



**AFCONS**

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**Shapoorji Pallonji**  
Built to last...since 1865

# INSIGHT

**2024**  
**OUR YEAR TO SHINE**

# Let 2024 be the start of our Vision 2027 journey

## Dear Afconians, Happy New Year!

The year 2024 holds great significance for us as we navigate through emerging areas and ongoing strategic initiatives. This is going to be a game-changing year for the company. In addition to the ongoing strategic initiatives, our focus areas encompass organisational changes, technological evolution, safety enhancements, and strides in ESG commitments.

As communicated from time to time, we have made certain organisational structural changes. These changes are made to manage growth, foster leadership progression, develop our second line of leadership and providing executives with leadership opportunities. These changes will continue as per the organisation requirements. We are placing heightened emphasis on employee productivity, and if necessary, we are prepared to make tough decisions to ensure our collective success.

Sustainability remains a key focus, and, in 2024, we are proud to announce the publication of our maiden ESG report. Afcons being an international organisation, has always put strong emphasis on all three aspects of ESG - namely Environment, Social and Governance. Our commitment to aligning processes for long-term sustainability is unwavering. Employee safety and wellbeing are paramount, and our goal to be among the top 10 organisations in safety globally drives our commitment to a secure work environment. We have provided respective teams with necessary support and budget to make this possible. I am happy to share that many actions in this regard have already been taken.

Despite the prevailing global uncertainties, our vision remains global. We stay firm in our identity as an international organisation, adapting and evolving in the face of challenges. We continue to identify newer opportunities in our business segments across geographies.

All these facets will be instrumental in propelling Afcons towards our vision of a sustainable, profitable growth and becoming a ₹25,000 Cr organisation by 2027.

At the start of 2024, I invite each one of you to be an active participant in shaping this vision, a future that is promising, sustainable, and aligned with our core values and aspirations.

Together, let's enjoy the new year while working towards making Vision 2027 a remarkable reality.



**K SUBRAMANIAN**

### Maldives' President visits GMCP

On November 22, 2023, the newly elected President of Maldives, Dr Mohamed Muizzu, visited the Greater Male' Connectivity Project (GMCP) to oversee its progress. Accompanied by Vice President Mr Uz Hussain Mohamed Latheef, Cabinet Ministers, and senior government officials, President Muizzu toured different sections of the GMCP. During the visit, he inspected ongoing work and reviewed the project's advancement. The Afcons' team, led by Project Director Mr RVR Kishore and Project Manager Mr SM Viswamurthy, was present for the occasion.



### HCI visits Tanzania Water project

From October 29-30, 2023, His Excellency, Mr Binaya S Pradhan, High Commissioner of India to Tanzania, visited Afcons' water supply project in Kilwa Masoko, Tanzania. During his visit, he conducted a comprehensive review of the project sites in Kilwa Masoko, Lindi region, supported by the Government of India. Accompanying him were Mr Manoj Verma, Head of Chancery, Mr Narender Kumar, Second Secretary at the High Commission of India, Mr Christopher Nyubiaqui, District Collector of Kilwa, and other officials. Leading the Afcons' team was Mr Dhaval Soni, Head of East Africa. The distinguished guests were given a guided tour of the ground service reservoirs and the ongoing construction of the water treatment plant by Afcons.



### Gujarat CM visits Ahmedabad Metro

The honourable Chief Minister of Gujarat Shri Bhupendrabhai Patel visited and inspected Ahmedabad Elevated Metro project, at Gandhinagar, on December 8, 2023. He reviewed the project progress and was given detailed information about Narmada Canal extra-dosed bridge, and Sabarmati Segment bridge. Mr VJ Pai, Project Director, Mr Vivek Kharya, Project Manager, along with the Afcons' project team guided the dignitaries.



### EDITORIAL

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## CONTRACTS

# BALANCING COMPLEXITIES

In infrastructure business, the importance of a balanced and watertight contract cannot be overstated. Contracts form the backbone of project success, providing a comprehensive and clear legal framework that governs all aspects of a project. In an industry characterised by large-scale investments and complex, long term projects, contracts are crucial in fostering trust among stakeholders, ensuring regulatory compliance, and safeguarding against unforeseen challenges. **Mr R Ramkumar, Vice President – Contracts,** analyses the most common contract issues in the industry and discusses remedial steps for swifter and impartial resolution. Select excerpts...

It is often said that contracts in the infrastructure sector tend to be in favour of clients, with majority of liabilities being passed on to contractors. Can you provide some examples to illustrate this point? This really is a question of perspective, as the sharing of risks and liabilities depends very much on the type of contract. At present, most of the public sector employers are opting to award works on the Engineering, Procurement and Construction (EPC) model where the whole point is to basically shift the foreseeable risks upon the contractors. That's just how the EPC model works.

However, problems get complicated when employers unduly shift the burden of genuinely unforeseeable/unpredictable difficulties upon the contractor. For example, most contracts, today, do not provide for compensation on account of delays due to unforeseeable geological/sub-surface conditions. Our view is that the risks in relation to events, which can neither be predicted by the contractor based on scientific method, nor is there a way to quantify the impact of such delays without running the risk of unduly inflating the bid, should not be allocated to the contractor and should be compensable.



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## MD'S COLUMN

# Strong strides, Bold visions

## Dear Afconians, Happy New Year!

As we say goodbye to 2023, let's celebrate the valuable lessons it has provided and eagerly embrace the exciting opportunities that the new year holds. While the past year presented a mix of challenges and achievements, we view meeting our targets as a stepping stone to future success. Despite a more subdued order booking, we remain optimistic, anticipating the closure of the financial year with some significant and promising projects ahead.

Our company stands on a clear roadmap — Vision 2027. Beyond identifying top-line and bottom-line targets, we've also recognised softer aspects that demand our focus. Over the past year, significant progress has been made in these areas. Notably, we've received the prestigious Most Innovative Knowledge Enterprise (MIKE) award in both the Global and Indian categories for the eighth consecutive year — an accomplishment unparalleled in the Indian infrastructure sector. No other Indian infrastructure company can boast of this achievement. We were declared as the Most Outstanding Global MIKE Award

winner in 2023. This special recognition is exclusively given to companies that surpass the standard criteria showcasing outstanding performance in their fields. Further enhancing our achievements, we were recognised as one of the Top 50 Innovative Companies in 2023 at the CII Industrial Innovation Awards. The Institution of Engineers, India (IEI) also bestowed upon us the Industry Excellence Award for 2023, showcasing our commitment to excellence.

We are making good progress in Safety initiatives and our goal remains to make the top-10 list of safe workplaces in the world. Afcons has always been recognised for its focus on governance, community welfare, employee well-being, and environmental responsibility. We have now started mapping and documenting the findings in the form of a comprehensive report.

Recognising the transformative power of digitisation, we've

made significant strides in this direction over the past few years. Various processes have been successfully deployed, and the implementation of S/4 Hana on Rise, the most advanced SAP enterprise thus far, was achieved in a record time.

Our unique projects and our dedicated employees continue to be our biggest brand ambassadors, contributing significantly to the Afcons brand. A series of complex engineering projects, executed by us across India, will be opened for public shortly, namely — the country's first underwater Metro tunnels and the deepest Metro station at Kolkata, the Chenab Railway Bridge in J&K, and India's widest road tunnels in Maharashtra.

To get here today, we've consistently focused on fortifying the organisational base, and I strongly believe that with our sustained efforts, the launchpad is now primed to propel us toward achieving our Vision 2027 targets. As we move forward, let's come together, channelling all our focus, vigour, energy, and innovative ideas to ensure that we not only meet but surpass our targets.



S PARAMASIVAN

**JANUARY**

**MARCH**

**MILESTONES**

- u MD Mr S Paramasivan elected as VC of Project Export Promotion Council
- u Successful trial run for India's first underwater metro
- u Buzi Bridge inaugurated in Mozambique
- u Afcons Talent Management Academy (ATMA) launched



**AWARDS**

- u Concrete Structure Award for Kanpur Metro
- u Best Executed Expressway Project of the Year Award for Samruddhi PKG-2
- u Outstanding Concrete Structure Award for Srinivasa Setu

**NEW PROJECTS**

- u Marine project in Gujarat
- u Water project in Madhya Pradesh
- u Railway project at Kerejenga, Odisha
- u Civil jobs in Jamnagar
- u Dam project in Madhya Pradesh
- u Industrial job in Liberia

# TOTAL RECALL 2023

As we enter 2024 to achieve greater heights, here are glimpses of the significant milestones, events, and awards from 2023

**APRIL**

**JUNE**

**MILESTONES**

- u Afcons bags High Speed Rail C-2 package
- u EAM Jaishankar visits Tanzania water project



**AWARDS**

- u CIDC Award for MG Setu
- u ASSOCHAM Infra Awards for Chenab Bridge & Samruddhi PKG-14
- u Awards for Chenab Bridge & Atal Tunnel
- u Award for Samruddhi Mahamarg PKG-2

**NEW PROJECTS**

- u Water project in Ghana
- u Water tunnel project in Maharashtra



**JULY**

**SEPTEMBER**

**AWARDS**

- u Metro Rail Contractor of the Year for Afcons
- u National Project Excellence Award for Chenab Bridge
- u Afcons earns top Public Relations honours
- u National CSR Leadership Award for Afcons

**NEW PROJECTS**

- u Metro project in Jaipur
- u Water project in Madhya Pradesh

**MILESTONES**

- u Groundbreaking of Jaipur Metro expansion
- u Chairman honours Afconians for exemplary long-term service
- u Srinivasa Setu opens for traffic
- u Final breakthrough at RRTS PKG-8
- u IT-ME launched in Afcons



**MN SAFE MAN HOURS**

**MILESTONES**

- u TBM Rudra completes tunnelling for Bangalore Metro
- u Afcons ranked second among Top Infra Companies of India
- u Afcons adjudged third Fastest Growing Company
- u Fastest implementation of SAP S4 Hana On Rise in Afcons
- u 139mn Safe Man Hours achieved by Afcons in global projects
- u Afcons wins Global MIKE Award for sixth time in a row



**AWARDS**

- u Public Relations Awards for Afcons
- u Best Private Sector Infra Construction Enterprise for Afcons
- u Best Infrastructure Development Company Award for Afcons



**OCTOBER**

**DECEMBER**

**NEW PROJECTS**  
Road project in Bihar

Things are no better when it comes to domestic contract conditions like NITI Aayog, wherein the employers, even go to the extent of capping the damages payable on account of delay in handing over of land/drawings etc, to 1% of contract price, whereas the liquidated damages levied by the employer for contractor's delays are capped to the extent of 10%. In all fairness, damages should be payable as per the actual incurred costs.

The neutrality of the engineer appointed by the Employer is also an area of concern. For example, in FIDIC Red Book or Pink Book 2017 etc, not only is the engineer deemed to be acting on behalf of the employer, but is even required to obtain permission from the employer before making any determinations under the contract, which is completely unfair. The engineer should be allowed to function as an independent entity to ensure that the contract is administered fairly and impartially.

Similarly, there is an important aspect of price adjustment payments. The equitability of risk distribution gets adversely affected when the employer fixes the percentage components

for inputs by themselves. In fact, the bidders should be allowed to fix the percentage of various input components based on the nature of the project, as per their estimation of expenditure.

### What conditions should be fulfilled before any project is awarded?

First and foremost, employers should be in a position to hand over the site (at least 80%), hindrances and encumbrances free land, before the work is awarded. Secondly, environmental clearances and any other requirements as regards the social impact assessment study etc, should also be in place. Thirdly, the employer should demonstrate his financial position to make timely advances/work bill payments to the contractor. In fact, the parties should proceed to sign the contract only when the aforesaid handover of hindrances and encumbrances free land has been finalised to the extent that the handover can be recorded in the agreement itself.

The contractor should ensure that necessary performance bank guarantees, insurances etc are in place by the time

the works are awarded. When it comes to foreign projects, it is important to ensure that permits and licenses for importing work force, equipment, material are already in place.

### How can contract conditions/ clauses be improved in Indian infra space?

Some significant areas where contract conditions can be improved are:

- | Payment of damages for employer's delays without any capping and based on actual costs incurred.
- | Sharing of benefits derived out of cost saving on account of value engineering carried out by the contractor.
- | Inclusion of compensation for unforeseeable difficulties/events and subsequent legislation
- | In case of EXIM Bank funded projects, where the contractor is not required to pay any taxes in the country of execution of works, the employer should be clause bound to provide an exemption certificate to this end.
- | Provisions such as bonus, acceleration measures, compensation, and value engineering should be included to encourage the contractor.

## NEWS

### KMRCL top brass visits East-West Metro



Mr P Uday Kumar Reddy, Chairman of the Kolkata Metro Rail Corporation Limited (KMRCL), accompanied by Mr VK Srivastava, Managing Director of KMRCL, and heads of various departments from Metro Railway, Kolkata, visited the East-West Metro project on November 2, 2023. They travelled by train from Howrah Maidan Station to Esplanade Station, inspecting the stations to assess their preparedness. The visit held significant importance as the commercial launch of services between Howrah Maidan and Esplanade is anticipated to commence soon.

### S4 Hana On Rise implementation

Afcons has successfully implemented cutting-edge technology - S4 Hana On Rise - in a remarkably short time,

showcasing operational excellence. This achievement stands out as one of the fastest technology adoptions in the industry to date. Spearheaded by Mr Sandeep Desai, Executive Vice President of the Information & Business Process Group, the team overcame challenges associated with a large user base and legacy data complexities. This transition marks Afcons as an industry leader, firmly establishing its position. The adoption of S4 Hana On Rise not only marks a significant milestone for Afcons but also represents a crucial step towards future-proofing and bolstering the organisation's resilience.

### Afcons' teams shine at soccer tournament

At a Corporate Soccer Series Tournament held, in Mumbai, on October 28, 2023, the women and men of Afcons exhibited remarkable skills and talent. Both teams showcased a never-give-up attitude that illuminated their performances, resulting in two trophies for Afcons. Despite formidable opponents, the women's team secured the 2nd runner-up position, while the men's team achieved the runner-up spot.

## AWARDS & APPRECIATIONS

### RTS PKG-8 wins EHS Award from CII

The Delhi-Meerut RTS PKG-8 project has been honoured as the Winner in the Service and Construction category by the Confederation of Indian Industry (CII) during the 10th CII-Northern Region EHS Competition on Environment, Health, and Safety Management (EHS).

### 15 Million Safe Man Hours

The Konkan Railway Corporation Limited (KRCL) issued a certificate of appreciation to Chenab Bridge Project Undertaking (CBPU) for achieving 15 Million Safe Man Hours without Lost Time Injury, as on July 2023.

### 15 Million Safe Man Hours

ONGC has awarded a certificate of appreciation to the KG-DWN-98/2 project team for achieving 15 Million Safe Man Hours without Lost Time Injury.

### 14 Million Safe Man Hours

GEC-GMRCL has issued an appreciation certificate to Afcons for achieving 14 Million Safe Man Hours at Ahmedabad UG Metro project (Phase 1, UG1 Package) in Gujarat.

Afconians across our headquarters and different sites enthusiastically celebrated Dussehra with great zeal and fervour. A range of cultural and sporting activities were organised at our headquarters, showcasing impressive participation from Afconians. The prize distribution ceremony took place in the presence of Mr K Subramanian, Executive Vice Chairman, Mr S Paramasivan, Managing Director, and other senior management officials. Here are glimpses of the event...



## Diwali Donation Drive

During Diwali, Afconians at headquarters generously donated clothes, stationery items, toys, and bags to bring joy and smiles to those in need. This annual donation drive is organised and facilitated by the Administration team.



## HR CORNER

- u Civil Training programmes on Equipment Management for civil engineers and Project Management Training were conducted at HO and Delhi.
- u CPE and Electrical Trainings on Installation, Troubleshooting & Maintenance of RMS system, Hydraulics of Equipment, HT&LT Switchgear Troubleshooting & Maintenance, Variable Frequency Drive & Power Cables, and DG Sets & Synchronisation were held at HO and sites.
- u General Management Training programmes on Statutory Compliance under Labour Laws, International Conference on Construction, Law and Arbitration, and POSH Awareness were conducted at HO and sites.
- u Soft Skills Trainings on Personal Effectiveness, Negotiation Skills, and First Time Manager were conducted at HO and sites.
- u Junior Management Development Programme and Middle Management Development Programme were conducted at HO.

# Awards

## Best Infra Company



Afcons received the prestigious Best Infrastructure Development Company Award at the Zee Real Heroes Awards ceremony held, in New Delhi, on December 11, 2023. Mr S Paramasivan, Managing Director of Afcons, accepted the award from the Honourable Minister of Road Transport & Highways, Shri Nitin Gadkari. This accolade, presented by Zee Media, commended Afcons for its exceptional contributions and groundbreaking initiatives in the infrastructure sector. It acknowledged Afcons' visionary approach and its world-class infrastructure projects, which have significantly elevated India's presence on the global stage.



### Best Private Sector Infra Company

Afcons has won the 'Atal Shastra Markenomy - Best Private Sector Infra Construction Enterprise' Award at the 8th Atal Shastra Markenomy Awards 2023.

### PR Awards for Afcons

Afcons has clinched two prestigious awards at the Public Relations Society of India (PRSI) National Awards 2023. Our corporate newsletter, Afcons Insight, secured the third prize in the Newsletter (English) category. Additionally, the ATMA launch campaign for Afconians achieved the third position in the Best Communication Campaign (Internal) category.



#### ALERTS

Scan the code to visit Afcons' YouTube channel and stay tuned with the latest videos

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