

**INTERVIEW
WITH****Mr. Dilip R Shukla**
Managing Director,
Paramount Limited**Favourite Author...**

The Alchemist by Paulo Coelho

Favourite Movie...

Life is Beautiful directed by Roberto Benigni

Favourite Holiday Destination...

Zermatt, Switzerland

One piece of advice for 'EverythingAboutWater'

Please give focus on research & development in water technologies also and keep up good work you are already doing for water industry.

Q. How as per you, the water industry has been affected by the Covid 19 pandemic?

A. The general impact of COVID 19 on water industry like most other industries has been adverse. The overall prospects do not look good. The recovery of industry is likely to take at least 6 – 12 months. The negative impact would be accentuated for medium and small-scale industries.

Q. What are the challenges ahead of the water industry?

A. The challenges ahead for water industry are:

- ▶ Supply Chain of equipment is widely disturbed.
- ▶ Shortage of workers in supply chain
- ▶ Shortage of labour at construction sites disrupting project execution
- ▶ Pressure on realizations
- ▶ Growing risk aversion among lenders causing liquidity stress & increased cost of funding
- ▶ Disruption in logistics and transportation
- ▶ Likely cuts in government spending on water infrastructure projects which will slow down new investments affecting demand/ supply in water industry.

Q. What are the solutions to these challenges?

A.

- ▶ New Supply chain technologies & strategies will have to be evolved that can dramatically improve visibility across end to end supply chain
- ▶ Focus on Remote Operations in design & engineering, create Digital Supply Network designed to anticipate disruption & re-organize themselves to mitigate disruptions with technologies like Cloud Computing, coordinated 3D design, Robotics etc. & align them with company's business strategy. More open and flexible IT architecture – one that allows new software to connect to existing ERP system in simple but flexible way.
- ▶ Mapping the Site Execution Management through innovative project execution methodologies involving more mechanization & lesser labour requirements.

- ▶ Companies must create Resilient Supply Chain & Site Management strategies prepared to quickly adjust & recover from any unanticipated interruptions.
- ▶ Break down the Silos: Companywide Cross functional engagement with Engineering, Procurement, Process, Project Management & Site Management, Commercial, Logistics and Finance to work closely on agreed goals
- ▶ Establishing Talent Pipeline: Create talent pipeline to implement familiar with Disruption planning & new ways of working which are adaptable & analytical.
- ▶ FOCUS ON CASH & COSTS IN BUSINESS since manufacturing costs of suppliers & project execution costs at sites are bound to increase substantially because of restrictions & preventative measures coupled with reduced production in factories and productivity at site.
- ▶ Senior Leadership Commitment: MD/ CEO to commit, support and catalyze action plan to mitigate all disruptions
- ▶ Finally, establish “Command Centers (War Rooms)” project management experts empowered to make decisions to take care of disruptions.

Q. What steps should government take for the industry?

A. COVID has reinstated the need of guaranteed access to safe water and sanitation for all with decentralized wastewater management approach. During the COVID pandemic, access to clean water to maintain basic hygiene has emerged the biggest challenge in different parts of the world. WHO recommends that hand hygiene (washing hands with soap and water or using alcohol-based hand sanitizers) is extremely important to prevent the transmission of the virus. This will require 20 litres per day of extra consumption of water per person per day. Following steps by government can help the industry overcome this crisis:

- ▶ Finance minister announced following reliefs to contractors – without costs to contractors – by all central agencies like Railways, Ministry of Road Transport & Highways, CPWD etc:
- ▶ Government agencies to partially release bank guarantees, to the extent contracts are

- partially completed, to ease cash flows
- ▶ Extension of all contracts upto 6 months

This notification should be extended to all municipal bodies, government agencies executing water/ waste water projects and also made compulsorily applied to all industrial sectors contracts.

- ▶ Government should also direct the implementing agencies to provide cost consequences towards idle manpower & machineries stuck at various sites on account of COVID force majeure apart from time extension.
- ▶ Advance payment should be made to the contractors to the extent work is completed from the retention payments to enable contractors to retain sub – contractors.
- ▶ The project implementing authorities should provide at least 20 to 30% advance payment to all new tenders for contractors to sustain liquidity and cash flow during project execution stage. The retention payments payable after mechanical completion & commissioning for future EPC tenders should also reduce to 10% or less.
- ▶ The lending agencies should continue moratorium on repayments upto 6 months.
- ▶ Government should focus more on fully funded DBO projects and put on hold hybrid and BOOT projects for next 12 months.

Q. How important will be the year 2021 in the recovery of the industry?

A. The recovery in water industry is expected only post monsoon led by return of migrant labour to work at sites, improvement in manufacturing production & expected easing of travel & movement restrictions due to normalization of life and business. The companies with better cost dynamics and moderate debt profiles to sustain their credit quality will survive. Year 2021 will be ruthlessly Darwinian in nature with “Survival of the Fittest” in the industry.

Q. What changes can we expect in the coming times in the industry?

A.

- ▶ In water sector, the companies will ignore PPP projects like Hybrid & BOOT projects to

VISION OF MY COMPANY

Paramount has vision to be in league of top five largest waste water Management company in Oil & Gas in Asia & MENA countries. We also endeavor consistently at Paramount to be recognized as one of the top 3 best employers in India in water sector.

NUMBER OF EMPLOYEES

250

KEY ACHIEVEMENTS OF THE LAST YEAR

- ▶▶ Successfully commissioned, completed PGTR and 1 year O & M of one of the largest Effluent Treatment & Recycling Plants in Oil & Gas industry for Chennai Petroleum Corporation Limited, Manali (CPCL).
- ▶▶ We also won order and nearly completed execution of one of the largest Modular Skid Mounted Produced Water Treatment Plant for Oil India Limited for their Nadua and Khagorijan oil fields.

MAJOR ORDERS WON RECENTLY:

- ▶▶ Won most prestigious order for Effluent Treatment & Hazardous Waste Handling Facilities from HPCL Rajasthan Refinery Limited (HRRL), Pachpadra, Distt Barmer, Rajasthan valuing Rs. 215 Crs.

NAMES OF MANAGING DIRECTOR AND TOP MANAGEMENT:

- ▶▶ Mr. Dilip R Shukla, Managing Director
- ▶▶ Mr. Samir Tuli, Vice – Chairman
- ▶▶ Mr. Kewal Tuli, Chairman

conserve cash.

- ▶▶ The companies will focus more on project/tenders with better payment terms involving higher advance payments and lesser retentions.
- ▶▶ The supply chain management and logistics will have larger focus with closer control & monitoring by the contractors compared to traditional times.
- ▶▶ There will be more closer interaction and relationship building with CSR activities by water companies for skilled labour for construction. This will contribute in a big way to upliftment of migrant labour and they

also becoming part of team building efforts of companies.

- ▶▶ Bottom line and cash flow management will be bigger focus of companies than growth.

Q. What is your company's vision for 2021?

A. Our vision for 2021 is to overcome the unprecedented challenge presented by the COVID-19 crisis and retain top line & bottom line of 2020 with cash flow planning to ensure cash positive existence throughout 2021. Whilst we achieve our vision, our aim is to continually support and develop our human capital.

Q. Please tell us something about yourself and your family:

A. I have over 40 years of experience of which over 25 years is at the HELM in serving Engineering, Process & Infrastructure Industries.

I am Managing Director of Paramount Limited, one of the India's leading Water & Waste Water Infrastructure company and India's largest Waste Water Management company in Oil & Gas industry.

My role play over the years have been as a Strategist & Key Player in Profit Centre Management. I have championed business launches & start up operations, catalyzed turn around & growth. As top management executive, I have spearheaded company P/L management, increase profitability & operational efficiencies, effect management of change, driven mergers/ amalgamations and build Joint Ventures/ Strategic Alliances globally.

I have launched businesses in several organizations like water business in KEC International Ltd., Valves & Controls business in India for thence Keystone Valves (acquired by Tyco, then Pentair & now Emerson) & taken them to higher level through organic as well as inorganic growth & next level through expansion & diversification.

Outside work, I am a devout reader and love trekking and travelling in the extremities of mountains in the Himalayas and the Alps with family.

My family has played a key role in my life and career. As our homemaker, my wife Gopi has devoted her life to nurturing our small closely knit family and has played a crucial role in the successful life and career of our son and me. At 34, our son Kanan is a Director of a leading engineering consulting business in the UK & is married to his partner Hemakshi, who is a software engineer working on innovation projects for one of the leading cruise companies in the world.

Spending time with my loved ones is my 'Chicken Soup for Soul'.

Q. How and when did you enter the water industry?

A. I joined Doshion Veolia Water Solutions as their

Chief Executive Officer in January 2004 and began my journey with world of Water & Waste Water EPC.

Q. Please describe your company in your words. What does it mean to you?

A.

- ▶ Paramount undertakes technology driven Water & Waste Water EPC projects & is largest waste water treatment & recycling company in Oil & Gas in India with lineage of having executed 83 projects in Oil & Gas in India in last 5 decades.
- ▶ Paramount has made profits year after year – every year for all five decades of its existence. We do not have top line volume obsession & focus on bottom line.
- ▶ We have very robust risk analysis for bid – no bid decision and go for only good credit worthy projects. That is why lately, we are more focused in Oil & Gas industry.
- ▶ Paramount is the most ethical company in this industry with highest value system. Despite of the ruthless nature of our business, we have continually maintained

and implement our policy of “Business with Ethics, Commitment & Integrity”.

- ▶ Our people are our biggest capital. We strive to nurture and develop talent at every level thereby building future leaders in the process. Paramount's attrition rate of less than 10% year on year is a testament to our commitment and investment in our employees.

Q. Which is the 'Best Water Company in India' in your opinion?

A. Natural bias aside, I would rate my existing company Paramount Limited as the best Water Company in India for the reasons mentioned above.

Q. One final question: What's the best advice you have ever received?

A. At one point in our journey at Paramount, there had been a few years when there were little or no new orders. By bringing efficiencies and cost control, we survived & came back good with a bang in good times. During the tough times when the business was starving, our board always reminded us “Don't consume poison even at

the peak of hunger. We will still survive starving, but bad business will kill us instantly like after consuming poison”.

Company Details Required:

- ▶ **Name:** Paramount Limited
- ▶ **Address:** Paramount Complex, Natubhai Circle, Race Course Circle, Vadodara – 390007, Gujarat State, India
- ▶ **CIN:** U74120GJ1976PLC002956
- ▶ **ROC Code & Registration No:** 002956 at RoC–Ahmedabad
- ▶ **Company Category:** Company limited by shares
- ▶ **Class of Company:** Public Limited – Unlisted
- ▶ **Date of Incorporation:** 17.12.1976
- ▶ **Activities:** Water & Waste Water Treatment & Recycling, Zero Liquid Discharge Systems, Desalination Plants & Air Pollution Control Systems – Manufacturing & Turnkey EPC execution
- ▶ **Directors including Independent Directors:** Mr. Padmanabh Vora, Mr. Kanubhai Patel, Mr. Kewalkrishna Tuli, Mr. Samir Tuli & Mr. Dilip R Shukla.