

# WATER INDUSTRY 2020 WILL GROW EXPONENTIALLY

**Subhash Chand Sethi** – Chairman, SPML Infra Limited

Water is one of the most essential of all natural resources, vital for survival of human being. The scarcity of water has a significant impact on our economic development and biological diversity. The ancient Chinese called it – ‘the blood of the earth’ and recognized it as a true economic store of value in troubled times. [www.spml.co.in](http://www.spml.co.in)

Countries across the globe including India are facing the challenge of rapidly growing water demand, driven by ever increasing population and economic growth with emerging trends of urbanization and industrialization. The water scarcity problem is not only a result of quantitative or qualitative scarcity but also a consequence of inefficient use and poor water management, which has also been recognized in India’s draft Water Policy of 2012.

According to the 2030 Water Resources Group, demand for water in India is set to outstrip supply by 50% by 2030. A significant challenge faced by India is therefore to increase conservation of water across operations and geographies. World Health Organization finding says that 1.6 million people die every year from water borne diseases due to lack of safe drinking water and basic

sanitation. 90% of these are children under the age of 5, mostly in developing countries including India. Safe drinking water and hygienic sanitation facilities is a requirement to fight against poverty and hunger in the world where over a billion people has no access to any source of drinking water.

Water being an essential element, the global water market is estimated at over USD 300 billion. It offers tremendous opportunities across diverse supply chains, industries and geographies. The new trends in water sector have emerged with more focus on sustaining the resources with proper investment and planning. The ‘City as a Customer’ concept has emerged as urban regions further invest in smart water upgrades and work towards more connected and interconnected systems. Water utilities are adopting new technologies to develop smart networks, and the industry is working to make it easier to integrate these new solutions through service platforms and cooperative arrangements. With the support of international financing institutions, Indian water industry is growing substantially and working to make it easier to integrate new technologies and solutions.

Given the industry challenges, India is among the largest water markets in the world, presents numerous opportunities for water infrastructure projects. The government’s vision – not only to build basic water and sanitation infrastructure but also to build smart infrastructure – is fueling growth. Considering industry experience spanning more than three decades in water and wastewater segment, SPML Infra is strategically positioned and equipped with the right capabilities to continue on the growth path.

SPML Infra consistently features among the World’s Top 40 Private Water & Wastewater Companies as per Global Water Intelligence, London. The vision for growth is driven by operational compliance, quality of service, efficient project execution and continuous business process improvements. SPML strives towards excellence in all operations through compliance with world-class quality systems in its specific fields of activities, ensuring a continuous improvement in project execution and quality management.

SPML has also been gaining an edge by devising and adopting new technologies essential for growth such as use of ICT and Integrated

**Favorite book/author...**

The Unposted Letters by  
Mahatria Ra

**Favorite Movie**

Kabhi Khushi Kabhi Gham

**Favorite holiday  
destination...**

London

**Advice for  
EverythingAboutWater...**

Water is scarce and need to  
be conserved at all cost.



### VISION OF MY COMPANY

SPML Infra should become the most valuable water company in India and our past achievements will become the basis of our future activities towards a dynamic and resurgent India with true vision of water in the minds and hearts of the people.

### ANNUAL REVENUES

About INR 16500 million

### NUMBER OF EMPLOYEES

Nearly 1000

### KEY ACHIEVEMENTS OF LAST YEAR

- ▶▶ SPML reported 14.5% growth in revenues and 9.94% increase in profit after tax during the last financial year.
- ▶▶ The Company maintained its business competitiveness and the pre-qualification limit for water infrastructure services business by achieving revenue of INR 6578 million
- ▶▶ The Company creditably managed the power distribution franchise in Bhagalpur across 200,000 consumers
- ▶▶ The Company strengthened the water supply and management project in Delhi in the prestigious Vasant Vihar colony of New Delhi
- ▶▶ The Company completed the Saurashtra Narmada Avtran Irrigation (Sauni) project which was inaugurated by our Prime Minister Shri Narendra Modi ji who dedicated this project to the people, the Project envisages to divert one million acre feet (1 MAF) water of Narmada Dam to Saurashtra to distribute it to 115 Reservoirs through a total of 1115 kms four link pipelines for drinking and to irrigate 1.8 million hectares of land, mainly in Saurashtra, Kutch and North Gujarat which will benefit millions of people
- ▶▶ **Major Orders Won: Water Sector**
  - Dholera Industrial City Development
  - UND Irrigation Division, Gujarat: SAUNI Yojna
  - Jharkhand Urban Infrastructure Development Corporation: Giridih Water Supply
  - Narmada Water Resources & Kalpsar Dept., Gujarat: Irrigation Project

### MANAGEMENT

**SUSHIL SETHI JAIN:** MANAGING DIRECTOR

**DEEPAK SETHI:** DIRECTOR

**ABHINANDAN SETHI:** ASSOCIATE DIRECTOR

Management Information System (IMIS) for smart utility management.

SPML Infra continues its dedication to promote sustainable water management solutions, a task that is increasingly becoming essential and complex as the supply-demand management is plagued by water source depletion. In its 36 years of existence in India, the company has acquired a thorough understanding of water and wastewater sector.

With a number of water projects in different states, SPML today provides drinking water facilities to almost 40 million people. The company's extensive experience and knowledge of the water sector has led it to be among the top water management companies in the country and only Indian company in the list of World's Top 40 Private Water Management Companies.

SPML brand is quite strong in the Indian water market, and the company continues to enhance

its presence in new areas with having the trust of both clients and stakeholders. Presently, SPML Infra is executing a number of projects for water supply and management, wastewater treatment, sewerage network, power transmission and distribution, and municipal solid waste management.

Some of our key projects under execution are:

- ▶▶ First Smart City Project at Vikram Udyogpuri, Ujjain, part of Delhi Mumbai Industrial Corridor (DMIC) project for 24x7 water supply with water treatment plant and pumping station, water supply conveyance from Shipra river to the site, complete sewerage network with sewage treatment and effluent treatment plants, storm water drainage system, solid waste management system, internal and external roads of 4 and 6 lanes, power transmission and distribution system, domestic gas distribution system, street lighting, CCTV and SCADA system, safety and security system, information and communication technology (ICT) network with peripheral boundary walls.
- ▶▶ SPML is executing urban water supply project for improvement in water distribution networks in Delhi for Mehrauli & Vasant Vihar and adjoining areas that involves rehabilitation and development of water distribution network, construction of underground reservoir to enhance the existing capacity from 4.3 million litres to 18.3 million litres, rehabilitation and replacement of 42000 house service connection, non-revenue water management, installation of AMR & Non AMR water meters, 24x7 consumer care centre, metering, billing including operations and maintenance for 10 years.
- ▶▶ SPML is also executing 6 important ADB funded 24x7 Water Supply projects in Karnataka in the cities: Bellary, Raichur, Haveri, Hospet, Gadag-Betageri, and Sindhanur to serve combined population of about 1.3 million. The work involves rehabilitation and development of water distribution network; over 2500 kms of water supply pipelines, rehabilitation and replacement of 2,50,000 house service connections with installation of advance

water meters, non-revenue water management, 24x7 consumer care centre, metering, billing including operations & maintenance in all cities for 5 years.

- ▶▶ SPML have executed the project for augmenting water supply to Bangalore City under the Cauvery Water Supply Scheme that involved construction of clear water reservoirs, 500 MLD Pumping Station and other works with operations & maintenance for 7 years.
- ▶▶ SPML's Pokhran Water Supply Project aims to provide sustainable source of clean drinking water to over 1.2 million residents of 580 villages and 4 towns of Pokhran, Falsoond, Balotra and Siwana along with industries and defence forces with 10 years of operation & maintenance.
- ▶▶ SPML is also executing a number of regional water supply projects in Rajasthan to provide drinking water facilities to millions of people in rural and sub-urban areas.

### Agenda for a Sustainable Roadmap for Water Companies

India needs a long-term plan for water sector reform and investment as the several bottlenecks are hampering its growth. We need to have strong political support, transparent policies and regulations, adequate financial support and immediate solutions for issues to encourage the growth of water sector in the country. I feel that the top five priority areas will be:

- ▶▶ Sequential clearances at various levels of government, especially land and environmental related matters need urgent attention and close coordination among all levels of government and appropriate delegation of power for quick decision making with proper dispute resolution mechanism
- ▶▶ Adoption of newer business models, innovative technologies, strategies, global best practices etc.
- ▶▶ Appropriate structuring of the projects, need based revision of total project cost, demarcation of risks and rewards etc.
- ▶▶ Proper dispute resolution mechanism between developers and government agencies

- ▶▶ Incentive for before time completion of projects and better performance project etc

### Initiatives that Need to be Taken for Total Reforms

The major challenge in Indian water sector is that estimated 80 per cent of water supplied to household is coming back as wastewater that needs to be treated and reuse. But in reality, only a fraction of it is treated due to insufficient treatment facilities and lack of infrastructure support. As a result, it becomes depleted and polluted through intensive use and mismanagement.

The challenge for the water industry is to mitigate and manage the risks that can threaten water supply, devastate communities, interrupt production or energy generation, and undermine the prospects for economic growth.

Water quality and water scarcity problems are reaching crisis proportions worldwide. Initiatives that need to be taken to address these issues are:

- ▶▶ Awareness of water problems is gradually increasing – but public education and more attention is critical
- ▶▶ More stringent regulation and government direction of water issues and markets seems inevitable
- ▶▶ Huge economic and human capital investments are required – much more focus is needed
- ▶▶ Better monitoring and metering of water consumption for becoming more efficient
- ▶▶ Dilapidated and crumbling infrastructure cries out for more attention and investment
- ▶▶ Make recycling and re-use more common and more accepted
- ▶▶ Consolidation and rearrangement of asset ownership in the water industry
- ▶▶ Broader consolidation of municipal water and wastewater utilities in the future
- ▶▶ Increased privatization, outsourcing and the role of private companies in water
- ▶▶ Increasing regulation and enforcement levels and adoption of new policies and approaches
- ▶▶ Increasing water prices are inevitable and needed to better manage this scarce resource

- ▶▶ Devise water policy at the national level, but strive for individual solutions at the local level
- ▶▶ Conserve water and use it more efficiently; technology can help, but we should not rely on a technological fix to solve all our water problems
- ▶▶ We must strive to develop better laws and public policies, to address complex water problems

### Future of Water Industry

There is no substance more critical to life than water; we cannot live without it for more than a few days. Water is available in abundance in some areas, whereas it is scarce in other areas. It will not be surprising that water should eventually begin to take on more economic recognition and financial value.

Indian water sector is certainly going to witness tremendous growth with the current government's focus on infrastructure development. As per an estimate, water and wastewater market in India will grow at a CAGR of 18–20%. The Govt. of India has initiated the development of 100 smart cities to develop and upgrade the infrastructure and facilities with a dedicated fund allocation of INR 48000 crores.

The AMRUT scheme for the 500 towns and cities to develop infrastructure for drinking water and sanitation is another ambitious plan. The National Mission for Clean Ganga (NMCG) along with other water projects with dedicated budgets will contribute to the sector growth. The sanitation sector also received attention and the much acclaimed Swachh Bharat Mission (SBM) is being implemented with dedicated budget. These initiatives along with determined plan to make the policy favorable and ease of doing business with a number of reforms undertaken and planned for future will boost the growth of water industry in India.

#### for me

#### WATER INDUSTRY 2020

Water Industry 2020 will grow exponentially both in terms of scale and geographical spread for Irrigation and Drinking Water.