



"Water sector needs an Independent Regulatory Authority (IRA)"



SPML Infra is the only Indian company to be featured into World's Top 40 Private Water Companies as per the survey by Global Water Intelligence. **Rishabh Sethi, Executive Director & COO, SPML Infra** takes us through the initiatives taken by the government in water sector, challenges, opportunities and much more in an interaction with **CT**.

What are the initiatives taken by the government to generate the momentum in water and wastewater sector? What are the opportunities generated for the sector due to the government's policies & reforms? Do you think that the government's initiatives have helped the sector to achieve the success to some degree?

There is a renewed emphasis on infrastructure development in the new regime with a number of programs and projects have been initiated. The ambitious 100 smart city development program, the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme for development of infrastructure for drinking water, sanitation, and transport in 500 towns

and cities, the Swachh Bharat Mission for clean and affordable sanitation facilities, National Mission for Clean Ganga (NMCG), and Railway Projects along with determined plan to make the policy favourable and ease of doing business with a number of reforms undertaken and planned for future are the steps taken by the government in the right direction. The new opportunities in water sector are envisioned in the form of water supply infrastructure development in 100 smart cities and 500 AMRUT cities apart from other schemes initiated by state governments. The wastewater treatment and reuse segment will get a boost from both the above schemes as well as from the program of Clean Ganga mission. Already a few projects in water and wastewater segments under these schemes are announced and several others are in different stages of preparation.

What are the challenges faced by water and wastewater sector in India and

how newly launched schemes by the government has helped the sector to gain traction?

The challenges in water and wastewater sector in India are enormous. The access to piped water supply and sanitation facilities are yet to reach even the complete urban population. Millions of people still lack access to safe and reliable water sources and proper sanitation services in urban areas. The situation of piped water supply and sanitation facilities in rural heartland is yet to be planned and executed.

Aging infrastructure, managing operational costs, availability of funding and managing capital costs remain among the top issues in water sector. Water scarcity issue will bring strong focus on fixing leaks in aging infrastructure to conserve water with improving operational efficiency. The lack of an Independent Regulatory Authority (IRA) in water sector to resolve any

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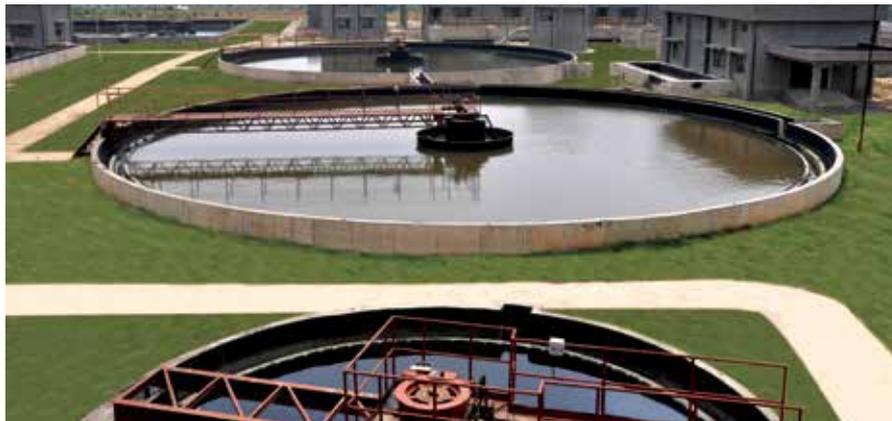
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disputes related to water is hampering the development of this sector. There should be clear guidelines for bulk and retail water tariff determination and greater emphasis would be for ensuring quality and service standards. The impetus would be on planning and approval of new projects, review of held up projects, appropriate regulation for private participation, enhanced government spending on infrastructure development and improvement and concentrated efforts towards ground water recharge and pollution control measures. We are hopeful that the new schemes of city developments under smart cities and AMRUT will help the water and wastewater sector to grow and look forward to its gaining momentum from this fiscal onwards.

What are the typical risks that you as a developer needs to contend with? What are the typical bureaucracy-related problems that developers face in execution of projects?

Not all projects have the same set of risks and the risks that are common will vary in importance from one project to another even in the same sector. But there are some risks which generally apply to all projects across the sector. These risks include delays in land acquisition, financing risks, planning risks, design risk, construction risk, approvals risk, operations and maintenance risk and lack of connectivity. Sometime despite all other facilities available, the inadequate connectivity to the project site impacts the commencement of construction



and overall pace of development of the project.

Some projects are more politically challenging to implement than others - particularly if there is an already existing government workforce that fears being transferred to the private sector, if significant tariff increases are required to make the project viable, if there are significant land or resettlement issues, if government will not fulfil its contractual obligations and the private developer is not able to enforce those obligations or recover some form of compensation or remedy from the government etc. Most infrastructure projects in India suffer from delays in completion mainly due to inadequate regulatory framework and delays in approval process.

What have been the major achievements of the new government in the sector?

The current government is serious for sustainable infrastructure development of water and wastewater. Last year, the government launched the Swachh Bharat Mission to make India clean and provide

affordable sanitation facilities. The ambitious project has been estimated at Rs. 1,960 billion, for both rural and urban India that will help in construction of 120 million toilets across the country by 2019; of this, Rs 620 billion will be spent in urban India.

The National Mission for Clean Ganga (NMCG) is initiated to get the holy river cleaned with the construction, rehabilitation and upgradation of the sewage treatment plants (STPs) installed in several states along the river. The mission has asked the municipalities and state governments to augment treatment facilities by revamping of infrastructure, requisite equipment, real time monitoring system etc to make it a success. The programme has a budget outlay of Rs 200 billion for the next five years.

The smart city mission has an allocation of Rs 480 billion to develop 100 smart cities with provision of drinking water facilities, wastewater treatment and reuse and other infrastructure development.

The AMRUT scheme has an outlay of

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Rs 500 billion for basic infrastructure services related to water supply, sewerage, septage management, storm water drains, transport and development of green spaces. This Mission will be implemented in 500 cities and towns with a population of one lakh and above.

These determined plans and efforts to make the policy favourable and ease of doing business with a number of reforms undertaken and planned for future are the steps taken by the government in the right direction.

What are the projects in water that you have taken up recently?

SPML Infra is the only Indian company to be featured into World's Top 40 Private Water Companies as per the survey by Global Water Intelligence. SPML has been promoting sustainable water management, a task that is increasingly becoming important and complex as natural supplies deplete and demand rises. It makes an important contribution towards conserving the precious resources across the nation by reducing wastage, losses and pilferages. Some of the important water projects being executed are as follows:

- 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 & 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, non-revenue water management, installation of AMR & Non AMR water meters, 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 along with 4 towns of Pokhran, Falsoond, Balotra and Siwana, industries and defence forces with 10 years of operation & maintenance post commissioning.
- 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. ■

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