

INTERVIEW: AK TYAGI

FOUNDER & MANAGING DIRECTOR, NUBERG ENGINEERING LTD

'Indian firms can be world leaders in EPC'



NUBERG Engineering Ltd is a project engineering & turnkey contracting company, with operations in India and abroad. It is also known for its Nugen PSA nitrogen gas generators, manufactured in technical collaboration with Rutgers CarboTech GmbH. Nuberg has recently won a ₹200-crore contract from the Saudi Arabian group Addar to construct a sulfolan plant. In an email interaction with FE, AK Tyagi, founder and managing director of Nuberg, speaks about the scope of the engineering, procurement and construction (EPC) business.

You have recently won an order in Saudi Arabia. How do you see the

future shaping up?

We look forward to become a one-source EPC service and technology provider for chemical process plants & fertilisers, steel, hydrocarbons and nuclear and defence sectors. Currently, we specialise in chemical and specialty chemicals plants for sulfuric acid, hydrogen peroxide, caustic soda and calcium chloride. Our vision is to become a leading global and domestic EPC company providing innovative yet cost-effective solutions. Nuberg's future plans include diversification into new sectors and territories. We are expanding in new geographies in a big way and adding new segments to our business portfolio.

What are the key challenges asso-

ciated with the EPC business?

In India, an EPC model barely exists. Here, normally, the entire project is compartmentalised in parts, and given to different suppliers/contractors, which results in cost overrun and unforeseen delay. This also creates responsibility and accountability issues, and the investor loses hugely on cost and time.

What differences have you observed in terms of operations vis-a-vis projects executed in India?

In India it is very difficult to work with public sector companies. There is no concern about time lines and on-time delivery of projects, which makes it difficult to keep business commitments. In international contracts, clients want to develop the relation as owner-partners unlike in India where the relation is of owner-contractor.

How can companies like yours participate in the Make in India programme?

We, as an EPC company, manufacture, fabricate and do heavy engineering of pressure vessels and industrial process equipment in our modern facility in Jhagadia, Gujarat. It is basically Make in India, Export to the World in our case. EPC can be a torch-bearing industry for export revenue as it is not dependent on low cost of energy or natural resources. It is difficult to achieve global competitiveness in manufacturing-driven exports, because India enjoys neither low cost of energy nor cheap natural resources. Like the IT sector, the EPC business is driven by skill (know-how) and manpower, and hence there is a greater opportunity for India to succeed. If we can acquire technology, it will be a boon for the industry. The government should set up research institutes to develop technologies for various industrial sectors, which can be further licensed to EPC companies to do projects worldwide, like in China. Indian companies have the potential to be world leaders in this sphere.