

Infrastructure: Catalyst for Growth



Subhash Sethi

The technology has advanced in all segments of life and new technological advancement is also changing the method infrastructure projects are built and operated. The newer technologies are rapidly transforming and remodeling the infrastructure development globally. On this note, **Subhash Sethi, Chairman, SPML Infra Ltd** talks about SPML's readiness in adopting innovative technologies for execution of large and sophisticated projects with speed and perfection to deliver projects on scheduled time. Besides, he also highlights the significant policy changes for the infrastructure segment.





What is infrastructure planning, and why is it required?

Subhash Sethi: Good infrastructure planning and timely delivery is important with integration of material and service provider and other development partners to fulfil their relevant roles. Planning and delivery are the means by which infrastructure needs are identified, planned and executed that also supports the organisational role and investment needs regardless of the sector. Producing an infrastructure delivery plan also benefit partner service providers with clear scope for greater efficiency and more beneficial outcomes with their individual service strategies and contributions in achieving the overall targets and responsibilities.

How is infrastructure sector's outlook in India?

Subhash Sethi: Our commitment

to improve India's infrastructure continues with the positive outlook of Indian economy. India's economy achieved its fastest growth, better than expected at 7.7 per cent in the fourth quarter boosted by strong performance in infrastructure development, manufacturing and services sector. This made India retain the ranking as the world's fastest-growing major economy, outpacing China by nearly a percentage point. The uprising trend will continue and we expect the GDP growth to further pickup to 7.5 per cent in this financial year as against 6.7 per cent in 2017-18.

The government has recognised the need to develop and upgrade the aging infrastructure of water supply, roads, bridges, dams, ports, airports, telecommunication, power transmission and distribution, and other urban infrastructure. Government's focus on easing the

policies and improving infrastructure with urban and rural transformation like Smart City Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Housing for All, Water Supply and Irrigation Projects, Roads and Highways, Metro Rail, and specific 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. These schemes along with government's determined approach for better infrastructure by allocating Rs 5,970 billion (@US\$ 88 billion) for the sector in the union budget 2018-19 has given a massive push to the infrastructure sector. With relaxing FDI norms, the FDI for construction development



and infrastructure activities from April 2000 to March 2018 has been received to Rs 1,688 billion (US\$ 24.83 billion) and Rs 853 billion (US\$ 12.55 billion) respectively.

India has an investment requirement of worth Rs 50 trillion (US\$ 777.73 billion) in infrastructure by 2022 to have sustainable development in the country. Sectors like power transmission, water infrastructure, roads and highways and renewable energy will drive the investments in the coming years. Private equity and venture capital investments in the infrastructure and real estate reached Rs 265 billion (US\$ 3.9 billion) with 29 deals during the first half of 2018. The government is also working on improving power infrastructure in the country and investment opportunities worth Rs 20,400 billion (US\$ 300 billion) will be available in the sector in the coming 10 years. The development schemes and continued interest from foreign investors will help infrastructure sector to grow at a healthy pace.

The technology has evolved in every field of life, how it is contributing in infrastructure development in India?

Subhash Sethi: The technology has advanced in all segment of life and new technological advancement is also changing the method infrastructure projects are built and operated. The newer technologies are rapidly transforming and remodeling the infrastructure development globally.

The design engineering has been revolutionised with the support of technology from a flat design to 3-dimensional (3D) engineering design that has significantly improved the productivity. The 3D printing technology has transformed infrastructure with 3D-printed buildings in China and getting replacement parts printed on-site to maintain power infrastructure efficiently in Netherlands. India too will have to catchup with this technology for infrastructure development and maintenance. Project tracker is another technological advancement that uses smartphones in project execution with

real time information between project execution teams and the management that helps in swift remedial steps for areas that needs urgent attention. The advanced technology for material transport focuses on intelligent logistics, infrastructure, and mobility and makes project execution more efficient. The growing use of drones in monitoring the progress of projects from remote locations, managing operation and maintenance of existing infrastructure, handling difficult tasks of material deliveries in hazardous areas and conducting asset inventories are another technology contribution. The Internet of Things (IoT) with a network of digitally connected objects, devices, vehicles with sensors and intelligent computing capabilities has revolutionise infrastructure projects with remote real-time monitoring and control of equipment, faster and smarter business intelligence for decision-making, real-time tracking of the location and safety of work force among many other facilities. SPML Infra, a leading infrastructure developer is adopting innovative

technologies for execution of large and sophisticated projects with speed and perfection to deliver projects on scheduled time.

What are the significant policy changes for infrastructure sector in India?

Subhash Sethi: Political will to transform infrastructure with the help of public and private investment are more actionable today. With a view to catalysing investment and enhancing infrastructure, the government has introduced significant policy reforms.

As part of policy reforms, the government is constantly simplifying the approval process for environment clearance, land acquisition, right of way and setting up agencies to expedite FDI approval as 100 per cent FDI under the automatic route for a broad range of infrastructure sector is now permitted. The policy and regulatory framework is pro-investment from the earlier 'negotiated and guaranteed' to 'open and market competition' now. The new procurement policies of projects through PPPs have also been initiated. The logistics sector was given the status of infrastructure to boost investments in the sector. The national steel policy aims at higher spending on infrastructure and construction through government initiatives. The new metro rail policy will boost private

investments by mandating public private partnership (PPP) component in new projects. A new committee to lay down standards for metro rail systems was also approved in June 2018. With initiatives like 'Housing for All' and 'Smart Cities Mission', the government is working towards reducing bottlenecks and impeding growth in the infrastructure sector.

How SPML is prepared for the large scale infrastructure projects and what is your experience with such projects?

Subhash Sethi: SPML Infra is already part of some of the large infrastructure development projects in India. With years of rich experience and more than 600 executed projects in power, water, irrigation and sanitation sectors, it is firmly placed to receive and execute large and complex projects. The company is one of the largest water engineering company and has individual capability in executing large scale water projects. We can bid for drinking water supply and management projects of up to Rs 1,200 crore single projects. Our expertise in large diameter (above 3,000 mm dia) and length beyond 100 km in pipeline projects will help us in executing high value irrigation projects. We have already executed 220 kV GIS substation and 400 kV

with 500 MVA Autotransformer that will help us to bid for 400 kV and 765 kV substation projects for power transmission and distribution.

Currently, SPML Infra is executing some of the marquee projects including Phase II of Saurashtra Narmada Avtaran Irrigation (SAUNI Yojana) to provide relief from water scarcity to 39 million people across 132 towns and 11,456 villages with potable water and irrigation facilities for 1.8 million hectare of land in Saurashtra, Kutch and North Gujarat. The 24X7 urban water supply projects in Delhi and 6 cities in Karnataka are helping 1.5 million people with clean drinking water facilities. The recently completed sewerage network and sewage treatment plant in Kanpur will also help in clean Ganga mission. SPML Infra is also executing 16 nos of 132/33 kV power substation projects in Tripura being funded by the World Bank. SPML Infra is looking forward to complete the smart city development project in Ujjain, Madhya Pradesh; a project under the Delhi Mumbai Industrial Corridor scheme. With rich experience and good execution capabilities, SPML Infra will continue to provide sustainable infrastructure development solutions to our esteemed clients both at centre and state levels. ■

