



Issue XXIII June 2012

FOR PRIVATE CIRCULATION ONLY



Relationships

Civil Engineering Construction Contractors

Dear Colleagues,

Effective mid June 2012, I shall cease to be the Managing Director of the Company and I shall cease to be involved in any way in the operations of the Company or to be involved in taking any Executive decisions.

I have taken this decision as I believe there is a very important function that needs to be fulfilled. Since Digant and I took over as the Managing Directors, the Company has grown geographically as well as in terms of its turnover and its order book. But its culture and its systems and processes have not kept pace with the growth; and so we still depend on people to perform without having briefed them on what we expect of them.

In the last 3 years our turnover has stagnated and our profits have progressively fallen. In my opinion, this is due to a combination of lack of controls and lack of sincerity and integrity in some key positions. In many cases we do not have enough visibility on what is happening on projects and the excuse is always that there is no staff or manpower. On the contrary we are heavily overstaffed considering the total wage bill which is totally unsustainable based on the projections of revenue on projects in the foreseeable future.

So far, we continue to enjoy a good reputation in the market. We meet our contractual commitments, we honour commitments to our suppliers and vendors and we pay our staff and labour contractors on time. If we do not take some drastic steps, our house will fall around us like a pack of cards.

With this in mind, I am going to concentrate completely on ensuring that systems and processes are put into place and rigorously followed. To start with, based on the construction plan or schedule, we must have full visibility on the budgeted monthly revenue and costs on all projects at all times. And when resources are requisitioned by sites we must check against the budget before resources are ordered. Each month we must compare the revenues and costs against budget and see where we stand and we must revise the budgets based on the shortfall or excess in performance.

For this purpose the PMC are being renamed as the Resource & Cost Control Department and within the department, teams will be formed, each comprising of 2 Engineers and 1 Accountant. Each team will be allotted a group of projects and they will be responsible for the following:

- Establishing and periodically revising, the budget or Control Estimate for each project with monthly breakdown of Revenue and Cost.
- Ensuring that all Resources ordered are within the allowable budget.
- Reporting variances of project revenue and costs.
- Control over all Resources.
- Ensuring prompt billing, certification and collection of dues.
- Monitoring project cash flows.

In addition to control over Resources the area that has been neglected is contract management. It is essential that we understand both our obligations and our rights under the contract. When we are exposed to delays; we have an obligation to protect the interest of the Company by ensuring that infructuous costs are recovered from the Client when such delays cannot be attributable to us. We must ensure that all extra items and variations are properly ordered and costs approved by the clients representative before we carry out the work. We must pay a lot more attention to ensuring that we do not accept contract conditions which place the Company at risk and we must ensure that we take the appropriate steps during the course of the project to protect the interests of the Company when necessary.

I HOPE THAT BY TAKING THESE STEPS WE SHALL BECOME A MORE PROFITABLE COMPANY AND JUSTIFY THE PURPOSE FOR WHICH WE EXIST.

Kaiyoz Billimoria
Director

BUILDING Relationships



Director





4th CIDC Vishwakarma Awards 2012



The 4th CIDC Vishwakarma Awards function was held on 10th March 2012 at India Habitat Centre, New Delhi. This is the third year in succession of winning the prestigious CIDC Vishwakarma Award. We won the "Vishwakarma Award 2012" in the Category I-1 for Health, Safety and Environment for our Hinduja Hospital Project. Mr. Jeet Kapadia-Management Executive, Mr. Vineet Bajaj-CEO North Zone and Mr. Amit Deshpande-CFO-North Zone attended the award ceremony.



Mr. Jeet Kapadia receiving the Award from Mr. Virbhadr Singh, Union Minister for Micro, Small & Medium Enterprises and former Chief Minister of Himachal Pradesh.



An interesting article by Mr. Jeet Kapadia, our Management Executive was published in the well known construction & infrastructure magazine "ACE UPDATE" in its June 2012 issue.

The article highlights the various factors which have made construction of high-rise buildings unavoidable in urban areas and puts those factors very cogently in their socio-economic and socio-cultural context. A must read for all those interested in urban affairs.



Innovation Conclave

25th & 26th March 2012

Sneha Natarajan,
Sr. Manager - Communications



Innovation Conclave

A 2-Day brainstorming workshop was convened on the 25th and 26th March 2012, when leading players from the engineering fraternity, key decision makers like CEOs & COO, Vice Presidents, Heads of Strategy, Quality Heads, Deployment Heads and an impressive array of high-profile experts from across the BEB Group participated to deliberate on issues essential to the successful development of the Company.

The objectives of this workshop were:

1. To discuss changes in the processes for achieving operational excellence.
2. Proper control over resources.
3. Reviewing HR policies and to fix Roles, Responsibilities and Evaluation norms for implementation of the Changed Management and
4. Formation of a Project Performance Score card and Functional Score card.

The discussions and suggestions that were obtained from the participants of this workshop were collated. A Core Team was formed to further streamline these inputs and derive an implementation strategy for the same.

The Core Team:

- Mr. Jeet Kapadia
- Mr. Monesh Bhansali
- Mr. B. Singaravelu
- Mr. Vineet Bajaj
- Mr. Sarvesh Soman
- Mr. Amit Deshpande
- Mr. Darshan Desai
- Mr. Manish Gupta
- Mr. Navile Shroff

Detailed explanation on the Objectives and Outcome as a result of this Brainstorming Conclave will follow shortly, which will be circulated through a Special Edition of Newsletter.

AWARD



"Helmet Of Honour Award for Rubix Mall"

RUBIX MALL Team was again awarded the "HELMET OF HONOUR AWARD FOR EXCELLENCE IN SAFETY MANAGEMENT" successively for 2 months i.e. March & April 2012. The Award Ceremony was held on 2nd June 2012 at the Brigade Gateway School Campus, Bangalore.

Congratulations to the Bangalore Team!!!



Rubix Team receiving the Helmet of Honour trophies from Mr. Atul Tyagi - GM Planning - Brigade Group



BUILDING Relationships

FOR THOSE WHO HAVE COMPLETED

25 years Service

Hearty Congratulations!

We very much appreciate your loyalty with which you have served this Company for a quarter of a century and we wish you many more successful years in the Company.



Mr. Harinder Tiwari - Driver on May 13, 2012

National Safety Week Celebration from 4th to 10th March 2012

IREO Gurgaon Site celebrated Safety week to create awareness of the safety norms for the workers and make the working environment safe & accident free.

INAUGURATION



SAFETY AWARENESS SESSION

ASSEMBLY POINT



FIRE PREVENTION TRAINING



Mrs & Mr L K Kapadia being felicitated



Mr. N C Parameswaran



"The old order changeth, yielding place to new"

Farewell to you, dear Veterans, after your long and distinguished service to the Company. Your hard work against heavy odds to build the Company to its present eminence has carved a niche which will be hard to fill.

You have been such an indispensable part of this Organization that we never imagined facing a situation of saying goodbye to you. The eve of 26th March 2012 was a moment for us to take pause and realize that we are saying goodbye to our favourite team of veterans. We hope and pray that your life ahead is filled with happiness. Good Luck to you!

Mr. T Ramakrishnan



Mr. D V Kulkarni



Mr. C V Patel



Mr. B N Naik



Mr. P R Shetty



Mr. Amresh M Jalali



Mr. P N Nair



Mr. S Dinakaran



Mr. D K Desai



Mr. D S Awar



HI HIGH RISE FIRE SAFETY

Amresh Jalali, Advisor, Controller for Q & S, Management Representative for IMS

Going by the recent fire incidents/accidents in the city of Mumbai, it seems BMC is proposing to alter the Development Control Regulations to accommodate new fire safety norms for the high rises.

The fire brigade department has proposed some changes like introduction of cantilever as an alternate to building refuge areas in towers. Building of internal chutes or external collapsible lifts are some of the other changes being suggested by the fire brigade department for the tall buildings.

The builders of towers will need to have RCC cantilevers projections at mid-landings of staircases at 24 meters. In addition they will have to provide cantilever projecting platforms at every alternate mid-landing.

The practice so far was to have the refuge areas [open spaces] at a height of 24 meters where people would collect in case of fire. Firemen used this space to install their pumps as well as get access to the building during emergency. The refuge area was calculated based on 4% of the built up area of the flats constructed above each of the 24 meter mark. As per the new norm, the area for cantilever slabs proposed in residential buildings should be minimum 10 square meters and for commercial buildings at least 15 sq meters with a minimum width of 3 meters.

However for buildings above 70 meters, the fire brigade has proposed that in addition to the refuge area, there needs to be a fire check floor, which will have a height of not more than 1.5 meters at every 70 meters. The fire check floor will also need fire drenches in the periphery to check the vertical spread of fire.

Besides these measures, the fire department is also insisting on inclusion of fire chutes with a lowering device including a pulley and body harness, where a resident could lower himself/herself into the chute with the help of pulley and body harness from every alternate floor landing. The other alternative was external collapsible lifts made of fibre.

I thought of sharing the above information, particularly with those who might have missed it out in a TOI publication. The above information is a change in the system for the better. It is perhaps useful to keep these proposed changes in mind, as exposure to construction of high rises is increasing by the day through out India. The above was related to post construction scenario — after occupation.

The above changes are for better fire safety and control in case fire erupts in a commercial or residential high rise and we have come a long way since the seventies and eighties, in following safety precautions in the earlier high-rises.

SAFETY—is a subject which is vital in all situations. In case of **safety during construction**, which is more relevant to us in the construction field, we have tried to ensure that all the project teams are working in a team spirit and every one realizes the responsibility of giving top most priority to "Safety first".

For successful execution of any project there is only one formula i.e. 3Ps— Planning, Planning and Planning. The more in-depth planning is carried out [followed by sincere monitoring] the more successful implementation is the result.

There is need for pre-planning as well as for different strategy, since the recent projects we have undertaken are taller still and the planning and design have to be very proactive. We need to do strategic planning in a central planning cell and need to utilize the experience of every one who can contribute with experience of successfully deployed methods as well as failures encountered during their working in the past. The time and cost of constructing various safety platforms / side railing and protective netting etc. [both on the outer periphery as well as inside of the towers] and other

requirements [as required by the construction team including OHSAS, as well as the clients] is also to be taken into account.

Needless to say that any short cut in the safety arrangement will be counterproductive.

For ensuring safety every one has to contribute in one way or the other and the least he/she can do is to ensure that all the norms and procedures are followed during construction to ensure that a zero accident record is achieved and sustained during execution. It is also necessary to ensure that all the safety drills and procedures are followed in post-construction phase.

While constructing the Tower 1- first of the five tallest (at that time) towers at Planet Godrej, Mr Adi Godrej along with his entire team of senior executives, paid a visit to the 36th floor, under construction at that time and was curious to know about the safety at 50th level in case of fire. He discussed a few options like — use of chute for going down, helicopter evacuation from top & other methods in case of fire/emergency

I was to share my personal experience — What came to my mind was an occasion when a helicopter was summoned for trying to evacuate people from a tower roof, where the occupants had gathered as the fire was raging in the middle floors, in a certain building in Delhi. As soon as the helicopter started hovering over the position itself, it had to be taken away immediately, as it fanned the fire instead. This example was appreciated and well taken by the Godrej chairman and his team, and the fire safety measures were designed taking all those views into consideration.

In case of Planet Godrej, BEB encountered a situation where on one side we were constructing the 5th tower while on the other side first and second tower was already occupied by the residents and was functional. This way safety precautions for phase construction and post occupation phase were applicable simultaneously. We need to be fully aware about the post handing over scenario in any case.

Having said that, we also need to ensure that discipline is enforced at any cost, while working in the high rises. The protection of the cutouts/lift and other shaft openings / edge protection etc should be ensured and further geared up. Supervision needs to be tightened at all levels. Regular checks need to be carried out to ensure that the systems introduced are being followed and the end product meets all the requirements.

In the last Annual Conference it was reiterated that everyone is a responsible/safety in-charge. Every one also has to be well aware of the environment and quality requirements in a project and has to do his best in ensuring that the end product is in line with the Quality/Environment and Safety Policies of the Organization. This awareness is being further strengthened by the first stage implementation of the IMS.

We look forward to

- cooperation and encouragement from all concerned for the project execution teams;
- prompt feed back from everyone on what should be /can be improved and where?
- sharing of personal experience, if any, in high rise construction that needs to be incorporated in the upcoming projects;
- proper training of all concerned from time to time;
- involvement from top down to all levels in understanding & implementing the IMS and
- action taken reports in time, from various sites, on customer satisfaction and other requirements, for improvement related to QHSE [refer IMS requirement].



"Quality-Lean-Efficiency-Cost"
— as Competitive Advantage

Sarvesh Soman, COO - Western region

About 13-14 years back I attended a two-day programme on Quality Management System (QMS) where many facets of QMS were presented and discussed. Well, most of the issues discussed, as I thought at that point of time, were beyond the realms of construction and that it was mostly applicable to manufacturing. However, this programme did leave a lasting impression on my mind and I started thinking about QMS, albeit slowly and only in patches. Many years later I read a book on Toyota's Management Principles by Jeffery Liker. I was overwhelmed by the concepts and the way in which Toyota took up the Lean Management principles in a very unique way to fight the American domination in car manufacturing.

The general perception about Quality is that it deals only with Product Quality. Yes, product quality is of prime significance but the similarity of Quality of this era and the Quality of yesteryears ends here. The Quality of this modern era does and must include all aspects of business. The concept of TQM, TPS, ISO etc are all based on a very fundamental principle of Continual Improvement. The Deming/Shewart cycle of PDCA (Plan - Do - Check - Act) is something which stresses the Continual Improvement. Now, this principle can easily apply to every aspect of business. Not only this aspect of Quality but, many other aspects of Quality can easily be applicable to almost every aspect of business and definitely not limited to product quality alone — e.g. Quality has a bearing on the way I write this article, in the way I communicate with you, in the way you behave with the Client, in the way one deals with a Sub-Contractor, in our stores management, in our processing of bills, in our procurement process, in our HR process, in our Auditing, in our ordering RMC for the day, in steel stacking, in raising potential threats and so on. I could have stopped by just giving a few examples, but I gave all these examples just to highlight the significant relevance of Quality principles to every aspect of business.

Now, what does Quality have to do with Toyota's Lean Management principles? Before I begin, let me set the right perspective on the meaning of "Lean". This does not mean lean organization structure or lean structural design. "Lean," is a production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful and thus a target for elimination. Working from the perspective of the customer who consumes a product or service, "value" is defined as any action or process that a customer would be willing to pay for.

All of our activities can essentially be categorized into three sets i.e. a) Value Adding, b) essential but non-value adding and c) wasteful activities. For construction industry the Value adding items are — pouring of concrete, fixing of tiles, reinforcement tying, etc. Typically the essential but non-value adding activities are — WO preparation, scaffolding, MS Project scheduling, Safety, meetings, presentations, writing articles, tendering, Business Development, etc. Identifying the waste activities is the most important part in Lean and therefore the most important element of this article. Typically the b) and c) activities contribute 90% of our work.

Now, if 25% of the readers of this article get inspired by this article to implement Lean principles in some of their activities, then I would treat my effort as essential non-value adding. However, if only 2% or less read it and even fewer think of it, then my effort is a waste.

Essentially, lean is centered on preserving value with less work. Lean is renowned for its focus on reduction of seven wastes to improve overall customer value.

1. Waste in Overproduction
2. Waste in Waiting
3. Waste in Unnecessary Transport or Conveyance
4. Waste in Incorrect processing or over processing
5. Waste in Excess Inventory
6. Waste in Unnecessary movement
7. Waste in Defects or Repairs and Rework.
8. Waste in Un-used employee talent/creativity

The eighth one was not in the original seven list of Toyota's Lean, but was added later by James Womack, a Lean expert.

Now, to connect and link Construction, Quality, Lean and Wastes, one must get out of the denial mode — of construction being very different from manufacturing and that all these are only bookish principles and that these cannot be applied to "my construction work". With my experience and my understanding of the construction works for over 20 years and coupled with my being a student of Lean, I can state with confidence that these principles have tremendous scope for application. In fact we are always applying some but, not in a structured way.

The objective of this article is to instigate, motivate, inspire, and enthuse in you — an eye for identifying "waste". Material waste is one thing, but the wastes as cited above need to be identified and there is ample scope for that. e.g. A tower crane lifts some items and transports it vertically to the 13th floor — have we studied what are all the activities that can be reduced. Identification of bottlenecks (a subject by itself) will also remove wastes. e.g. scaffolding movement after the slab is de-shuttered is a bottleneck at some sites — "cause". The effect is waste of time and labour. Cause and Effect analysis, one of the seven Quality Tools, is another way of identifying waste. The ideas can strike only to the project team members who are watching this activity every hour. Just imagine the multiplier effect of saving 5 minutes of a labour on an activity whilst improving the product quality; the cascading effects will be huge. Here comes the PDCA cycle. The "C" part of PDCA i.e. Check is all about this. "A" for Act means we are acting based on the analysis done during C.

Quality and Lean are indeed vast subjects and can hardly be covered in one article. So, I will stop for now and then continue on this in my next article. I welcome any suggestions / criticism on this. I can be contacted at sarvesh@bebanco.com and 99302 61018. But, let us begin somewhere....to ultimately gain Competitive Advantage....

References : i) The Toyota Way — by Jeffery Liker. ii) Wikipedia iii) Notes by Prof Rupesh K. Puri — IIM K.

5th June 2012

Go Green Initiative
by
R A Residency site, Mumbai
on World Environment Day

Let's pledge to make earth a better place to live in.



Project Update

S. N. Bhat, V. P. - Operations

RESIDENTIAL

'Ashford Palazzo' at Breach Candy, Mumbai - 1 residential tower with basement, stilt+ 6 level podium and Service floor + 11 upper floors

'Mantri Serenity' at ISKCON, Bangalore - 1 residential tower with double basement, ground + 21 upper floors + Terrace and 2 residential tower with double basement, ground + 25 upper floors + Terrace

'North Eye' at Cape Town, Noida - residential tower with double basement, ground + 66 upper floors + Terrace

'RA Residency' at Dadar, Mumbai - 2 residential towers with ground + 5 level podium + 42 floors each and 1 commercial tower with ground + 5 floors having 5 level common podium

'Raheja Waterfront' at Mangalore, Karnataka - 2 towers with ground + 23 floors

'Lotus Complex' at Lower Parel, Mumbai - 2 residential towers with 34 Floors, 1 commercial building with 17 floors & 1 service apartment with double basement, ground + 7 level podium + 38 Floors

'Mahindra Splendour' at Bhandup, Mumbai - 5 towers with 2 level parking and stilt. 2 towers having 32 floors each and 3 towers having 21, 23 and 25 floors each

'Bougenvilla' at Sarjapur, Bangalore - 4 towers with ground + 11 floors

'IREO Victory Valley' at Gurgaon, Harayana - 1 tower with double basement, ground + 25 floors and Row Houses G+1 - 1 nos, G+3 - 2 nos & G+7 - 2 nos

'New Haven Township' at Boisar, Thane - 33 buildings with ground + 2 floors & 49 buildings with ground + 3 Floors

'Concorde Manhattan' at Doddathoguru village, Bangalore - 5 towers with double basement, ground + 14 floors

'Salarpuria Greenage' at Hongasandra

village, Bangalore - 3 towers with 21 floors and 1 tower with 25 floors

'Salarpuria Phase II' at Hongasandra village, Bangalore - 6 towers with double basement, ground + 21 floors

'Manjeera Residential' at Kukatpally, Hyderabad with three basements, ground + 23 floors

'Alliance Orchid Springss' at Korattur Lake, Chennai, with 5 Towers having ground + 18 floors

Residential Tower at Bhavini Township, Anupuram, Kalpakkam, Chennai, with ground + 17 floors

'Embassy Residency' at Perumbakkam, Chennai - 4 towers with ground + 8 floors

'Gulmohar Villas' at Perambur, Chennai - 110 villas with ground + 2 floors each

'Mayflower Caladium' near PSG Technology & Krishnamal College, Coimbatore - with basement, ground + 10 floors

'Crescent Court' at Greater Noida, U.P. - 3 towers with double basement, ground + 22 floors and 2 towers with double basement, ground + 6 floors

COMMERCIAL

'Rubix Mall' at HMT layout, Bangalore - with single basement, ground + 11 floors + terrace

'Manjeera Commercial' at Kukatpally, Hyderabad - with three basements, ground + 8 floors

UTILITY

'Namaste Hotel & Office Tower' at Mumbai with three basements + 67 floors

'P. D. Hinduja National Hospital and Medical Research Centre' at Mumbai, - additional 20 floors above existing

'ASB Mold Factory Building' at Ambarnath, Thane with ground + 2 floors

'Amul Dairy Plant' at Virar, Thane with basement, ground + 1 floor

'Sri Sathya Sai Hospital and Medical College' at Chennai with ground + 3 floors and ground + 4 floors respectively

'Vedanta Cancer Hospital and Research Centre' at Raipur with numerous low rise structures housing various departments & facilities

'Pondicherry Convention Centre' at Kalapet, Pondicherry - Auditorium with 2500 seating capacity and ancillary building

'Centre of Excellence for Training in Energy Efficiency' at Chennai, Block D with ground + 1 and Block E & F

'IGCAR' (Head End Cell Building) at Kalpakkam, Chennai - ground + 3 floors

'IGCAR' (GSC Annexe) at DAE Township, Kalpakkam, Chennai - ground + 3 floors

'Amanora' Mall at Hadapsar, Pune - 2 blocks with basement, ground + 3 floors

'Garden Galleria Shopping Complex' at Bangalore with three basements, ground + 6 floors

'Matsterbatches plant' at Ambarnath, Thane

'GBJ Radisson Hotel' at Peelamedu, Coimbatore - with double basement, ground + 9 floors

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