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Bridging the infra gap



Afcons Infrastructure has achieved renown as a two star export house with a flair for the techno. The ISO 9001 -2000 certified company with a dedicated set of 1269 professionals, including 800 qualified engineers, has a presence in 5 countries. Ergo, K Subrahmanian, Managing Director, Afcons Infrastructure Ltd, has ample reason to be proud of. Two years ago he was conferred with the Bharat Shiromani Award for his outstanding contributions in the field of Construction & Infrastructure Industry.

Since then the company has travelled quite a distance - it has registered a top line growth in excess of 25 per cent. Afcons profit before tax has zoomed by over four times as compared to the previous years - there has been an increase from 3.4 crore to 14.9 crore. If statistics are any indication the company has much to look forward to.

Excerpts from an interview to JUHI SHRIVASTAVA

You have been involved in a variety of projects like the Airoli bridge, the State Highway in Andhra Pradesh, shopping malls, Calcutta Metro railway tunnel, underground station and tunnel at New Delhi's Barakhamba to name a few. Where does your expertise lie?

Traditionally the company has been known for its skills and expertise in foundation and marine works. However, over a period of time we have developed skills and expertise in bridge, roads and specialised projects like LNG tanks etc. Of late, we have got into hydro, underground works and piping. Technical innovation is the key competency in Afcons apart from key customer relations.

What are the challenges that you have faced while executing your projects or bidding for it and how you tackled the same?

The major challenges we face while bidding are high volatility in cost of major inputs such as cement, steel, asphalt etc, stiff competition resulting in pressure on margins, order booking at competitive prices for securing entry into the high growth infrastructure sector etc. These are mainly tackled by direct involvement of top management in technology innovation, discussions with clients and empowering of the site project team.

Have you come across any failures?

Every company come across good and bad phases. Our testing times are gone. Yes, we have also failed in certain projects, like others. There were some failures in some of our road projects, mainly due to delay in acquisition of land, diversion of utilities etc. These are addressed continuously with discussions with clients.

Are you using innovative techniques and technologies in your current projects?



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Use of innovative technology has been the hallmark of Afcons. We are the first to introduce many such methods in India, like pneumatic well sinking method. We have launched pre-cast girder weighing 1200 MT, adopted top down technique in constructing underground metro station at Barakhamba for DMRC. We made the deepest diaphragm wall of 70 m depth at Somasila, and underwater pile crushing etc.

What is the status of the over bridge rail project on the Sone River, Highway projects in Karnataka and Chennai and the Chenab bridge in Jammu & Kashmir?

As far as special bridge across river Chenab in Jammu & Kashmir is concerned, this is the single largest contract ever awarded by the Railways costing Rs. 512 crore. Its height is 359 m from bed level. This is the highest structural steel arch railway

bridge, higher than Eiffel Tower by 60 m. It is a 485 m trussed steel arch. A bridge of such a feature has not been constructed in India so far. Special construction techniques are being adopted to construct this bridge involving fabrication and erection of 25000 MT of structural steel. Special tailor made cable way cranes (2 X 20 T) are being installed for the erection of steel arch in addition to 2 nos 100 T capacity derricks. The bridge is designed for 120 years with mechanised provisions of instrumentation. This bridge is being designed to aesthetically merge with the environment.

Any JVs and BOTs?

We have formed joint ventures with major international companies in the past like Dywidag (Germany), IHI (Japan), Bechtel (USA), Diamond offshore(USA), Shell Inc (Holland), Besix (Belgium) FCC (Spain), Kajima(Japan) and Per Ashlaf (Danish) and in future too joint ventures will be formed to execute high value projects which are going to be the fashion of the day. As far as BOT projects are concerned, SPV has been formed by our parent company SPCL to tackle major BOT projects wherein our role will be that of civil contractor.

How do you manage cost control for material and its quality?

Our method of achieving cost control while maintaining quality is by devising innovative cost cutting measures, by continuously improving on technical know how, by timely completion of projects, by avoiding unnecessary wastage of materials and by avoiding defective works.

What are the challenges of marine construction?

Marine jobs are highly specialised in nature needing much advanced equipments and experienced personnel. You face number of challenges in marine construction. Difficult environ-

mental conditions are one of the biggest challenges faced in marine construction. Frequent tidal waves and high sub surface water currents are major hurdles faced in marine works. Also getting experienced manpower in this sector is quite difficult.

How have things changed with your company after becoming part of Shapoorji Pallonji?

While Afcons is traditionally a techno-savvy company, the entry of Shapoorji Pallonji has made Afcons into a techno commercial company. Further SP's finances have helped Afcons to gain entry into the bigger league. Also SP has been strong on overseas markets and overseas strategy could be integrated with Afcons becoming a part of SP's group. The strong ethical values of the group got mixed into the organisation. We want Afcons Infrastructure to be a creative organisation, where the creativity of employees is fully exploited.

What is your company's growth plan?

In the present infrastructure



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development scenario, the company will easily achieve 30 to 40 per cent growth every year. Immediately we hope to achieve 40-50 per cent growth in the current and next year and delivery of this is a near certainty. We have drawn up a strategic action plan, which aims to achieve the above targets. The company aims to be one of the leading infrastructure companies with a transnational presence. One of the key mission of the organisation is to create all round satisfaction and happiness for its stake holders - clients, employees promoters, subcontractors, suppliers etc. In fact, we are confident that we will achieve leadership in this area.

Comment on the salary hike and problem of recruitment and training in the industry?

The steep salary increase witnessed in the recent past is due to shortage of manpower as result of exceptional growth witnessed in the construction industry. Attracting and retaining of talent would in fact become the key success factor for construction companies in future.

It doesn't matter a lot, how much a company pay to their employees but there is dearth of internal happiness among the people, lack of energy and enthusiasm to work for an organisation. I want to achieve "leadership in internals". I want Afcons to be best in providing internal happiness to their employees.

Your suggestions to the government...

There is need to make improvements in contract terms and conditions. Today there is major failure in contract administration. Structural changes are required in government system. Reframing of delegations and authorities is needed. In short administrative reforms are needed in government for project reforms.