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S.K. CHAUDHARY
Chairman and managing director, Ircon International Ltd

'Ircon will focus on global projects for better returns in '19'

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The year 2018 was eventful for the Indian Railways' public sector undertaking Ircon International Ltd (Ircon), which launched its initial public offering in September. It also figured in the list of top 250 international contractors as per the Engineering News-Record of the US. In an interview, Ircon chairman and managing director S.K. Chaudhary talks about the company's focus areas in 2019. Edited excerpts:

What are Ircon's focus areas in 2019?

Ircon would like to expand its horizon in the infrastructure sector not only in India but in the overseas market as well, and improve its bottom line, although the existing canvas of Ircon is wide and colourful. Ircon has been entrusted with several strategic projects of national importance, too, and would like to expand its contribution in nation building and align with the priorities of the government. Our focus areas in 2019 would be railway line doubling and electrification, more EPC (engineering, procurement and construction) and HAM (hybrid annuity model) projects in highway sectors and winning some top international projects which give better returns.

Indian projects versus foreign projects, which is better?

Historically, Ircon had a 50:50 share of domestic and international projects. The margin from international projects are more than Indian projects because of various reasons. One of the primary reasons is that there is equitable distribution of risk and, thus, projects are not held up for want of issues such as land acquisition and approvals. Considering the speed of construction and project finance, definitely foreign projects are a better deal.

How is the progress of the Nepal projects, which Ircon is executing?

Ircon is currently executing two projects in Nepal: one, construction of a new broad gauge railway line between Jogbani (India) and Biratnagar (Nepal), which is likely to be commissioned by December, 2020. Two, between Jayanagar (India) and Bardibas (Nepal). In the first phase of work, tracks have been laid from Jayanagar to Kurtha, Nepal (34km). Apart from laying new lines, Ircon is also developing stations on this route. The remaining portion of the project is planned to be executed in two phases, that is, Kurtha-Bijalpur and Bijalpur-Bardibas, and is likely to be commissioned by February 2020 and March 2021, respectively. Both are strategic projects and will help strengthen Indo-Nepal ties.

What are the challenges for the Jammu and Kashmir railway project?

The Jammu and Kashmir rail project from Udhampur to Baramulla (272km), was envisaged to provide an alternative all-weather connectivity to the state of Jammu and Kashmir. Ircon is executing an 188km section, out of which 136km has been commissioned and train services from Baramulla to Banihal are in operation. In this section, Ircon has constructed the longest tunnel of 11.15km. Presently, Ircon is executing 113.75km tunnels out of which 70.60km is completed.

This project is perhaps the most challenging project ever undertaken in the history of Indian Railways. The alignment passes through thick forests, deep gorges, and crisscrosses numerous rivers and rivulets. Most of the length was inaccessible.

There are several reports that Ircon has completed various projects before time. Is it the case?

Yes, Ircon has completed a dozen projects before time in the last three years and it's a big feat.

In fact, in the 42 year-history of Ircon, not a single project has been left incomplete, which is commendable considering the trend in the construction industry.

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INTERVIEW