

'Our objective is to provide world class infrastructure'

Only if you explore better avenues can you find a way to grow. **Usha Sharma** tracks Inspira Infrastructures' growth

Inspira Infrastructures, a Mumbai-based infrastructure company, is an associate company of Ajanta Pharma Group. Sharing the same promoters as Ajanta Pharma, there are big plans lined up for the company. "During the last financial year, we have looked at expanding our business area into infrastructure segment and the group has floated Inspira Infrastructures with pharma and biotech special economic zones (SEZs) as launch projects. Our objective is to provide world class infrastructure in these SEZs to exporters from India and abroad," says Ravi Agrawal, Director, Inspira Infrastructures.

Exploring new avenues

India has limited exposure to world markets, but this is changing because of two reasons—one is that foreign investors see India as a mature consumer market due to its escalating middle class with increasing disposable income and want to set shop here for selling. Another mode which attracts foreign entrepreneurs is that they see a large educated young employable population and other resources available at half the cost of their home countries and want to produce here and export back to home countries.

The Ajanta Pharma group has forayed into infrastructure and leisure business. "Currently, we are working on three SEZ projects. Our pharma and biotech projects in Aurangabad, Maharashtra are advancing well and ground activities have started. Aurangabad is a hub for the healthcare segment. Over there, many lifesciences companies are present and we expect that we will be in a position to start active marketing by the end of this year. Our third project is in joint venture (JV) with Maharashtra Industrial Development Corporation (MIDC) at Nagpur. This project is in early stage and we will be starting the project on ground during the next year," Agrawal comments.

Hard core truth

An SEZ is a different concept altogether and cannot be classified as real estate development. An SEZ developer is solely and completely responsible for the activities in the area and can never disassociate with it. However, in real estate projects, the builder eventually forms a society and hands over the charge which cannot be done in this case. It requires lot of investment over a period of time in capital as well as maintenance. A developer is obliged to maintain the SEZ much after it was constructed, without any government support or funds. The returns in SEZ projects are expected to be further away than real estate projects while investment is huge to create world-class infrastructure that SEZ developers are supposed to provide. Infrastructure in non processing areas has been limited to in terms of quantity to the extent that is enough to support the processing area and is approved by board members. Looking into all the associated restrictions and controls, incentives like tax benefits are necessary to make the complete project feasible for the developers. Highlighting real estate's current status, Agarwal says, "Since both exports from India as well as commerce in India are going upwards, this will continue to fuel demand for quality infrastructure and real estate development. Having said that, there is a current slowdown in the industry, but I am sure that things will pickup again before long."

Services to offer

Inspira is setting up its pharma SEZ at Aurangabad, which spreads over 100.43 hectre (HA) at 5-Star MIDC Shendre, Aurangabad. The master planning of the SEZ plan is finalised by Halcrow Consultants, UK. The company is expecting that it will be ready by January 2009 for commercial activity and has also taken 10 HA land in similar location for setting up biotech SEZ.

The pharma SEZ is 10 kilometre (KM) away from Chikalthana, domestic and international airport and has good road network with uninterrupted power and water supply by Maharashtra State Electricity Distribution Company Ltd (MSEDCL) and MIDC respectively. The processing area of SEZ proposes to provide developed and levelled plot of land, drainage and sewerage system, CCTV security system, collection and waste management, common effluent treatment system. The social infrastructure provided by Inspira inside the SEZ are residential buildings, healthcare facilities, parks and gardens, entertainment and recreation facilities, shopping centres and restaurants, hotels and multiplexes and commercial and support infrastructure to business activities. It also has national and international banks, shopping malls, multi-specialty hospitals, five star hotels, good schools, colleges and professional institutes.

Aurangabad is highly industrialised with five established MIDC estates. Ancillary packing units and spare part vendors are available in Aurangabad and most of the biotech equipment is available from nearby Mumbai and Ahmedabad. Companies like Baxter, Johnson & Johnson, Wockhardt, FDC, Glenmark, Albany Molecular Research (AMRI), Lupin, Ipca and Ajanta Pharma are among established lifesciences companies. International players like Skoda already operating inside the MIDC are now joined by major Indian players like Hindalco, Wockhardt, Glenmark Siemens, Mahyco Monsanto, Nath Seeds and Shreya Lifesciences.

Aurangabad and surrounding areas have pharmacies, science and engineering colleges for fresh talent and experienced employees from pharma companies. Unskilled and semi-skilled manpower is available at a lower cost than neighbouring clusters of Pune and Mumbai. "As we are in two separate industries, we have professionals from respective fields looking after the individual functions in each company, Agarwal says.

Looking forward

"Currently, we are 40-member strong team and our focus is to outsource most of the services, whereas we have people in key positions to monitor and value-add in the entire process. However, we are definitely expanding our team to cover the various functions at head office and site offices as well. The current team has great experience in infrastructure industry and has executed some challenging projects in the State and in healthcare industry," he adds. Currently, there is a downtrend visible in the infrastructure segment due to global meltdown on account of happenings in Western world. If this does not stabilise we may have to revisit the figures. "We are fortunate to be in this field at the right time and are bullish on the India's growth story. Our plan is to grow by a minimum 20 percent compound annual growth rate (CAGR). We have planned few more projects in this sector and are confident of maintaining the same growth pattern in the coming five years," Agarwal averred.