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Issues like land acquisition, statutory clearances, red-tapism, power struggle between different agencies as well as between the private sector and government, among others made PPP an unviable business model says **SHANTANU KARKUN**, President & CEO, Buildings and Infrastructure, Punj Lloyd in an interaction with EPC World



A recent report by CRISIL states that status of road projects awarded in the last fiscal shows an unprecedented pick up in execution amid a proactive government and faster approvals by implementing agencies. What it means for roads & highways sector in general and Punj Lloyd in particular?

The overall sentiment in the infrastructure sector is upbeat after the advent of the new Government. Government's focus on development of roads and highway in particular, coupled with the much needed ordinances have given reason to EPC companies like Punj Lloyd to be optimistic about the future. The increased focus on quality and the direction to provide 'the 'joy of riding' on India roads will give an impetus to contractors like Punj Lloyd where quality is the prime driver for project execution.

What specific policy initiatives do you think are needed to make roads & highways sector a vibrant one?

The government is determined to push ahead with policy changes. It is trying to ease the process to award projects and push through held-up works. The recent ordinance on Land Acquisition was welcomed by industry and experts. It is now time so see how these changes will reflect in the working going forward. The funding issue for road projects also needs to be looked into immediately.

The Central Government has plan to convert all major state highways into national highways and work on this would commence before the end of this year. What kind of opportunity it may create for you people?

This was a good move to improve accessibility and connectivity of these regions. For any EPC company, this would directly translate into greater opportunity for construction of quality highways. Punj Lloyd has rich pan India experience, having delivered high quality highways under the Golden Quadrilateral, East West corridors and other state highways.

In the first two years of the ongoing 12th Plan (2012-2017), the enthusiasm of private companies in setting up highways through the PPP route declined sharply. What are the reasons behind it? According to you, which model is more viable EPC or BOT for roads & highways? And why?



Belgaum-Maharashtra Road Project

Though this model was good, adequate attention was not given to financing these projects. Besides, issues like land acquisition, statutory clearances, red-tapism, power struggle between different agencies as well as between the private sector and government, among others made PPP an unviable business model. The risks of PPP were a strong deterrent to infrastructure players.

What are the key opportunities and challenges in the Indian Roads & Highways sector?

The lack of coordination between government agencies, issues like land acquisition and funding have been the bottlenecks in this sector. The Government is paving the way for opening up infrastructure sector to promote economic growth through a series of initiatives and is working on policies to attract significant investor interest.

The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE) division, and has set an objective of building 30 km of road a day from 2016. Also, about two-thirds of NHDP road projects have not been awarded as yet, thus offering a massive opportunity to private players in future.

Brief us on important road projects being undertaken by you?

Punj Lloyd is one of the largest construction companies in Highways in India. We have built sections of the Golden Quadrilateral, strengthening India’s infrastructure and East West corridor, again a national infrastructural dream made

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President & CEO, Buildings
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real. Over diverse terrain and regions dominated by incessant rain, we constructed some of the most beautiful highways under the Golden Quadrilateral where vehicular traffic moves at speeds of 100 km/hr, enjoying both the comfort of well-built roads and the breathtaking sight of India’s

unique flora. Punj Lloyd has recently secured an EPC highway contract worth ₹ 666 crore from the Ministry of Road Transport & Highways (MoRT&H) for 90.586 km of the Asian Highway (AH) Network, a cooperative project for improving transport facilities throughout 32 nations and providing road links to Europe.

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