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Development of PORTS

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Q. The Union Ministry of Shipping plans to award 23 port projects worth ₹16,744 crore during the current fiscal in an attempt to increase the port capacity in the country by about 237 million tpa. Do you think, the ministry would succeed in accomplishing this task?

Given one of our areas of strength is construction of ports, it would be very encouraging to see the government achieve this objective. There is no doubt that the country needs this infrastructure. The ministry has the capability to achieve the task of awarding all 23 projects. It is certainly my hope that it succeeds

Q. If the ministry did offer, bulk of the 23 projects, what would be Leighton's strategy?

We would be very interested to pursue these projects. It would certainly be a focus area for us. We have very successfully delivered the Visag port development project to date, and have a strong capable team ready to deliver more work in the sector.

Q. Tell us about the current status of Visakhapatnam and Paradip port projects.

Visag port construction is well advanced and progressing very successfully. The berth will be completed in H1 2012 and balance port development works not long after.

At Paradip, works are yet to start pending environmental clearance. We are hopeful this will be through in the first half of 2012 so that work may start by mid year.

Q. How comfortable is your order book position? Vis-a-vis the company's performance in the current fiscal, how do you see Leighton doing in 2012-13?

Our current order book is around ₹4000 crore vis-a-vis current

annual turnover of around ₹2000 crore. We have good quality projects in hand, but our business is geared up for growth, hence we would like to see a greater workload flowing through.

Q. Experts and road developers have expressed concerns at the aggressive bidding for the NHAI projects in the last eleven months or so, which could impact the viability of the projects. Your comments.

Like most others, we also have concern at the extreme levels of aggressive bidding on road BOT projects and the unduly high number of competitors participating in the bids. It is not healthy for the sector or the country, to see projects ultimately fail, hence it is imperative that bid structures and competition are established to achieve cost effective pricing, but also pricing within a range that reasonably reflects the risks involved, and hence has a good chance of being economically viable and sustainable. ■

With over 20 years of experience in the construction industry, Russell Vaughn has played a vital role in the management of a diverse portfolio of projects throughout Australia and Asia. Russell joined the Leighton group six years ago, with the dual goals of establishing Leighton as a key player in the Offshore Oil and Gas sector, and establishing Leighton's presence in the Indian market. In 2011, Leighton India evolved a strategic partnership with the Welspun Group and Russell is Managing Director for Leighton Welspun Contractors Pvt. Ltd. responsible for ensuring the continued growth and development of the India business. Today, under Russell's leadership Leighton Welspun Contractors Pvt. Ltd. is executing several landmark projects in India and has established itself as an industry leader in delivering Oil and Gas, Ports, Roads, Building and Telecommunication projects. Russell is a Mechanical Engineer who also holds a Bachelor's degree and a Master's degree in law and was awarded the Distinguished Service Award by the Macquarie University in 2009 in recognition of his achievements in the international construction sector.

