

*Pipe manufacturing major Jindal Saw, the flagship company of the Rs 40,000-crore OP Jindal group, is tapping opportunities in water as well as waste management as future areas of growth. While Jindal Water Infrastructure Ltd boasts of an order book of Rs 650 crore, Jindal Urban Infrastructure is implementing a project in Delhi and bidding for projects across the country. In an interview with FE's **Ashutosh Kumar**, Jindal Saw's managing director **Indresh Batra** explains the rationale for venturing into these emerging businesses. Excerpts:*

### **How is your waste-to-energy project coming up in Delhi?**

We are setting up a plant at Okhla at an investment of Rs 180 crore. We will be processing 2,000 tonne of waste per day and generating 16 mw of power. The power generation is going to increase substantially in five years as quantity and calorific value of waste will rise.

### **Why did you venture into waste-to-energy segment and not other popular forms of renewable energy?**

In India, we generate about 1,00,000 tonne of waste daily. Delhi does not have enough land to develop landfills, which is anyway a bad solution. Landfills were banned in Europe and the US. Waste-to-energy plants haven't succeeded because no organised effort has gone into it. China has about 3,000 waste-to-energy plants. Let us not look at it as a power plant, but as a waste treatment business.

### **Similarly, you have also ventured into water management. What kind of value did you see there?**

The major themes for the next 30 years are going to be urbanisation and climate change. Today, in an average city in the country, the revenue collection of urban local bodies is Rs 1,400 per capita. At that level, they cannot even maintain, leave alone build infrastructure. It takes Rs 10,000 per capita to build any decent urban infrastructure. Who will build that system? Influx into the cities is an ongoing trend. And since there is no water management system in our country, it is a big opportunity.

### **What kind of strength do you bring to the water management industry?**

We are pipe producers. 50% of every water project involves pipes in terms of distribution lines and raw water intake, among others. So, for us, it's understanding the opportunity and linkage to our competencies. It is a forward integration for us.

### **You are into potable water, waste water treatment and sea desalination. Which one of these offers the most value in terms of business?**

Taking sewage and creating fresh water not for drinkable purposes but for industrial use is an emerging sector. We want to build sewage treatment plants and own them. All the municipality does is gives us sewage. And such large quantity of water is for industrial purposes. So, it's a perfect combination since municipalities do not have resources to invest in it. So, we come across as people who invest and then the asset belongs to the public.

### **What are the challenges in developing a water management system?**

India has no shortage of water. We are not water deficit per se, barring some parts of the country. We do not have a pipeline system. The water treatment systems were established 60 years ago. There is no maintenance, and no recovery from people. Someone has to build that infrastructure. It has to come in the form of public spend by the government or private operators. There has to be a mix and match of both.

### **How viable is water privatisation?**

If water is primarily for richer people, and poor people have to pay through their nose, it is not a public good. So the need to build that infrastructure is there. The polity will turn as public pressure changes. The main question is: How can equitable distribution of water take place after the availability of water is fixed? I believe privatisation will still be a dirty word. At the same time more and more urban local bodies are not in a position to support water infrastructure. So, what kind of privatisation happens? Urban local bodies simply say you build this infrastructure for us and we get paid in terms of annuity. So, there is a big opportunity.

### **What is the current order book position of Jindal Water Infrastructure and how do you plan to scale it up?**

Jindal Water has an order book of Rs 650 crore as of now. We believe that we will end the year close to Rs 1,000 crore. If we have an order book of Rs 1,000 crore in the second year of operations, scaling up would not be difficult. Once you have executed a few projects, the opportunities continue to become larger.

### **How many projects is the company implementing as of now?**

We are implementing a Rs 470-crore project for a power utility in Rajasthan and another for a power utility in Chhattisgarh. We are also building water treatment and fresh water generation plants in Uttarakhand. Our other project is in Gujarat, which will be Asia's largest sewage to fresh water supply plant. We will take up another project in Chhattisgarh in September this year.

### **How do you see the water infrastructure industry? What is the outlook?**

The question is who takes the advantage. There are people in civil construction. Then there are technology and equipment sellers. But there is not a single water company that brings them together. In the next few years, water industry will see the emergence of large integrated utility water companies and most of the industrial users will move out of the government trail.