover for FY 2014-15. What makes this stellar operating performance possible?

The year 2014-15 was comparatively good for SPML Infra than many other companies as we achieved good returns for our investments. We put dedicated efforts to complete all near completing projects and speed up the execution of other projects. We implemented advanced systems and processes, deployed modern and technologically better equipment, well-qualified team with experienced engineers, reducing cost on overheads, accurate and faster procurement of materials, and integration of several key departments. We also received new orders of Rs.3,000 crore in the year for infrastructure development in water supply and distribution management including 24/7 water supply management projects for six cities in Karnataka. We faced challenges in execution, but due to our vast experience and good coordination between client, contractor and suppliers, we minimise the cost overrun and schedule delays. We acted quickly on problems, drive for results and ensure detailed follow-up so that we meet our commitments.

Being an engineering and project management company, as a strategy, we have to execute to win projects and execution involves every employee's contribution. We are fortunate to have competent and dedicated people with commitments that go well beyond creating values. ▲