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SUBHASH SETHI Chairman, SPML Infra

## Tell us about how far and wide SPML currently operates, with possibly a few examples of how you are leveraging 'smart technology' in your water projects?

SPML Infra Limited has come a long way from its inception in 1981 to become the leading water management company in India. It has contributed immensely towards providing clean drinking water facilities to millions of urban and rural population in the country. In a legacy of over four decades, it has executed more than 600 landmark projects which has helped us in creating valuable assets for drinking water facilities, wastewater treatment, integrated sewerage network, better municipal waste management, power transmission & distribution and rural electrification. SPML Infra is currently executing projects across the length and breadth of India; from Tripura in north eastern region to Gujarat and Maharashtra in western region and Karnataka, Kerala, Tamil Nadu, Andhra, Telangana in south to Delhi, Haryana, Madhya Pradesh, Rajasthan in central part and Bihar, Odisha, Uttar Pradesh, West Bengal in eastern region. Almost all



prominent states in the country has our project either executed or currently being operated.

Technological innovation has become an important part for water industry as it is facing the unprecedented water stress and demand management to turning its network smart and intelligent to endure the present and emerging challenges. There is a growing momentum to address the issues through technological intervention that can be deployed in the water sector. SPML Infra has integrated digital technology and modern software solutions that has streamlined our project execution and management. We have analyzed the need and deployed relevant project management software and modern technology like smart artificial-intelligence, cloud computing, SCADA and automation, drone technology to execute, control and monitor the execution of project, work progress as well as facilitating remote working while monitoring the supply chain to ensure availability of required material at sites.

# How would you describe SPML's principal focus, capabilities and value in terms of water sector?

SPML Infra is the first Indian company that has been featuring amongst the World's Top 50 Private Water Companies as per Global Water Intelligence bi-annual review and also features among India's Top 500 Largest Corporations as per Fortune India report. Our principal focus has always been in water sector and it will remain be same in future as well. With the unmatched experience we have in the sector and capabilities to handle several large projects at a time, we are focusing to increase our footprints in the segment. With Jal Jeevan Mission promising to be a game changer

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in the water supply sector in the country, our focus is to become a leading partner of this scheme as we better understand the rural and urban water supply management. Millions of people around the country are unable to access safely managed drinking water and sanitation services and we need to quadruples the rate of progress to achieve the target of providing clean drinking water to every household in the country in next 3 years.

We firmly believe that core values shape the company culture and impact the business. Our values describe customer orientation fulfilling their needs while creating sustainable infrastructure for the greater good of the country. Our culture of transparency and empowerment with great responsibility help us create a purpose, improve team cohesion, and create a sense of commitment towards our fellow citizens.

### From an investor's point of view, how do you see the water sector emerging compared to other sectors in India?

Water and wastewater management is one of the most promising sectors in the country. Significant funds have been committed by the government for upgradation of water supply and wastewater treatment infrastructure. Key initiatives such as providing piped drinking water facilities to all households by 2024 has been progressing steadily under the ambitious 'Jal Jeevan Mission" which has huge fund allocations in the tune of Rs. 6.47 lakh crore for rural and urban projects.

Atal Mission for Rejuvenation and 2.0 Urban Transformation (AMRUT 2.0) that targets universal coverage of water supply by providing household tap connections in all 4,378 statutory towns has budget outlay of Rs. 2.77 lakh cr.; Atal Bhujal Yojana (ABHY) is a Rs. 6,000 cr. scheme with 50% World Bank funding for sustainable management of ground water; Pradhan Mantri Krishi Sinchai Yojana aims to provide financial assistance to states for assured groundwater irrigation to small and marginal farmers with Rs. 1,718.49 cr. scheme; National Hydrology Project (NHP) with a budget outlay of Rs. 3,680 cr. apart from several irrigation projects are currently under the implementation. National Mission for Clean Ganga (NMCG) has sanctioned 310 projects on a total cost of Rs. 28,790 cr., is a leading wastewater management project. All these projects promise a better



water sector scenario than any other sector in the country.

### What impact do you foresee of the heavy infrastructural spending on unlocking the potential of the waterways through the SagarMala project?

To boost port connectivity and promote port-led developments in the country, Indian government is spearheading the ambitious SagarMala project. India has a vast coastline of over 7,500 kilometers and navigable waterways spanning 14,500 kilometers. This ambitious program is aimed at modernizing the country's port infrastructure, while giving boost to waterways development.

Freight transportation by waterways is highly underutilized in the country as compared to the US, China and the European Union. China has one of the most developed inland waterways navigation system with 13 waterways and 92 ports that generate as much as 20 per cent of China's GDP. In India, transportation by waterways can be economical as the cost per tone kilometer of moving cargo by water routes can be 60 to 80 per cent lower than by road or rail.

Sagarmala project envisage reducing the logistics costs for domestic and export-import cargo through infrastructure investment and over 574 projects have identified for implementation been during 2015-2035 period with a total budget of around Rs. 6 lakh cr. Presently, there are 505 projects taken up for port modernization, port connectivity, port-led industrialization and coastal community development at a cost of Rs. 3,56,648 cr. Prime Minister has earlier said that India is planning to invest over Rs. 6 lakh cr. in port projects by 2035, increase the share of clean renewable energy sources in the maritime sector, develop waterways,

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augment seaplane services and boost tourism around lighthouses.

This ambitious program is certainly going to boost economic activities, unlocking the vast potential of waterways and will help in infrastructure development along with coast lines and surrounding the ports in the country which will translate into GDP growth momentum.

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#### Ambitious water projects have now started picking up in an extensive way after a year of lull due to Covid-19. What do you think are the challenges and suggestions in the water sector in terms of finance, policy changes, skilling and labour?

India is amongst the largest water markets in the world and with the planned spending of trillions of rupees on water supply projects in next few years, it presents abundant opportunities for water infrastructure projects. After the sudden disruptions due to corona virus outbreak, all construction projects came to halt and water projects suffered the similar fate. Things have changed now and several large projects including 'Jal Jeevan Mission' both rural & urban are fast forward for the implementation.



The opportunities are immense; if the following steps are taken care of:

- Sequential clearances at various levels of government, especially land and environmental related matters need urgent attention & close coordination among all levels for quick decision making.
- Increasing equipment, material and labour costs and insufficient or late supply of materials at site.
- Delay in design approval or changes arising midway during construction.
- Shortage of skilled labour force.
- · Project cost revision when project gets

delayed, if the project cost is not revised then the investor should be entitled to recover his dues.

- Proper and time bound dispute resolution mechanism and swift payment for any arbitration awards on the basis of merits
- Appropriate structuring of the projects, particularly of demarcation of risks and rewards between government and private sector.
- Adoption of innovative technologies, strategies, global best practices and newer business models.
- Delayed payments and inadequate risk management among others.

India needs to think seriously with strategic and pragmatic approach about capacity building in water sector with digital transformation of systems and processes. With clear financial provision, adopting innovative technology that allows a greater efficiency in the water operations, reduce management expenses and improve indicators, such as the water use efficiency and curbing on losses will be important.

#### What are some of goals of SPML in the water sector over the next year, and the next five years?

As a brand, SPML is very strong in the Indian water market & the company continues to enhance its presence in new areas having the trust of both clients and stakeholders. SPML Infra is presently executing a number of projects for rural and urban water supply, wastewater treatment, sewerage network, power transmission and distribution, and municipal solid waste management. In each of its chosen areas, it has its stamp on numerous completed landmark projects.

SPML Infra is firmly placed with great expertise, technical and financial qualifications and expert teams across the country to receive & execute large water projects and can independently bid for big ticket projects. We are prepared to expand our presence in India with focus on creating sustainable solutions for water supply infrastructure. We are looking forward to receive more projects under the Jal Jeevan Mission and other relevant water supply schemes as well as to execute important irrigation projects. We are also keen in Clean Ganaa Mission to contribute with sustainable and modern wastewater treatment plants and sewerage network facilities. In essence, our plan for long term is to make SPML Infra the numero-uno in Indian water sector. E