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## Building India 2.0

Infrastructure remains the biggest shape shifter and mainstay of any nation's economy, health and security. The current government has left no stone unturned to overcome these challenges and unveil the new version of India for its people reports **ROHAN AMBIKE.**

Over the years, the speed of road construction had become the benchmark for India's infrastructure creation. Now, the Narendra Modi government has set in play a new integrated infrastructure programme, which involves building of roads, railways, waterways and airports.

The centre has also been trying to leverage roads, railways and waterways to bring India's logistics costs down to 8 per cent to make the economy competitive. Since long, India has been grappling with high logistics costs of 14 per cent (as a percentage of cost of the product), which make exports uncompetitive vis-à-vis those of China, where logistics costs add up to just about 8-10 per cent.

### **Bharatmala**

After years of dedicated performance in nation building, the government was of the opinion that the National Highways Development

Program (NHDP) has reached a certain level of maturity. Additionally, there was a need to re-define road development and have a macro approach while planning expansion of the national highways network. Hence Bharatmala has been launched as a new umbrella program whose primary focus is on optimizing the efficiency of the movement of goods and people across the country. This program envisages a corridor approach in place of the existing package-based approach which has, in many cases, resulted in skewed development.

Transportation networks and their maintenance have a major role to play in the development of any nation. The same is true for a diverse nation like ours- India. The project, which was cleared in late October 2017 is the second largest highways construction project in the country since NHDP, under which almost 50,000 km or highway roads were targeted across the



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country. Bharatmala will look to improve connectivity particularly on economic corridors, border areas and far flung areas with an aim of quicker movement of cargo and boosting exports.

The project will build highways from Gujarat and Rajasthan, move to Punjab and then cover the entire string of Himalayan states - Jammu and Kashmir, Himachal Pradesh, Uttarakhand - and then portions of borders of Uttar Pradesh and Bihar alongside Terai, and move to West Bengal, Sikkim, Assam, Arunachal Pradesh, and right up to the Indo-Myanmar border in Manipur and Mizoram. Also, there has been special focus on providing road connectivity to the border and the internal rural areas which include most of the tribal and backward areas.

This massive programme will connect 550 district headquarters (from current 300) to minimum 4-lane highway by raising the number of corridors to 50 (from current 6) and move 80% freight traffic (40% currently) to national highways by connecting 24 logistics parks, 66 inter-corridors (IC) of total 8,000 km (5,000 mi), 116 feeder routes (FR) of total 7,500 km (4,700 mi) and 7 north east multimodal waterway ports.

Inter-corridor and feeder roads to National and Economic Corridors Around 8,000 km of inter-corridor and around 7,500 km of feeder routes have been identified out of which 6,000 km are being taken up in Phase-I of Bharatmala.



Total likely investment in Andhra Pradesh is ₹ 1 lakh crore for development of national highways including about 2,520 km of roads amounting to ₹ 44,000 crore under Bharatmala. There are 53 focus projects of ₹ 33,042 crore were planned for completion during 2018-20 and 27 were under implementation with investment of ₹ 83,713 crore. Thirty-eight projects with investment of ₹ 74,000 crore are under various stages of development. Further, DPR is under preparation for 23 projects worth ₹ 4,151 crore. Additionally, 6 road projects and nine industrial clusters were planned for the state under Sagarmala programme in the state. Under the coastal community development programme, Center of Excellence for Maritime & Shipbuilding was being set up in Vizag with total cost of ₹ 574 crore. The DPRs had been prepared for five fishing harbor projects worth ₹ 1,500 crore under Sagarmala.

**NITIN GADKARI,**  
MINISTER OF ROAD TRANSPORT AND  
HIGHWAYS OF INDIA



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### National Corridors

Under the National Corridors, there are in all 6 high volume corridors which include 4 in Golden Quadrilateral and 2 in North-South and East-West Corridors. Including Mumbai - Kolkata Highway (NH6), known as East Coast - West Coast Corridor, that carry 35 per cent of India's freight. Under this program, the government has planned an expansion of 6 lane highways to 8 lanes, construction of ring roads, bypasses and elevated corridors. All this will be done in order to decongest the National Corridors. Further, Logistics Parks would also be developed at strategic locations to enhance logistics efficiency. Around 5,000 km are being taken up under this category in Phase-I of Bharatmala. Additionally 3,300 km (2,100 mi) of border roads and 2,000 km (1,200 mi) international highways will be built to connect 6 National Corridors to international trade routes. Through the National Corridors Efficiency Program (NCEP), decongestion of 5,000 km roads which involves decongestion of 185 choke points by 34 6-8 laning, 45 bypasses and 28 ring roads of 6 NC will be carried out.

### Border and International connectivity roads

The Bharatmala programme has also pressed for the construction of border roads which will be built along the international border, clearly for their strategic importance. Experts have predicted the



need of roads spanning 2,000 km for connecting India's major highway corridor to International trade points so as to facilitate Export-Import (EXIM) trade with our neighbours: Nepal, Bhutan, Bangladesh and Myanmar. Around 2,000 kms are being taken up under this category in Phase-I of Bharatmala.

### Coastal and Port connectivity roads

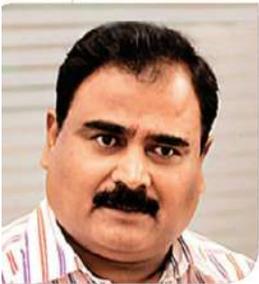
Costal roads stretching around 2,100 km have been identified and will be built along the Indian coastline. The construction of these roads is expected to boost both tourism and industrial development of the coastal region. Around 2,000 km of port connectivity roads have been identified to facilitate EXIM trade with an emphasis to improve connectivity to non-major ports. The roads identified have been synergized with the Sagarmala program. Around 2,000 km are being taken up under this category in Phase-I of Bharatmala.

### Green-field Expressways

Certain sections of National and economic corridors have traffic exceeding 50,000 PCUs and have also developed several choke points. About 1,900 km of these stretches have been identified for development of green-field expressways. Around 800 kms are being taken up under this category in Phase-I of Bharatmala.

### Recent developments

As per the latest news reports, the government has awarded projects for the construction of 6,320 km of road under the first



Contractors have already started pre-construction at the Mumbai- Nagpur Samruddhi Mahamarg. The entire project land is now with the government and compensation has s been given to around 90% of the affected farmers. Men and machinery have taken over a major portion of the proposed expressway. The construction plan profiles for 16 road phases are being set up.

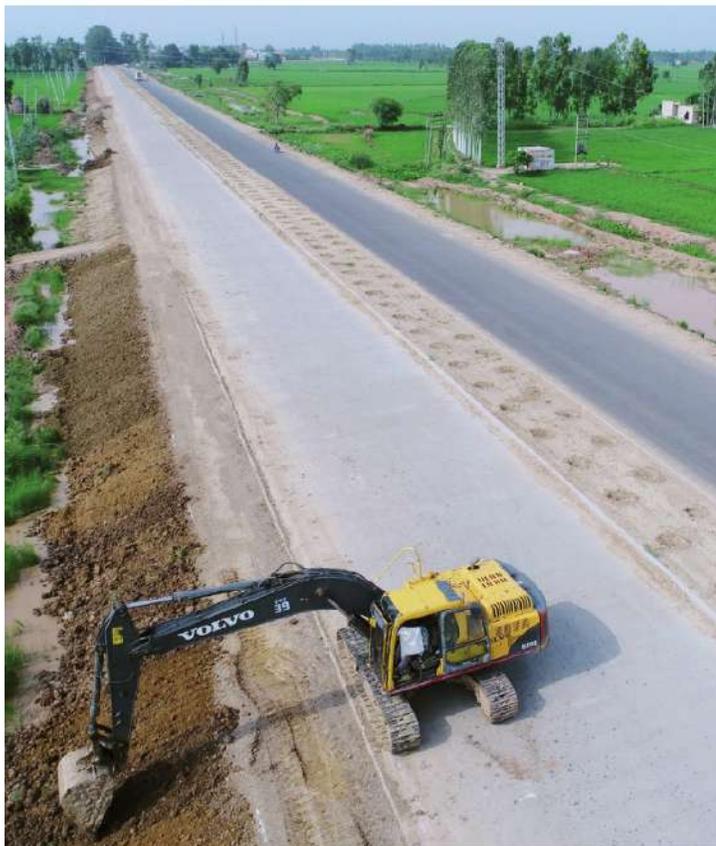
**Radheshyam Mopalwar,**  
Managing Director, MSRDC



"Several initiatives are taken up under Sagarmala Programme to promote Coastal Shipping. Inter-Ministerial Committee has been formed to resolve infrastructural/ policy constraints in coastal movement of coal, steel, POL, cement, food and fertilizers. Cabotage relaxation will also help chartering of vessels for coastal movement of cargo. MoS has funded 16 Coastal Berth projects costing ₹ 1200 crores. For transshipment of containers, discussion with shipping lines, port operators and industry

association is being continuously facilitated by the Ministry. At Ports, green channels with dedicated berths and gates are provided for handling coastal cargo."

**SANJAY BHATIA, CHAIRMAN, MUMBAI PORT TRUST**



phase. The financial implication for the same is estimated to be ₹ 1.44 lakh crore. While answering a question in the Lok Sabha during the monsoon session, Road Transport and Highways Minister Nitin Gadkari said, "Out of the total financial outlay of ₹ 5,35,000 crore allocated for Bharatmala Pariyojana Phase-I, projects with financial implication of approximately ₹ 1,44,300 crore for a length of about 6,320 km have been awarded." He further noted that these projects were awarded up to June 2018.



We have been awarded almost 20 projects till the end of March 2018. The total value of these projects stands at ₹ 25,000 crore. Amongst these projects, 12 are Hybrid Annuity Model and 8 projects are based on EPC model. From these, the largest project costing ₹ 4,500 crore project is the Bengaluru- Mysore highway. The financial closure of the project has already taken place and in the next two months the construction work will be initiated. In the same lot, we have another project at Vizag

amounting over ₹ 2000 crore which we have bagged and that has already started. These are some of the main projects that we are working on currently.

**DEVENDRA JAIN, ED AND CEO, DILIP BUILDCON LTD**

### Sagarmala

The Sagarmala Programme is a strategic ₹ 8.5 trillion (US\$120 billion or €100 billion) investment initiative of the Government of India entailing setting up of new mega ports, modernization of India's existing ports, development of 14 Coastal Employment Zones (CEZs) and Coastal Employment Units, enhancement of port connectivity via road, rail, multi-modal logistics parks, pipelines & waterways and promote coastal community development, resulting in boosting merchandise exports by US\$110 billion, and generation of around 10,000,000 direct and indirect jobs.

The Sagarmala Programme is the flagship programme of the Ministry of Shipping to promote port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. Sagarmala aims to modernize India's Ports so that port-led development can be augmented and coastlines can be developed to contribute in India's growth. It also aims for "transforming the existing Ports into modern world class Ports and integrate the development of the Ports, the Industrial clusters and hinterland and efficient evacuation systems through road, rail, inland and coastal waterways resulting in Ports becoming the drivers of economic activity in coastal areas."

### Port-Modernization under Sagarmala

Since about more than 90% of India's trade by volume is conducted via the country's maritime route, there is a continuous need to develop India's ports and trade related infrastructure to accelerate growth in the manufacturing industry and to assist the 'Make in India' initiative. India has 12 major ports and approximately 200 non-major ports administered by Central and State Governments respectively.

As per the studies conducted under the Sagarmala Programme, it is expected that by 2025, cargo traffic at Indian ports will be approximately 2500 MMTPA while the current cargo handling capacity of Indian ports is only 1500 MMTPA. A roadmap has been prepared for increasing the Indian port capacity to 3500+ MMTPA by 2025 to cater to the growing traffic. This includes port operational efficiency improvement, capacity expansion of existing ports and new port development.

Under Project Unnati, the global benchmarks were adopted to improve the efficiency and productivity KPIs for 12 major ports. Around 116 initiatives were identified across 12 major ports to unlock more than 100 MTPA capacity just through efficiency improvement. Out of which, 86 initiatives have been implemented to unlock around 80 MTPA capacity.

### Port Connectivity Enhancement

For any port, connectivity is the most crucial enabler. In simple words, the more connectivity to the port, the more business for the port. With the inclusion of modern technology and capacity building, the cumulative/ total capacity available at ports can



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match demand but will not be able to handle additional traffic if the evacuation to and from the port is restricted. Hence, it is very important for the major ports to be connected with the hinterland not only for smooth flow of traffic at the present level but also to meet the requirements of projected increase in traffic.

India's hinterland connectivity is mainly based on surface transport i.e. road and rail, wherein, domestic waterways (coastal shipping and inland waterways) playing a very limited role. Pipelines are predominantly used only for transporting crude oil, refined petroleum products and natural gas. In India, smooth connectivity to ports is even more important as the cargo generating centers are mainly in the hinterland instead of in the coastal region. The long lead distance increases the logistics cost and time variability within which the cargo can be delivered.

The Sagarmala programme will provide enhanced connectivity between the ports and the domestic production/consumption centres. More than 210 connectivity projects at an estimated investment of more than ₹ 2.44 lakh crore.

**Port-led Industrialization**

The main aim of Sagarmala is to cut down the logistics cost and time for the movement of EXIM and domestic cargo. Development of port-proximate industrial capacities near the coast, in future, is a step in this direction. In this regard, the concepts of Coastal Economic Zones (CEZs), Coastal Economic Units (CEUs), Port-Linked Industrial & Maritime Clusters and Smart Industrial Port Cities have been introduced.

Coastal Economic Zones (CEZs): CEZs could be spatial economic regions comprising of a group of coastal districts or districts with a strong linkage to the ports in that region. CEZs are also envisaged to tap synergies with the planned industrial corridor projects.

Coastal Economic Units (CEUs): CEUs will be specific industrial estate projects with a demarcated boundary similar to the DMIC nodes. The CEUs will house the industrial clusters / projects proposed within the CEZ.

Each CEZ will consist of multiple CEUs and more than one industrial cluster can be housed within a CEU. Within each industrial cluster there can be several manufacturing units. To accelerate the CEU development process, it is proposed that CEUs be prioritized in locations where land parcels are available in areas close to a deep draught port and with strong potential for manufacturing.

For promoting port-led industrialization, 14 Coastal Economic Zones (CEZs) covering all the Maritime States and Union Territories have been proposed. CEZ perspective plans have been prepared and Detailed Master Plans will be prepared for 4 pilot CEZs (In Gujarat, Maharashtra, Tamil Nadu and Andhra Pradesh) in the first phase of development. An Inter-Ministerial Committee (IMC) was constituted under the aegis of NITI Aayog for development of CEZs in India. The institutional framework for development of CEZs would be similar to the institutional framework adopted by DMICDC for development of industrial corridors and industrial nodes.

**Chenani-Nashri Tunnel**

Thanks to rapid advancements in engineering skills and technology, innovative ways have been found to meet growing transportation requirements across the world. Though engineers, project managers and architects are actively involved in identifying new modes of transportation like road, water, rail or air, connectivity through tunnels is also an important option in some cases. Such requirements are often seen while building networks in the hilly regions. One such engineering marvel is the Chenani-Nashri Tunnel project.

It is India's longest road tunnel with a length of 9.28 km (5.8 mi).



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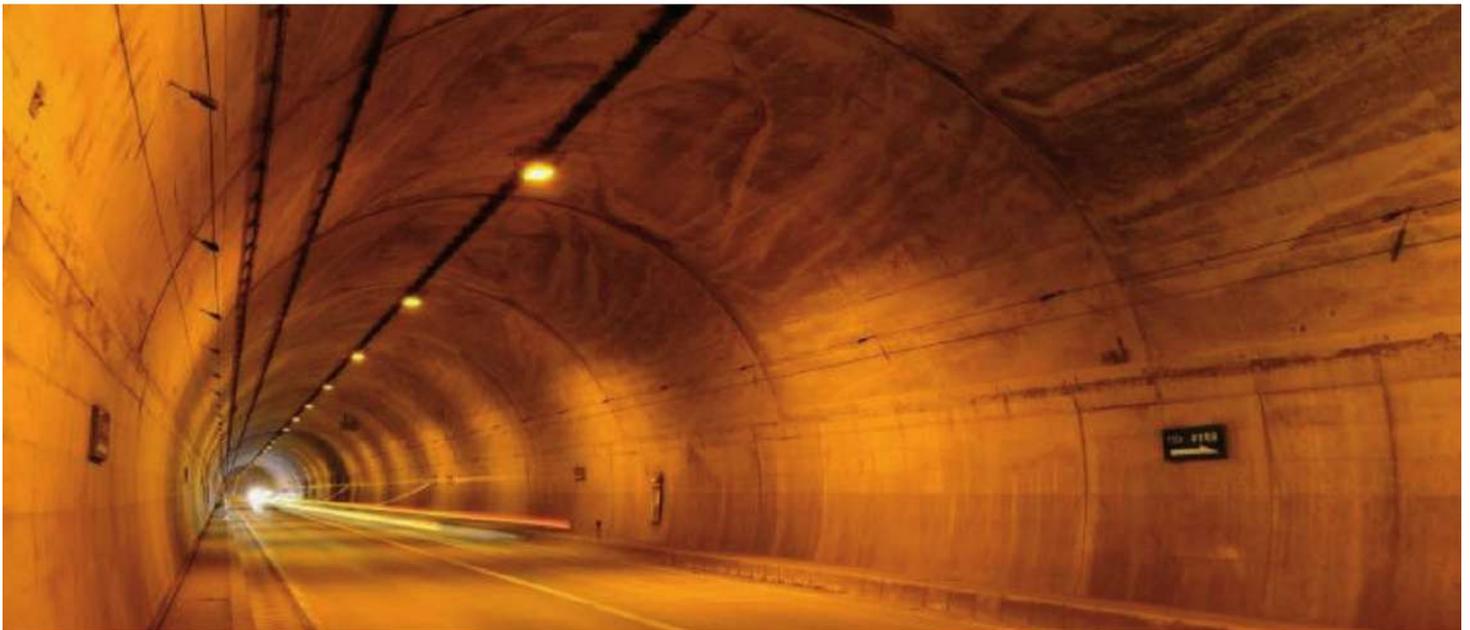
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It is the first tunnel in the India with a fully integrated tunnel control system. The tunnel reduces the distance between Jammu and Srinagar by 30 km and travel time by two hours. The all-weather tunnel bypasses snowfall and avalanche prone areas in winter at places like Patnitop, Kud, and Batote that obstruct NH 44 every winter and cause long queues of vehicles - sometimes for days at length.

#### Features and benefits

- The Chenani-Nashri tunnel comprises two tubes that run parallel to each other — the main traffic tunnel of diameter 13 m and a separate safety or escape tunnel of diameter 6 m alongside. The two tubes — each approximately 9 km long — are connected by 29 cross passages at regular intervals of every 300 meters along the entire length of the tunnel. These passages add up to about 1 km of tunnel length, and the main and escape tubes, plus the cross passages make up about 19 km of tunnel length.
- Since such a long tunnel could present the problem of a lack of oxygen, to ensure that there is no excessive carbon-dioxide build-up inside, there are several exhaust meters that will check the air all through the length of the tunnel. With inlets, every 8 meters, bringing fresh air into the main tube, and exhaust outlets every 100 m opening into the escape tube, the tunnel is the country's first — and the world's sixth — road tunnel with a transverse ventilation system.
- Transverse ventilation will keep tailpipe smoke inside the tunnel at a minimum level in order to prevent suffocation and keep visibility at acceptable levels, especially since the tunnel is so long. The 29 cross passages between the two tunnels will be used to evacuate, through the escape tunnel, a user who might be in distress or to tow away any vehicle that might have broken down in the main tunnel. A total of 124 cameras and a linear heat detection system inside the tunnel will alert the Integrated Tunnel Control Room (ITCR) located outside the tunnel to the need for intervention. In the case of a traffic violation, the Control Room informs the traffic police deployed outside the tunnel, who shall impose a fine on errant drivers on the spot.
- SOS boxes installed every 150 m will act as emergency hotlines for commuters in distress. To connect to the ITCR to seek help, one would only need to open the door of the SOS box and say 'Hello', said an executive of the project. Commuters can use their mobile phones inside the tunnel. To prevent diminution of vision as a result of change in the light while going in or coming out of the tunnel, the lighting inside has been adjusted at a gradient of luminous strength.
- The tunnel is built with fire safety measures. As soon as sensors detect fire, a safety protocol will kick in, and the pushing of fresh air will stop and only exhausts will function. Longitudinal exhaust fans installed at regular intervals will concentrate on 300 m on either side of the fire, pushing the smoke upward. Ambulances or vehicles carrying foam will rush through the escape tunnel to evacuate commuters and fight the fire.
- The heat detection system inside the tunnel will record rises in temperature in the tunnel — the result of excessive emissions which may be caused by one or more vehicles. In such cases, the ITCR will get in touch with staff inside the tunnel, and the offending vehicle will be pulled over into a lay-by and subsequently removed by a crane through the parallel escape tunnel.





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### Zoji-la Tunnel

Zoji La Tunnel is a 14.2 km long road tunnel under Zoji La pass on the Himalayas between Sonmarg and Dras town of Kargil district of the Indian state of Jammu and Kashmir, currently under construction. The tunnel along with 6.5 km long Z-Morh Tunnel, (which is 22 km before Zoji La tunnel towards Srinagar) will ensure year-long road connectivity between Srinagar and Leh which currently remains closed for about seven months due to heavy snowfall on the Zoji La pass which is situated at an altitude of 3,528 m (11,578 feet) on Srinagar-Kargil-Leh highway.

Zoji La is 15 km from Sonamarg and provides a vital link with Drass and Kargil in Ladakh but remains closed during winters. The Zoji La tunnel project was approved by the government of India in January 2018 and the commencement of its construction was inaugurated by the prime minister in May 2018.

### Features

- The Zoji La tunnel will be the longest bi-directional road tunnel in Asia. Its construction period will be five years because of a very difficult terrain where in some areas the temperature drops to minus 45 degree Celsius.
- The project aims at construction of 14.2 km long two-lane bi-directional single tube tunnel with a parallel 14.2 km long egress tunnel between Baital at about 3,000 m altitude, about 15 km east of Sonmarg towards the Srinagar end and Minamarg towards the Dras / Kargil end. The length of the tunnel does not include the lengths of the approach roads to both ends of the tunnel from the existing highway.
- Planned as a smart tunnel, it will have the latest safety features such as fully transverse ventilation system, uninterrupted power supply, emergency lighting, CCTV monitoring, variable message signs, traffic logging equipment and tunnel radio system.
- The safety features will include emergency telephones and fire-fighting cabinets at every 125 metre, pedestrian cross-passages at every 250 metre and motorable cross passages and lay-bye at every 750 metre.
- The civil construction cost of the project is ₹ 49 billion. The total capital cost of the project is ₹ 68 billion. It includes the cost of land, resettlement and rehabilitation and other pre-construction activities as well as maintenance and operation cost of the tunnel for four years.
- Defense forces have to face a hard time ensuring supplies to border posts during winters across Zoji La pass which is most strategic for the entire Kargil sector which has seen intrusion and war in the past. The tunnel will help keep the highway open the entire year.



### Affordable housing for all

Every individual dreams of having his own home. With the government thrusting for its 'Housing for all by 2022,' scheme, the market for affordable housing has shot to new heights. However, it should not remain a mere political carrot to lure the citizens of the country. Most estimates believe that real estate in India will touch the \$180-200 billion mark by 2020 and is expected to grow by 30 per cent over the next decade.

### Current Scenario

One in every five houses sold in India now costs less than ₹ 25 lakh — the affordable category. With government doling out housing subsidies for the economically weaker sections and increased focus of the developers on the segment, the contribution of affordable houses to total residential sales has gone up to 21 per cent from just 8 per cent three years ago, numbers from real estate consultancy Liases Foras show.

In the Union Budget for 2018-19, presented by Finance Minister Arun Jaitley in Parliament on February 1, the allocation for the EWS and the LIG has been increased to ₹ 10 billion. Even for the current financial year (2017-18), the subsidy amount has been doubled to ₹ 8 billion. On the other hand, the allocation for MIG in 2018-19 is ₹ 9 billion — lower than the planned FY18 allocation (₹ 10 billion). For this year also, it has been revised downward to ₹ 6 billion.

Real estate and its allied sectors are the second largest employers in India, next only to agriculture. Most estimates believe that real estate in India will touch the \$180-200 billion mark by 2020 and is expected to grow by 30 per cent over the next decade. The importance of the housing sector can be gauged from the fact that it alone contributes about 5 per cent of the GDP. Despite a robust growth in demand for low cost homes, 90 per cent



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of their supply in India is coming from small and informal developers.

Several large and mid size builders still remain unsuccessful in providing homes to low income customers, said a report by consulting firm FSG and National Housing Bank (NHB). The report 'State of Low-income Housing Finance Market' released at the start of the year said the loan books of affordable housing finance companies in India have grown manifold in a span of five years. From a combined loan book of close to ₹ 1,000 crore in March 2013, it has shot up to over ₹ 27,000 crore at an average loan ticket size of ₹ 9.3 lakh and "facilitated the ownership of more than 230,000 affordable homes, the report said.

Experts have predicted that the low income housing finance is expected to grow at 30-40 per cent over the next five years. As per the report, 62 per cent of the new housing finance is being used to fund self constructed standalone houses while 38 per cent of financing from affordable housing finance companies (AHFCs) is taken up by low-income customers to "purchase apartments, often in areas with higher land costs, where self-construction is less affordable."

The report pointed out that large and mid-sized formal developers have largely been "unsuccessful in supplying affordable housing

to low-income customers" as projects tend to be more expensive and located further away from the city in less desirable locations. "These distant locations also may lack infrastructure and require large investments, which further shrink the already low margins of such projects," the report said.

While 1 per cent of the low housing supply comes from large and branded developers, around 9 per cent of the supply are built by mid-size and formal developers. The rest 90 per cent of the supply came from small and informal developers who typically construct small projects on the outskirts of cities, like in the jurisdiction of Gram Panchayats.

It is also a well assumed, that there is a good chance of the urban household living in slums could provide an opportunity for housing companies to expand their reach as slum dwellers comprise 17 per cent of the urban population. In total around 14 million urban households live in slums with poor living conditions. According to recent data records, the estimated market for housing loans in notified slums is about ₹ 23,000 crore.

#### **Conclusion**

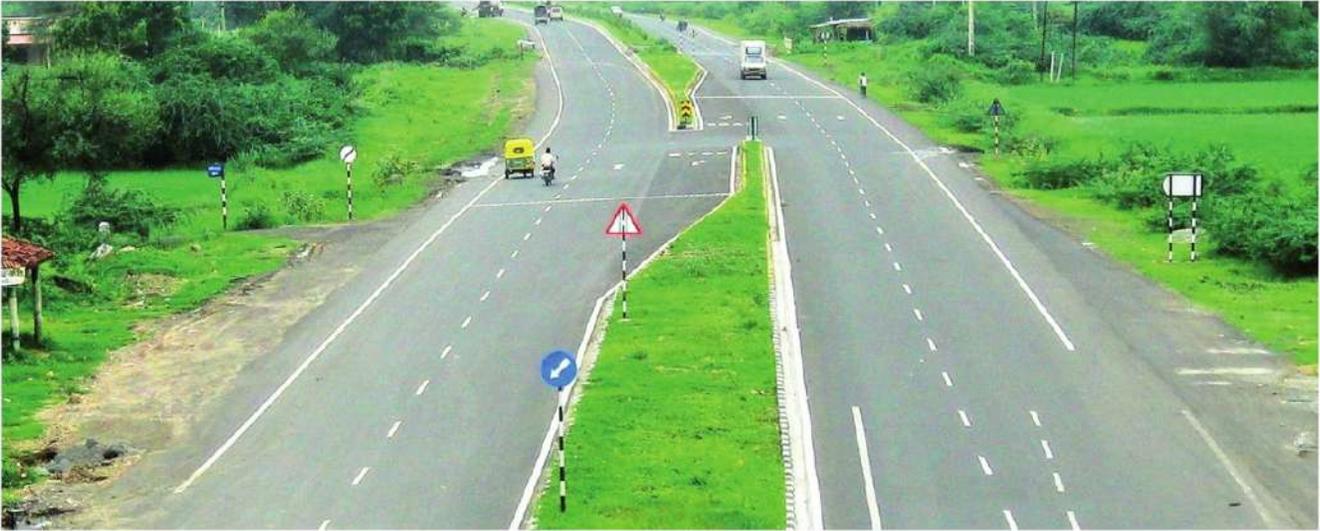
With the massive projects in the making, it can be said that the government is poised at building a new and developed India. ◆



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## Financial discipline is the key to our success

Dilip Buildcon Ltd (DBL) is one of the leading Public sector road-focused EPC contractors in the country with a track record of completing over 95 per cent of the projects well ahead of schedule in the last 15 years. The company is present across the country in diverse areas such as roads, bridges, water sanitation, sewage, irrigation, industrial, commercial and residential buildings. **DEVENDRA JAIN, EXECUTIVE DIRECTOR AND CEO, DILIP BUILDCON LTD** spoke to **ROHAN AMBIKE** about the recently bagged Silver Award, the company's all round performance, strategies to avoid delays and overruns in completing projects, the financial strategy employed and his take on the budget.



**Dilip Buildcon recently bagged the 'Silver Award at the National Highway Award for Excellence, 2018'. Can you tell us more about this award?**

Dilip Buildcon Ltd received the 'Silver Award at the National Highway Award for Excellence, 2018' by the Ministry of Road Transport and Highways, Government of India. This award is a testimony of company's hard work and outstanding performance towards Excellence in Construction Management (PPP). The company is pleased to have risen through the ranks in such a short time. Every year our company grows stronger and every year we continue to consolidate on our success.

We have completed this BOT project amounting ₹ 1,100 crore and we bagged this award as the best project management company. The

project was completed a year before the scheduled time. The entire team of the Ministry of Surface Transport had come down to evaluate and review the construction, the quality and conducted the tests for the test reports. It was through this entire gruelling process that we were selected for the award.

**In terms of an all-round performance of Dilip Buildcon and the road and infrastructure, how was 2018 as a year?**

The year 2018 was a good year and there was a considerable amount of projects awarded in the year. However if one looks at the other prospects that need to be considered while working on the project, the year 2018 has been a slightly negative one. There were some challenges in terms of financial



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closures and with some of the banks turning negative for financial closures and for the overall infrastructure sector, the year was a tough one. Additionally, even the foreign investors were partially sceptical. Hence according to me, the year was an average one for the infrastructure sector.

**In the last few years there has been a tremendous growth in the infrastructure and road construction projects. Your company has been a part of a range of projects. Tell us about some of the prominent ones.**

We have been awarded almost 20 projects till the end of March 2018. The total value of these projects stands at ₹ 25,000 crore. Amongst these projects, 12 are Hybrid Annuity Model and 8 projects are based on EPC model. From these, the largest project costing ₹ 4,500 crore project is the Bengaluru- Mysore highway. The financial closure of the project has already taken place and in the next two months the construction work will be initiated. In the same lot, we have another project at Vizag amounting over ₹ 2000 crore which we have bagged and that has already started. These are some of the main projects that we are working on currently.

**However along with the growth, around 358 worth ₹ 3.53 lakh crore have cost overruns. What are the reasons for the cost overruns and what remedies need to be taken to avoid such delays and overruns in completing the projects?**

The main reason for the cost over runs and the subsequent delays is the subcontracting the goes on over almost every project. The company's who take up the projects, generally sub contract the project to a contractor who is not organised to the level. If any of the players want to save themselves from the problems of cost over runs and the subsequent delays, I strongly feel that they should increase their strength in terms of manpower; they should have a considerable equipment bank at their disposal. It will be only through this and not subcontracting those projects will complete in time. It is on the basis of the credentials of the company that the government awards projects.

DBL is known for early completion. The basic reasons for this are we do not fully or even partially subcontract to anyone. Another positive factor is that we carry out the work entirely with the equipments that we own. This saves time and also we can concentrate the manpower and the equipments in completion of the work. This has helped us complete over 95 per cent of the projects well ahead of schedule in the last 15 years of our existence.

**Can you detail us regarding the financial strategy employed for the projects and challenges faced for the same.**

We are very clear with our financial strategy irrespective of the project or its type. We use the entire working capital limit of the banks for construction and infrastructure alone. We do not divert our financial assets. In the case of committed equity with us for say the HAM project contracts that we have bagged, from the projects that we sell to the investors, we make use of this and then bid for the next projects. In a way, we are financially disciplined for any project. In case if the projects are being completed in advance, the overrates also get reduced and that helps financially as well.

**Could you also name a few partners who are supporting you in the project's execution?**

At DBL we are solely involved in the projects. We have contacts with the vendors who supply us with steel, bitumen and cement from the company's run by the government. We obtain bitumen from IOCL, BPCL and SPL. Steel is provided to us by Jindal Steel and Tata Steel. Our cement demands are met from Ultratech, JP Cement. These are our basic partners in terms of providing raw material, while the rest work is done by us at DBL.

Additionally, in terms of equipment requirements, we are the biggest customers for equipment players like Caterpillar, Schwing Stetter and Ashok Leyland. Hence the fleet and equipment demands of us are met from the top players in that range.



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**Projects often face delay owing to lack of land, environment or forest clearance or funds. Share your experience on these. How do you strategize to ensure hassle-free completion?**

Land acquisition and environment and other clearances have been a problem in India since a long time. Also, the process is very slow when it comes to land acquisition. However our thought process is different from others. We plug-in our own team along with the government which increases the speed of the acquisition process. For example, if there is land acquisition that is currently going on for a project, we work along with the NHAI and other officials in the basic ground work of getting the clearance on time or rather before time and push the process towards positivity in getting the work done.

**Future outlook for 2019 as the elections are due in March.**

The impact of the election year is that the pace of ordering will reduce for a certain period after the code of conduct is issued.



However currently NHAI has orders amounting over ₹ 1 lakh crore already in pipeline and are going to be issued once the code of conduct is lifted. We have been working in almost 17 states and have worked with various regional governments. Today, no one wants the growth of infrastructure to be hampered and hence though the ordering will slow down, once after the forming of the new government, the pace of ordering will be back in full swing. This is expected to happen in June or July.

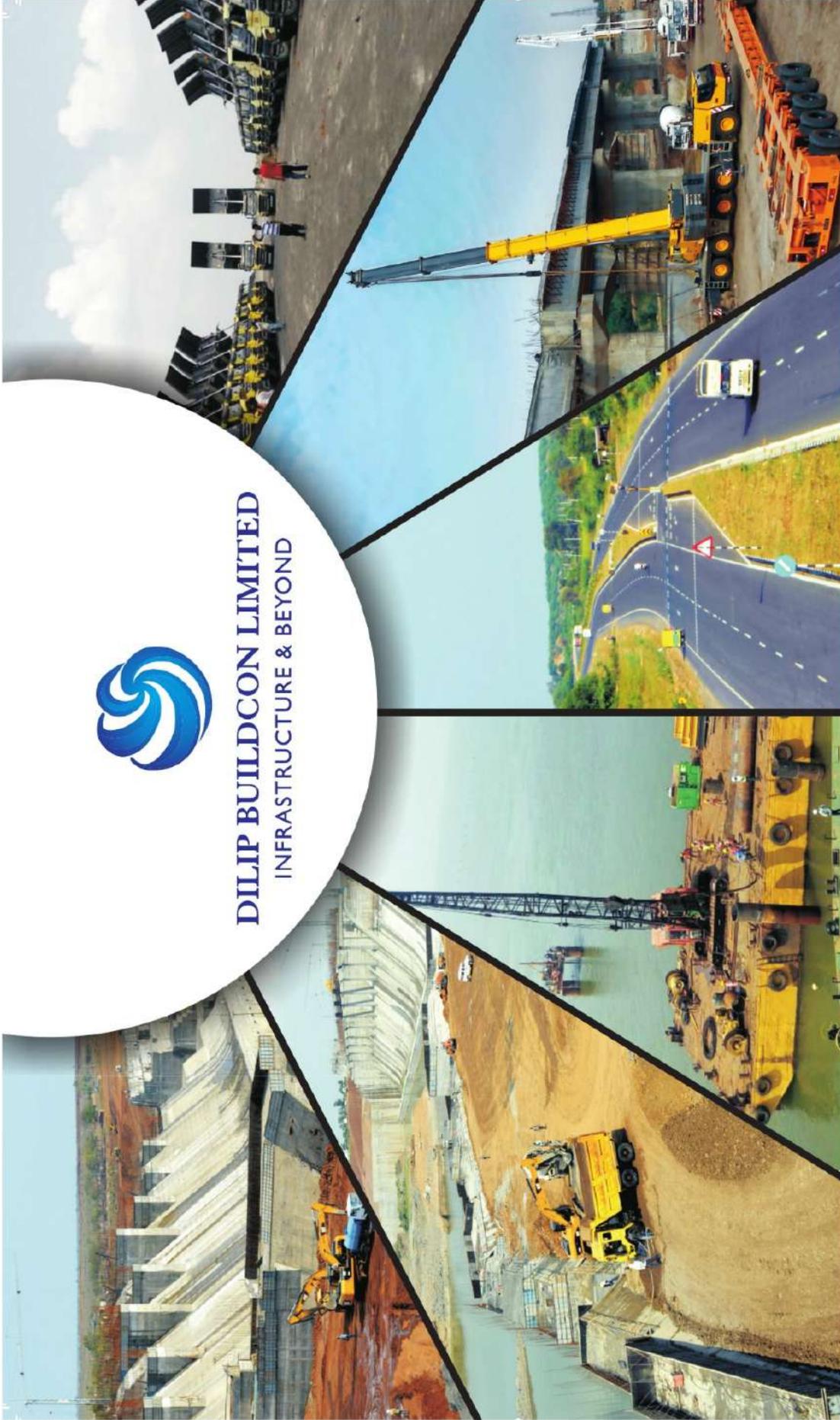
**Your take on the budget FY19-20 which was recently tabled?**

As an infrastructure major in the country, it is a good thing that they have increased the allotment in national highways and the roads ministry. Overall one can think that the growth of infrastructure is the prime aim of the government. In the next financial year I expect a good budget for the infrastructure sector looking at the amount of projects in pipeline.





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