

A portrait of a middle-aged man with grey hair, a mustache, and glasses. He is wearing a dark blue Nehru-style vest over a light blue shirt. He is looking slightly to his right with a thoughtful expression. The background is a soft-focus indoor setting with warm lighting.

DEVELOPING INTEGRITY

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Investing

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IJM (India) Infrastructure has been leading India's development boom with mega road and rail projects since 1998. Director and COO Sanjay Agarwal explains how the company's ethos and culture has helped it thrive all these years.

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When Sanjay Agarwal contemplates the qualities that have driven his success as the Director and COO of IJM (India) Infrastructure, he pinpoints his mantra, which is that 'integrity is the bedrock of the system'.

For him, that means taking care of the interests of stakeholders first and foremost. "You have to show that you have a high integrity and responsibility toward the system and the stakeholders," he tells *The CEO Magazine*.

The result is a company that he is proud to lead in the Indian market. Established in 1998, to date IJM (India) has delivered more than 1,500 kilometers of road projects as well as 20 kilometers of urban rail projects.

The company now operates three tolled highways in India – the Solapur-Bijapur tollway, the 68-kilometer Chilakaluripet-Vijayawada tollway and the 19.8-kilometer Dewas Bypass tollway. On top of that, it has also set up the 20 percent-owned Gautami Power Plant, which is a 469-megawatt capacity, gas-based power station in Andhra Pradesh.

## THE ROAD TO SUCCESS

In fact, the establishment of the plant in 1997 marked Kuala Lumpur-based IJM Corporation's first major investment in the country. The company sent the then Senior Vice President Agarwal, a native of India who had spent the last seven years working in Indonesia and Malaysia, to India to develop the project but then, seeing great potential within the highway sector, asked him to lead its local infrastructure initiatives.

The first project the newly formed IJM (India) became involved in was the Mumbai-Pune Expressway from Kon to Chowk, which it completed in April 2000 after working shoulder to shoulder with the other major companies that were taking on the other stretches.

"We took a small portion of that and we established ourselves by doing that 20-kilometer part of a 100-kilometer road," he recalls.



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But the big opportunity came in 2000 when India opened up to Build Operate Transfer (BOT) projects, with IJM (India) selected to be part of a first-of-its-kind highway – the 150-kilometer Thane-Bhivandi Bypass. “So there IJM established its name into the highway sector,” Agarwal says.

Since then, the company has worked on many BOTs, with almost 12 concession agreements with the National Highways Authority of India (NHAI) “successfully entered, completed, sold and monetized,” he explains.

However, in 2008, Agarwal stepped away from IJM (India) to found Team Universal Infratech (TUIPL), providing award-winning services to the construction industry and growing a workforce of 300 dedicated employees.

The company’s success would eventually lead him back to IJM (India), with his former employer acquiring TUIPL in 2019 and appointing Agarwal to the role of COO. One year later, he would take on the additional role of Director.

## **A HUMAN TOUCH**

This full-circle moment happened to coincide with the onset of the COVID-19 pandemic, which struck as the company was making headway in the Indian market. Agarwal describes the difficult period as a time where everyone had to learn new ways of doing things.

“Because our industry is mostly human-based and we use a lot of workers, we had to learn how to maintain those workers. During the pandemic time, almost 2,000 workers were stuck with us in our projects,” he explains.

“They couldn’t move anywhere so we looked after them ourselves. That built a lot of respect between us and them.”



# Hitting New Highs

IJM (India) set a new national record in 2021 when it lay 25.54 lane kilometers in just 17.45 hours on the Solapur-Bijapur section of Highway 13. Venkateswar Rao, the Team Leader who oversaw the feat, said it was achieved despite intense logistical and technical challenges and with no disruption to vehicles.

"About 14,832 [metric] tons of bituminous concrete mix were produced from hot mix plants and laid in achieving this," he said. "Heavy-load-carrying vehicles with a capacity of up to 30 metric tons were deployed to transport the above material from the Hot Mix Plants to the highway stretches, leading to about 494 trips.

"To cover the above distance within a short time, we used 90 dumpers, six 9.5-meter sensor pavers and numerous vehicles in highways construction."

While loyalty was strengthened during this troubled time, other areas required greater attention, such as the company's emphasis on forecasting.

"It taught us that we should be forecasting things in a proper way, trying to use technology as much as possible and so we adopted online procurements and so on," Agarwal says. "We basically tried to standardize the supply chain."

IT platforms have played a key role in all of these tweaks to the existing business model, helping the company to monitor movements, consumption and more.

"The pandemic taught us all this and we try to use whatever we can in our industry," he continues, referring to the latest technology. "But the human side is still very important for that and our human assets are important."

Agarwal's emphasis on integrity meant the 'human touch' was already integral to IJM (India)'s business model, but it was further highlighted during the pandemic, he shares. "We increased the medical coverage for our people so that, in the future, if something comes up, at least they are able to sustain themselves."

## A FASTER PACE

As the construction industry started to recover from the pandemic's impact, Agarwal noticed a few major trends, most notably that growing competition from smaller players had "spoiled the market". This realization prompted a lull in IJM (India)'s activities in this area, despite its impressive track record to date, with the company increasingly looking to other opportunities.

Property development is one such example, with the firm working on a number of commercial and residential projects across the country. To date, it has developed 1.9 million square meters of prime residential and commercial property across India.

These include world-class integrated townships such as Rain Tree Park in Kukatpally, Hyderabad and Raintree Park Dwaraka Krishna Township Phase 1 in Mangalagiri, Guntur. Another project, First City Residential Township Project in Nagpur, is currently underway.

However, its retreat from infrastructure was short-lived. The company has returned to the scene reinvigorated, with three ongoing BOT projects in place and the company exploring large-scale engineering, procurement and construction (EPC) projects.



## **“Whether you use a human, whether you use a machine, you should have a plan on your table first.”**

This return looks markedly different to pre-pandemic operations, however. “Timelines are shortening. Things which were done yesterday in three years are now being done in two years,” he says.

He expects this trajectory to continue and credits this shift to China. “China has taught us that things can be done at a faster pace,” he says.

But having a clear plan in place is vital for achieving this agility. “Whether you use a human, whether you use a machine, you should have a plan on your table first,” he stresses.

The next step is communicating this plan to your team and then focusing on productivity, says Agarwal, as each of the company’s machines are operated by humans. “So to increase productivity, we have to train people, we have to look after our people,” he says.

## **TROUBLESHOOTING TOGETHER**

Indeed, over the 25 years it has been present in India, IJM has built up a stellar team of which Agarwal is incredibly proud.

“That helps us a lot and that makes us more competitive also,” he says. “Now the team is on the ground and we are reinventing ourselves. Hopefully, in the next few months we should have a good order book of seven to 8,000 per sector.”

With around 10 BOTS currently in the market, Agarwal anticipates a busy few years for IJM (India), but he admits this next chapter won't be without its challenges.

"Being competitive is the most challenging issue at the moment," he explains. "So now what we have done is we have established a new design team, because most of the contracts are EPC contracts. So designing is the one thing that adds value.

"We are now fully geared up. That gives us better quality and improves the timelines we are able to achieve so we are not dependent on outside parties to carry out those jobs."



**“Anything that comes in, within one hour we have to work it out and that’s the way we go.”**

But when it comes to recruitment, Agarwal has a clear mandate. While finding the talent with the necessary skills is naturally a priority, so too is seeking out those that also possess certain intrinsic qualities. For he firmly believes that having the courage to be decisive is essential in the world of business.

"If you can't make a decision, you are wasting your time and money," he insists. "Either you take a decision consciously or you take a decision collectively, but a decision has to be taken."



If a member of the team has a problem they cannot solve, they are encouraged to put it on the table for the team to troubleshoot collaboratively, to ensure the company moves swiftly. It's a leadership principle Agarwal lives by.

"My table is always clean," he says. "Anything that comes in, within one hour we have to work it out and that's the way we go."

## **SHARING DOWNWARDS**

Empowering the team to make decisions confidently is therefore an important pillar of the IJM (India) culture, which it instils among its people. "You should be responsible also for your actions and never fear the failures," Agarwal says.

"Sometimes, something will go wrong, but you have to learn, you have to stop any repetitive kinds of failures."

Agarwal himself is often out on the front line talking to workers and listening to their ideas, some of which are then implemented.

This decisive culture is also nurtured through a strong emphasis on mentorship. At IJM (India), there is an expectation that senior management will mentor others within the company. "People will come and go, so the senior people have to impart their knowledge to the new people coming in," Agarwal says.

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It's an approach that has taken on particular resonance as he plans his own retirement.

“Though I will be retiring shortly; in the future thereafter, I want to play a mentor role in the industry where I can share and contribute my critical experiences with upcoming leaders,” he says. “There is a need to propagate the ‘ethics is the essence of success’ concept to aspiring leaders so they can fill in the leadership gaps, fix big issues and execute core strategy. It is a proven success mantra for me.”

For now though, he is instilling this practice within the IJM (India) ranks. “You all have experience but you have to share that experience. So communication is a major thing, which starts at the management level.”

Not only does this sense of connection help build empowerment among the IJM (India) ranks, but it also creates a feeling of belonging while also developing the interpersonal skills that are so valuable in the company's day-to-day operations. “We connect with our people on a weekly basis,” Agarwal says.

Topics under discussion can include personal issues, which the company will attempt to resolve where possible.

## **A ‘BRIDGING CULTURE’**

It’s a coal-face presence that Agarwal believes sets IJM (India) apart from its competitors. “Our senior management team doesn’t look at the results coming after two months from doing a meeting from the office, they go on the ground and interact with the people,” he says.

“We act like a pure conductor on the ground where we are interacting instead of collecting, reading and commenting on reports. That’s a real-time kind of monitoring. People know that if they raise some kind of an issue today, within a few hours somebody will hear them.”

It’s a way of working that Agarwal sees as setting a new standard within India. Rather than acting as a ‘high and mighty’ boss figure, he is instead implementing a ‘bridging culture’, which places people at the company’s core.

“People are accepted, people love to work with us,” he says proudly. “They strive to come and join us.”

## Driving Indian Growth

The 2022 opening of the 110-kilometer, four-lane Solapur-Bijapur tollway was IJM (India)'s largest India project to date in value (US\$300 million) and a major milestone for the infrastructure pioneer.

NHAI had awarded a 20-year concession contract to IJM (India) to develop this section of the new National Highway 52, linking the states of Maharashtra and Karnataka. It was one of the largest contracts awarded by NHAI on a design, build, finance, operate and transfer (DBFOT) basis.

"Apart from providing earnings visibility and serving as a long-term growth driver that the completion of the Solapur-Bijapur tollway accords the Group, we are proud to have played a role in expediting the improvement of infrastructure in the states of Maharashtra and Karnataka," IJM Corporation CEO and Managing Director Liew Hau Seng said at the time.

"With a stable of prominent projects completed in India in recent years, IJM (India) has emerged as a premier DBFOT specialist and has set standards for road construction in the country's infrastructure sector."

To maintain and continually advance the IJM (India)'s high standards, Agarwal also uses the company motto of 'Excellence through Quality'. But he has another saying, which has rippled out through the company and is now repeated on a daily basis.

"We deliver when we say we deliver, we strive on the delivery with the minimum cost and the best quality," he says.

There is no question that cost is paramount for IJM (India) in its work both as a contractor and a developer. "The bottom line is the most important thing for us. What we project, we have to stick to at the end of the day. The cost is the most important factor, which needs to be monitored on a day-to-day basis," Agarwal says.

"The procurement line is crucial and wastage needs to be controlled. We have to be very keenly observing and controlling and monitoring."

Among the tools it uses to keep a tight rein on numbers are benchmarking figures along with IT platforms, which swiftly alert the management team to any discrepancies or irregularities.

## **"At the end of the day, we have to make money and deliver what we promise to our stakeholders."**

"We have geared up with those technologies and still we have to see how we can implement them and how we control things," he says. "At the end of the day, we have to make money and deliver what we promise to our stakeholders."

Forecasting is another important tool, with a think tank in place working to understand which roadblocks may arise in the future and how to tackle them.

Partnerships are also critical, with Agarwal highlighting its IT partners and vendors as the most important in its ecosystem. "We can't do backward integration by ourselves," he says. "And the supply chain is a very important tool for us. Without them, we can't survive. Without them, we also can't deliver."

It's a two-way street, with IJM (India) expecting the highest quality, which it ensures through a rigorous evaluation process and delivering timely payments and advance orders in return. It's an approach that has helped the company build strong relationships in the industry – with some going back two decades.



## **A RESPONSIBLE APPROACH**

Growing considerations around the environment can make all these aspects of IJM (India)'s operations more complicated, which is why it's an area Agarwal takes incredibly seriously. "We have to protect the environment also," he says.

With the idea of building a world for future generations part of IJM (India)'s very DNA, sustainability has to play an important role. "We are actually creating a world for our upcoming generations, which should be viable to live in," he insists.

The company therefore has a number of initiatives in place, which it continually assesses and enhances. These fall under the four sustainability pillars of Marketplace, Environment, Workplace and Community, which are aligned to the United Nations Sustainable Development Goals.

As an example, while chopping out trees to make way for new highways was once the norm, the company invested in technology in 2000 to transplant the trees that needed to be moved – a program still used by the NHAI in many places.

"We have transplanted thousands of trees," Agarwal says.

**"We're not about pushing people down so we can stand tall – it's not that kind of environment."**

“We are also using a biodiesel mostly in our equipment now instead of using normal diesel. That helps us a lot,” Agarwal says. “There’s a little bit more multiplication to be done into the big plants and machinery but we do that and wherever our big plants are, we try to bring the electricity in instead of using generators.”

Effluent generated by its power plant is also being used as a component in the concrete IJM (India) uses in its highways. “Whatever we can economically use, we’re adopting it,” Agarwal says.

It’s a commitment that loops back to Agarwal’s pursuit of integrity in everything he does. Even after all these years, this gives his work at IJM (India) deeper meaning, not only for him but for his team.

The company’s environmental and community efforts complement the success of its projects and its culture of responsibility to make it an aspirational brand that its people can identify with and are proud to work for.

“We’re not about pushing people down so we can stand tall – it’s not that kind of environment,” he reflects. “So that helps us to believe in this company and brand.”