

Infrastructure for Sustained Economic Growth

The infrastructure development industry in India is getting bigger; innovation and technology are becoming drivers for growth, says SUBHASH SETHI.

Infrastructure development has always been a key player in developing economies. In India, we earnestly need greater focus on infrastructure development to sustain the economic growth. Adequate infrastructure is required for propelling the Indian economy towards the \$5 trillion vision over the next few years. Infrastructure is part of our daily life, be it transport helping us in our commute between places, energy systems to power our homes and businesses, water infra to provide us clean drinking water, sanitation networks to keep the city clean and healthy, and digital networks allowing us to communicate.

The infrastructure sector was one of the major focus areas in the FY2019 budget and saw announcement of massive

spending on roads, railways, water, irrigation, and urban infrastructure. The Finance Minister has announced that the government will spend ₹100 trillion on infrastructure upgradation over the next five years, a critical step towards the aspiration of making India a \$5 trillion economy. An expert committee is being set up to recommend the structure and flow of funds through the development of finance institutions.

As the government started strongly on its second stint at the Centre, we expect that a number of large infrastructure projects will be initiated apart from the thrust that has been given to the existing and currently under execution projects like Smart City Mission, AMRUT, water



Subhash Sethi,
Chairman, SPML Infra

supply and irrigation, roads and highways, metro-rail, Sagarmala and Bharatmala schemes, Swachh Bharat Mission, National Mission for Clean Ganga, and river development and interlinking. The power sector schemes like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Ujwal Discom Assurance Yojna (UDAY), Integrated Power Development Scheme (IPDS), Unnat Jyoti by Affordable Lighting for All (UJALA), Sahaj Bijli Har Ghar Yojana (Saubhagya) towards the development of power transmission, distribution and rural electrification, will continue to be in execution for powering the nation.

Growth 2.0

In an effort to ensure India's water security and providing access to safe and adequate drinking water to all Indians, the government envisages to



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provide water supply to every household by 2024 under the flagship scheme of 'Jal Jeevan Mission'. An estimated ₹6.3 trillion investment is needed in the next five years to achieve the massive task of connecting about 140 million rural and urban households with piped water supply. The Jal Jeevan Mission will converge with other Central and state-government schemes to achieve its objectives of sustainable water supply management across the country. Giving it priority, the Prime Minister appealed to all states to generate maximum community participation in the form of 'Jan Andolan' to achieve the target of functional household tap connection by 2024.

The recent announcement to speed up the implementation of projects under the Smart City Mission with a new target of ₹2 trillion would involve completely turning around the mission to award works worth ₹2 trillion on the ground till 2022. Under the Smart Cities Mission, more than 5,000 projects worth over ₹2.05 trillion are at various stages of implementation. Currently, over 3,500 projects worth ₹1.35 trillion have been tendered, over 2,800 projects worth ₹900 billion have been grounded for construction and over 900 projects worth ₹150 billion have already been completed.

It is projected that India will become the third largest construction market globally by 2022 and there will be an investment requirement worth ₹50 trillion in infrastructure. Sectors such as water supply and irrigation, power, roads, metro rail, and renewable energy will drive the investments in the coming years.

Traditionally, the government has been the sole financier



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of infrastructure projects for implementation, operations and maintenance. But a paradigm shift is visible to finance and execute mega projects and the government is making efforts to create an environment for sustainable and scalable involvement of the private players. Several new business models of project financing are being experimented with more proactive participation from the private sector in the form of hybrid annuity, PPP and other formats.

Infrastructure challenges

The government has also initiated a number of measures to increase the speed of construction. Going ahead, the sector is poised to rebound with new opportunities. But growth of the infrastructure sector is dependent on solving some key challenges that need to be addressed including investment gaps, funding issues, land acquisition and environmental clearance, lack of coordination between various government agencies, inappropriate

structuring of projects, lack of proper dispute resolution mechanism, payment and execution delays, old methods of construction and lack of adoption of innovative technologies, etc. It is also possible that projects may fail or may be terminated prior to the project term for a number of reasons including change in government policy, failure by the developer or the government to perform their obligations or indeed due to other external circumstances.

SPML connect

From its inception in 1981, SPML has executed no less than 600 infrastructural projects, in areas ranging from drinking water facilities, wastewater treatment, sewerage network and better municipal waste management to smart cities, renewable energy and power transmission and distribution. These achievements speak amply about the ISO 9001-2015 certified company's dedication to improving lives of millions of Indians.



In the area of sustainable water management, it is currently engaged in Phase-III of the Saurashtra-Narmada Avtaran Irrigation Project (SAUNI Yojana), the ambitious large water supply and irrigation project envisages to provide drinking water facilities to around 39 million people across 132 towns and 11,456 villages and to irrigate 1.8 million hectare of land in Saurashtra, Kutch and north Gujarat benefiting millions of farmers. SPML Infra has earlier completed the Phase-I and Phase-II of this project.

The company is also working on urban water supply projects, including one aimed at improving the water distribution network in Delhi; six urban water supply projects in Karnataka that would serve almost 2 million people. The water supply augmentation project in Bengaluru to reduce non-revenue water has helped in significantly reducing water losses from 56 per cent to 27 per cent, thus saving 40 million liters' potable water per day. The saved water is being used to provide drinking water facilities to 110 villages in the extended colonies of Bengaluru.

SPML Infra has constructed a number of sewage treatment



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plants (STP) including 240 MLD STP in Ahmadabad, 72 MLD STP in Delhi, 70 MLD STP in Nasik, and 115 MLD decentralised STPs and pumping stations as one of India's largest and first comprehensive underground sewerage system in Mira Bhayandar, Maharashtra. The 42 MLD STP with sewerage network in Kanpur will contribute to clean Ganga mission.

In the power segment, SPML Infra has completed rural

electrification works in Patna and Gaya districts of the state by providing 2.3 lakh connections to rural and semi urban areas mainly below the poverty line (BPL) households. It has also completed technologically advanced 220 kV Gas Insulated Substation (GIS) in West Bengal and 400 kV-500 MVA Auto transformer in Uttar Pradesh and Rajasthan for quality power supply and distribution in the designated areas.

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About the author:

Under the leadership of **Subhash Sethi, Chairman, SPML Infra**, the company went on to establish itself as the leader in water domain and developed sustainable infrastructure to help water utilities to deliver safe and clean drinking water to over 50 million people in India.