



## VIL : The PPP role model, creating value for all stakeholders

**R**apid economic growth and urbanisation have been twins for most of human history. Every country that has achieved middle-income status has seen a significant population shift into cities. It is an imperative driver of growth yielding huge benefits for masses. But it has never been painless, and therefore always a challenge for policy makers and governments.

India with one of the fastest growth rates has also witnessed rapid urbanization. While any city with over a 10,000 population is technically an urban centre, for a country as large and unique as India, if a population of over 1,00,000 plus were to be considered it has over 400 such towns with a total population of over 377 million, posing its unique challenges for all stakeholders. According to Dr. Isher Judge Ahluwalia chaired High Powered Expert Committee (HPEC) Report 2011; India needs \$63 billion for water supply and \$49 billion for sewerage. More than 75% of this investment is needed in these 400 towns to bring them to satisfactory levels of service. With such massive funding requirements and in addition to government funding, PPP is the most effective model for the gigantic task ahead. Today a typical Indian city faces the contradictory problem of acute water shortage with availability being anywhere between only 1 to 6 hours a day on one hand and massive wastages and revenue losses to the tune of close to 60% on the other hand. This has led to decay and collapse of the utility services and infrastructure.

Nagpur, one amongst these 400 towns is proving to be the PPP model for the water sector. Vishwaraj Infrastructure Limited (VIL) has created a subsidiary Vishwaraj Environment Private Limited (VEL), which has part-

nered with Veolia Water India to form a JV Orange City Water Limited (OCWL), which has been awarded the 24x7 water uninterrupted water supply service after an international tendering process for 25 years. This initiative is particularly praiseworthy as it ensures equitable distribution, no transfer of water resources, very clear measurable performance linked outcomes and the capability of VIL to bring requisite funds under the PPP model. "Most importantly in addition to saving large quantities of this most precious resource through leakage reduction, it has tremendous socially empowering and transforming potential, radically improving living standards and health & hygiene of citizens

has a precursor in the Transport Sector where it first cut its teeth as an infrastructure player. Since its first BOT project of developing an 8.3 km road in 2000 it has come a long way having successfully executed five concessions including the four-laning of the 64 km Warora -Chandrapur-Ballarpur project.

"The most important aspect for a PPP contract to succeed in my opinion is to ensure value addition for all stake holders, particularly for the public at large" emphasized Mr. Arun Lakhani "with every project that we execute we try to become a responsible citizen of the immediate community the project passes through, assess its needs and fulfill them. Most often these are neither priority areas nor within budget-



across all sections of the society." Says Arun Lakhani the Chairman & Managing Director of VIL. "This has given not only us the confidence to bid for several more forthcoming projects but more importantly made municipal bodies and financial institutions more confident with the establishment of contract standards in this area" he added. One of the key advantages of this type of PPP contract is the deployment of efficiency of the private sector in developing and maintaining public assets while their sovereign rights remain with the public sector.

The foresight and dynamism shown by VIL in the water sector

ary provisions of the local bodies, but nevertheless they add tremendously to the overall convenience & improvement in life-style of the local populace. We have made a commitment of providing an individual water connection in every single hutment under the Nagpur 24x7 scheme something, which even the slum dwellers wouldn't have expected. We have created recreational facilities, a library, reading facilities for senior citizens, renovated schools, a garden for children in the vicinity of our Malegaon-Kopargaon road project, giving us immense satisfaction of bringing real change and smiles on the faces of the local community."





**N**agpur is a city with the advantage of connectivity across country without having the hassles of

growth centres like Pune, Bangalore, Hyderabad.

**-Arun Lakhani,**  
CMD, Vishvaraj Group