

# Business Standard

## Mega project builders in J&K assess risks, but no immediate alarm

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Terrorist attacks in Jammu and Kashmir (J&K) over the past 35 years have been non-discriminatory, but of late targeting vital infrastructure projects has evolved into a pattern.

However, contractors of major ongoing projects in J&K don't see cause for alarm just yet.

But the Sunday attack, in which armed militants killed seven people, including a doctor, has put infrastructure players in the region on alert.

The Centre is executing 51 mega projects (those valued at more than ₹150 crore) in the Union Territory (UT), according to the Ministry of Statistics and Programme Implementation (MoSPI). These projects were initially estimated to cost ₹76,000 crore, but their cost has risen by 56 per cent to ₹1.16 trillion, the data shows.

These include marquee projects such as the Udhampur-Srinagar-

Baramulla Rail Link (USBRL). Stuck since 1995, the project costs ₹42,500 crore and is nearing completion, with a variety of trials taking place on the Chenab Bridge — the highest rail bridge in the world.

In February, Prime Minister Narendra Modi had launched the project during his visit to the UT.

Megha Engineering is executing the Zojila tunnel project in J&K. According to people in the know, "there has been no immediate impact on the projects operating in the area similar to that of Megha Engineering, following the recent attack, as the location of the incident is far from the operations".

Recent attacks in the valley have been on non-locals working in the area. The person quoted above said the majority of the company's workforce was local, and there had been no unrest among employees about their safety.

Another executive in a major engineering company executing projects in J&K said there had not been



any impact on its operations so far. Shapoorji Pallonji-owned Afcons Infrastructure, which plans to launch an initial public offering (IPO) soon, has one ongoing project in J&K, the J&K Rail Link Project Dharan, worth ₹1,230 crore and is expected to be completed by 2024, according to its

draft red herring prospectus (DRHP). Officials from the company referred to the latest development as a "stray incident", noting Afcons had worked in Jammu & Kashmir for 20 years and faced no such terror issues. "Currently, except one project, we are not doing any other project in J&K.

### PAVING THE WAY

- 51 mega infrastructure projects, initially valued at ₹76,000 crore, now cost ₹1.16 trillion
- Projects include the Udhampur-Srinagar-Baramulla Rail Link, nearing completion at ₹42,500 crore
- Contractors report no significant impact on operations after recent attacks in J&K
- Major firms involved include Megha Engineering, Afcons Infrastructure, L&T, and Patel Engineering
- Local workforce involvement seen as key to mitigating security risks

"These kinds of terror attacks are rare," said S Paramasivan, managing director (MD), Afcons Infrastructure, adding, "if you are in a position to give employment to local people, you will find no terror attacks in your area." Engineering conglomerate Larsen & Toubro (L&T) is another company

executing two projects in J&K. They are a power transmission and distribution project and the Pakal Dul heavy civil project. The company declined to comment on queries sent.

Mumbai-based Patel Engineering has seven projects ongoing in J&K, ranging from tunnels to urban infrastructure, valued at ₹5,566.8 crore, according to its FY24 Annual Report. Emails sent to Patel Engineering remained unanswered till the time of going to press.

The Centre is executing 13 National Highway (NH) projects, worth approximately ₹5,700 crore, in Jammu through its arm National Highways & Infrastructure Development Corporation Ltd (NHIDCL).

According to NHIDCL, as of September 30, it had undertaken three NH projects which are ongoing, including the Z-Morh project.

These projects, a tunnel across the Zojila Pass on the Sonamarg-Kargil section (Zojila Tunnel) and a two-lane bypass, are worth ₹15,874 crore.