



These are the men who have shaped India's construction industry so far. In five candid interviews with *Construction Week*, they detail the challenges the industry faces and how it can overcome them in the future

# BUILDING FOR TOMORROW



# THERE IS AMPLE SCOPE FOR ALL

Subhash Sethi tells Niranjana Mudholkar that his firm will not just continue to focus on the water sector but also expand into other segments to become a complete infrastructure solutions provider

In a way, the growth of Subhash Projects & Marketing Ltd (SPML) represents India's infrastructure development opportunities in the last quarter of a century. What started as a water pumps agency 27 years ago, is more than a Rs1,000 crore company (Rs1,167 crore turnover in 2007-08) today with a diversified portfolio in the water, power and infrastructure domains.

SPML is expanding its portfolio to construction of airports, metro rail and freight corridors. In view of this expansion plan, SPML has also pre-qualified for urban transport projects including metro rail in Kolkata and bus terminals in Bangalore and Orissa, and car parking in Chandigarh. The company is bidding for dedicated freight corridors in Bihar and Uttar Pradesh. After its foray into ports, SPML is now all set to foray into airport construction and has received pre-qualifications for two airport terminal projects at Indore and Raipur from Airports Authority of India. "These new segments are a part of SPML's vision to become a complete infrastructure solutions provider," says Subhash Sethi, vice-chairman, Subhash Projects & Marketing Ltd.

Of course, while expanding into other areas, SPML will continue to focus on the water sector. "SPML's immediate focus in FY 2008-09 will be on water management solutions, leveraging its proven domain capabilities and experience of the last two and a half decades in the water sector," Sethi says. Sustainable water management has been SPML's core competence right from inception; Sethi also foresees bullish growth for this sector in the next five years.

Sethi draws attention to the fact that investment of Rs2.3 trillion is proposed for water resource management in the XI<sup>th</sup> Five Year plan. "Moreover, India's water market is one of the largest in the world, with approximately one-third of the total estimated value dedicated for water provisioning, one-



Subhash Sethi, vice-chairman,  
Subhash Projects & Marketing Ltd

third for municipal water treatment and one-third for industrial water treatment. Overall annual growth rate is 15-20%, with the drinking-water and industrial segments growing even more rapidly. The urban water demand is expected to double, and its industrial demand to triple, by 2025," he says.

Interestingly, SPML's current order book position shows a good mix of various projects including water (Rs1,500 crore), infra (Rs900 crore) and power (Rs1,000 crore). It is hardly surprising that the company expects to generate revenues up to Rs5,000 crore by 2013. And it seems quite likely given the growing significance of infrastructure in the country. "Infrastructure is an issue of critical importance. A world-class infrastructure will be needed in India to provide a platform for faster, consistent growth and for India to become a major world economic power," Sethi says.

Today, SPML is indeed one of Indian construction industry's important success stories. Sethi owes SPML's success to its ability to innovate. At the micro level, this is in terms of engineering solutions. "From laying pipeline in difficult hilly terrain and forest areas which required an out-of-the-box thinking approach to constructing the highest single stage pumping station in the world at 12,000 feet above sea level, SPML has seen opportunity through innovation where many peers have even declined to venture," says Sethi. At the macro level, SPML has introduced services that have been unique. "Be it the waste management in Delhi - a novel PPP initiative, or the sewer rehabilitation services or the country's three stage sewage treatment plant, SPML has stayed ahead through offering innovative services to India's infrastructure needs," says Sethi.

Sethi identifies environmental engineering as another key growth area going ahead. SPML has recently entered into an exclusive partnership in India with Insituform Technologies Inc, a global leader in trenchless technology for sewer rehabilitation projects. "The tie-up marks SPML's entry into trenchless technology. The Indian water and wastewater market is worth more than a billion dollars and is experiencing 15-20% annual growth," Sethi says.

"The alignment of the domain expertise with technology and innovation is a clear differentiator while developing water management solutions in myriad complex environments and situations," says Sethi. SPML

has been an early adopter of technology and innovation in its project delivery and that has certainly given it an edge. India has already entered the era of infrastructural transformation; innovation will indeed be an important factor.

There was a time in India when infrastructure development was confined to government bodies or public sector companies. Today, we see more and more private participation. In fact, as the country moves ahead, it will be essential to have meaningful partnerships between the public and the private sectors. Sethi echoes this thought clearly. He believes that it is important to encourage public private partnerships

for accelerating the infrastructure growth in our country. "Initiating a long term contractual partnership between private and public sector agencies specifically for financing, designing, implementing and operating infrastructure facilities would be an important step," he says.

Notwithstanding the effects of the global financial crisis, there's a great scope in the country's infrastructure sector. In fact, the sector has seen unprecedented growth in the last two decades or so and is expected to continue to register an upward trend. Naturally, many companies including overseas players have been actively participating in India's infrastructure development for some time now. In fact, more new players are entering the field while the existing players are consolidating their positions and/or are expanding into newer verticals. SPML represents the latter.

Despite the growing number of players, Sethi notes that there's enough for everybody. "In today's Indian infrastructure scenario, a lot is happening and there is ample scope for all the players," he says. As far as the other players in the same space are concerned, Sethi prefers to call them peers, not rivals. "I would name L&T, IVRCL, Nagarjuna Construction Company Ltd, Jamshedpur Utilities and Services Company Ltd (a Tata Enterprise), Simplex Infrastructures and Kalpataru Power Transmission Ltd as peers and not competitors since at many occasions we have worked in successful collaborations," he remarks.

It is this healthy respect for peers and the ability to innovate while dreaming big that has brought success to SPML. And it is these very attributes that will take it towards its vision of becoming a complete infrastructure solutions provider. ■

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Subhash Sethi, vice-chairman, SPML



The wastewater segment in India is estimated to be a billion dollar industry