



1-2...POWER

- 150,000 mw extra power in 10 years: PM
- Maharashtra plans 800 mw generating units
- Most power projects on track
- 36,955 mw capacity addition by 2007
- BHEL may tie-up with Alstom for thermal power projects

3-4...TELECOM

- Cell operators plan common infrastructure
- Cabinet nod for fresh FDI note sought
- Zero rental plans can't mislead users
- Reliance Infocomm working on a new image
- Flat rate for STD and local calls

5...OIL & GAS

- Petroleum ministry seeks audit-check of oil PSUs
- Higher ONGC dividends should offset duty cuts
- ONGC's on track, restores 60% output
- Soaring crude jacks up working capital needs of oil firms
- Jatropha may put India on road to fuel self sufficiency

6...AIRPORTS & PORTS

- Diesel hike will cost the Railways Rs 2.45 billion
- Bangalore roads going the plastic way
- Siemens wins 2 GSR-R contracts from Railways
- New toll plazas on main roads in Delhi
- Eleven consortia in race for Railways' call centre services

7...ROADS & RAILWAYS

- Rs 480 mn for IT corridor roads upgradation soon
- CPCB Approves Plastic Roads
- Venture to Improve Rajasthan Roads
- Rural roads project hits speedbreaker
- Railways on a growth track

8...URBAN

- Rs 28 billion allotted for urban renewal process
- More funds for local bodies in Karnataka
- Master Plan a must for development of urban areas
- Mysore included under National Urban Renewal Mission
- 'Bridging rural-urban divide crucial for growth'

If the stock markets are booming, can the core sector be far behind? This month's update reinforces the fact that India is on a high-growth trajectory. One of the biggest impediments to growth poor infrastructure is poised to play the role of a catalyst to the economic development process.

On its part, the government appears firm on encouraging the private sector to step up investments in sectors like telecom, airports, roads and power, the periodic bickering of coalition partners, especially the Left, notwithstanding. What's more, the government is ensuring that such investments by the private sector remain viable.

POWER

150,000 mw extra power in 10 years: PM

In order to overcome the acute energy shortage in the country, Prime Minister Dr Manmohan Singh, has set an ambitious target of adding 150,000 MW of electricity generating capacity in next ten years. India, which is facing a peak energy deficit of about 47 per cent, has an electricity generation capacity of 127,000 MW. "I expect addition of 150,000 MW of electricity generating capacity in next 10 years through coal and hydro-electric power," Dr Singh said.

Maharashtra plans 800 mw generating units

Maharashtra State Electricity Board may soon set up power plants with generating units having a capacity of 800 mw as against the current limit of 500 mw. Recently, Central Electricity Authority (CEA) had organised a meeting with various agencies in the state to prepare the ground for inducting 800 mw units. "Considering the successful operation of 500 mw units over the last decade and the high reliability achieved by large size units internationally, the time has come to raise our generation standard," Mr. R K Jain, chairman, CEA, said. According to him, these units could be more economical and efficient since the pollution level is lower.

Most power projects on track

Of the 44 power projects under implementation at present, 39 projects are slated to come up by the first year of the 11th Plan period (2008-2013),



while five projects are reported to be facing constraints in timely commissioning, according to a report of the Ministry of Statistics and Programme Implementation. Of the projects on schedule, 31 are slated for commissioning during the 10th Plan period (2002-07) and eight in the first year of the 11th Plan period. Projects costing over Rs 1 billion have been included in the report.

36,955 mw capacity addition by 2007

The power ministry has initiated plans at multiple levels to achieve the power capacity addition of 36,955 mw in the Tenth Plan (2002-07). According to the ministry, these plans will enable people to enjoy quality electric power at affordable rates by 2012. "To meet the all-India peak demand of 1,51,648 mw by the end of 11th Plan, CEA has identified projects far in excess of this requirement and has initiated actions on them," Mr. R K Jain, chairman, Central Electricity Authority (CEA) said. However, he added that without reducing transmission and distribution (T&D) losses and mutating into long-term strategic development from short-term objectives, no development would generate the fullest benefits.

BHEL may tie up with Alstom for thermal power projects

State-owned Bharat Heavy Electricals Limited (BHEL) is likely to tie up with French equipment supplier Alstom to take up 800 MW 'supercritical' thermal power projects. BHEL was augmenting its existing capacity for manufacturing equipment along with expanding the product range to manufacture 800 MW sets, BHEL chairman and MD Mr. A K Puri said, adding "we are making an investment of Rs 10 billion (US\$229.5 million) over next two and half years." He said that once the technical collaboration with the foreign company was finalised, BHEL would start bidding for 660 and 800 MW power projects.

Karnataka to produce additional 3,000 mw of power

Karnataka Power Corporation (KPC) aims to produce an additional 3,000 MW of power in next five years. KPC vice chairman and minister for energy and public works department (PWD) Mr. H D Revanna said there was a demand for 8,000 MW power in Karnataka and it was producing 4,000 MW at present. Additional funds to the tune of Rs 90 billion will be released for the purpose.

Monitoring system for ongoing power projects

The government will set up a central monitoring system

to keep a tab on the progress of ongoing power projects in the country. The Power Minister, Mr. P.M. Sayeed, said the monitoring system would focus on ensuring that unwarranted slippages in project clearances and construction schedule do not take place. He said that the introduction of information technology, particularly, in power distribution management, would go a long way in the overall efficiency growth in the sector.

Power-starved Delhi to buy 300 mw from Andhra

Dogged by acute power shortage, the Delhi government has decided to buy 300 mw of power for Rs 3 per unit from Andhra Pradesh to partially meet its power demand of about 600 mw. This would still leave a supply gap of another 300 mw, which might be bridged with the help of other states. Delhi's total demand for power ranges between 2,800 mw and 3,200 mw depending upon the climate. As a result of the bursting of the Naptha Jhakri power plant's pipeline, Delhi faced a shortage of about 250 mw of power.

Tamil Nadu chief minister inaugurates power projects

Tamil Nadu Chief Minister Jayalalitha dedicated 10 power sub-stations built at a cost of Rs 2.09 billion, two small hydro-power stations constructed at a cost of Rs 150 million and some hydro-power stations reconstructed at a cost of Rs 120 million, to the people. Ms Jayalalitha also laid foundation stone for five hydro power stations to be set up at an estimated cost of Rs 2.24 billion and 30 sub-stations at Rs 2.22 billion.

Rajasthan to augment power capacity by 4,500 mw

The Rajasthan government has chalked out an ambitious power generation plan involving 4,500 mw in the next 3-4 years. With a strong focus on wind and lignite-based generation, the state is waiting for the outcome of the multi-billion dollar Iran-Pakistan-India gas pipeline project, which will pass through Rajasthan to fuel various industries including power. Gas capacities will be accordingly planned after modalities of implementing the pipeline project are over.

1,065 mw power plant for Faridabad

The Haryana chief minister has laid the foundation stone for a Rs 34.78 billion, 1,065 MW gas-based power plant at Faridabad. The new plant will be a big boost for the state which has been suffering from excessive shortage owing to uncertain power supply from the Nathpa-Jhakri Hydro project in Himachal. The first unit of the plant is expected start generation by the end of 2007.

Cell operators plan common infrastructure

The Cellular Operators Association of India (COAI), the parent body of all GSM service providers, has decided to look at how the industry could be more socially responsive to societal demands for more free space in the ecosystem and better telecom services. According to Mr. T V Ramachandran, director-general of COAI: "New Delhi Municipal Corporation (NDMC) has already asked the operators to share cell sites." Till now the country's mobile operators were sharing just 30% of the existing cell sites. "We want to make it 100% which would help us to cut network costs as well as proliferate cell sites to save space in the ecosystem," Mr. Ramachandran said. Going beyond cell sites sharing, the GSM operators also plan to share other networking facilities like the use of third party's common optic fibre cable.

Cabinet nod for fresh FDI note sought

The telecom industry's long wait for 74% foreign direct investment (FDI) in mobile and fixed-telephone services is slated to end shortly. The Prime Minister's Office (PMO) has asked the Department of Telecommunications (DoT) to seek Cabinet approval on the amended FDI norms. The amended note envisages that foreign shareholding in public sector banks and financial institutions will not be considered while setting the FDI cap of 74% in the telecom service sector. However, foreign shareholding in Indian private sector banks, such as ICICI, IDBI and HDFC, will be considered as foreign equity. Thus, 74% foreign investment can be made directly or indirectly in the operating company or through the holding company.

Zero rental plans can't mislead users

Telecom operators may no longer be able to take consumers for a ride through 'deceptive' rental plans that actually inflate bills. The regulator -- Telecom Regulatory Authority of India (TRAI) -- has issued a directive asking telecom operators to show all monthly fixed recurring charges under one head. The direction comes in view of a number of operators offering tariff plans with misleading titles like 'zero rental'. However, such operators are charging a high monthly fee under some other head.

Reliance Infocomm working on a new image

Post-split between the Ambani brothers, the Anil Dhirubhai Ambani Enterprises (ADAE) group, led by Anil Ambani, is working on a massive project to overhaul its branding and communication strategies in a bid to shed Reliance's image as an industrial house and get more

consumer-centric. The Reliance group is the largest business group in India. Anil Ambani who inherited the entire customer facing businesses -- Reliance Infocomm, Reliance Capital and Reliance Energy as part of a settlement formula that saw the establishment of ADAE -- has roped in international brand guru David A Aaker of Prophet Brand Strategy to study and review the brand equity of the current businesses and give them a more consumer-centric focus. The mandate is to develop a brand image that will equal that of other consumer-oriented brands like mobile handset maker Nokia or financial services major ICICI.

Flat rate for STD and local calls

Another telecom revolution is in the offing. Soon, consumers can pick up the phone and dial anywhere local or STD, and the same rates will be applicable. Slimmer phone bills and a huge increase in calls are assured. However, it's bound to hurt some of the existing operators. This ambitious IndiaOne plan has been mooted by the Union communications minister Dayanidhi Maran. What IndiaOne envisages is a uniform tariff across the country. In other words, it seeks to convert the country into a local call regime. It won't matter whether someone is calling within Delhi or from Delhi to Amritsar. It won't matter whether the call is from a landline to a landline, mobile to mobile, or mobile to landline all calls will be charged at the same basic rate offered in the tariff plan.

Distacom checks out of Spice Tele

Hong Kong-based Distacom, the foreign shareholder of the BK Modi-promoted Spice Telecom, is exiting the mobile service provider. A financial investor, possibly related to the Deutsche Bank group, is believed to have bought Distacom's 42%, with the backing of BK Modi. Mr. Modi said that talks are underway with Distacom to buy out its stake in Spice, but said that the deal is not yet finalised. "A total restructuring is being planned. We are forming a consortium which will buy out the stakes of those who are interested in selling," Mr. Modi said.

Now, a mobile phone for just Rs 1000!

Companies in Bangalore are firming up plans to come out with a phone that would cost just about Rs 1000 by next year. With 2 million new mobile subscribers being added every month, India, the fastest growing wireless market in the world, is going one step ahead of the magic figure of sub-\$40 and aiming at a "dream phone

for the common man". Currently, the fastest selling lowest cost mobile phones from Nokia, Motorola and Samsung fall in the range of Rs 2,500 -Rs 3,000. Not only market leaders like Nokia and Motorola but also design companies like Quasar and Elcoteq and cellular operators too are looking at this ultra low cost segment. Leading chip firms like Texas Instruments (TI), Philips and Infineon have come out with low cost chips - that are the heart of the mobile phone comprising 40% of the cost of the phone.

Broadband spells more money for BSNL, MTNL

Broadband is proving to be a bigger money churning than GSM for the government-owned Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL). Broadband has an average revenue per user (ARPU) of Rs 600 per subscriber compared to that of Rs 375 for GSM mobile services. BSNL added 50,000 subscribers in August and has achieved a subscriber base of 1.2 million. MTNL has a total subscriber base of 73,000 in the two metros - Delhi (39,000) and Mumbai (34,000). MTNL plans to add 5,50,000 subscribers by the end of this financial year. It would have a subscriber base of 1.55 million by the end of next financial year. BSNL would have a base of 3.7 million by the next financial year.

Post merger, Hutch-Essar recasts board

The post-merger board of the newly christened Hutchison Essar, formerly Hutchison Max Telecom, has been formalised. Hutchison Essar is the holding company of all the five Hutch affiliates in India. Hutchison Telecom International (HTIL) is likely to field three directors, including Mr. Canning Fok and Mr. Dennis Lui, on the Hutchison Essar board. Mr. Fok is the chairman and non-executive director of the NYSE-listed HTIL, while Mr. Lui is the CEO of the company. The Ruias will be represented by Essar group vice-chairman Mr. Ravi Ruia and Essar group director Mr. Anshuman Ruia, the younger scion of Essar group chairman Mr. Shashi Ruia. Max India group chairman Mr. Analjit Singh will represent Max Televentures on the Hutchison-Essar board, while the Hindujas will be represented by Mr. Y M Kale.

C-DoT-Alcatel research centre gets Cabinet okay

The Rs 2.12 billion C-DoT-Alcatel research centre has got the nod from the Cabinet. The centre will be set up in Chennai. While French telecom major Alcatel will hold 51% stake in the joint venture, balance 49% will be held

by public sector company C-DoT, a telecom R&D institution. The centre will be set up within three months and a budget provision will be made for providing funds to C-DOT from 2005 to 2010. C-DOT will get a grant of Rs 520 million to make equity investments in the JV over a period of three years. While Rs 130 million will be given during this financial year, the second installment of Rs 260 million will be released in the next fiscal. The remaining Rs 130 million will be given in 2007-08.

Bharti, Axa may team up for an AMC

French financial services major Axa and telecom major Bharti Enterprises are close to finalising a deal to form an asset management company. The move comes close on the heels of Axa and Bharti tying up for a life insurance joint venture. Preliminary indications are that Axa will hold a majority stake in the venture. Axa Rosenberg, the investment management arm of Axa SA, which manages assets worth Euro 869 billion, is expected to pick up a stake in the venture on behalf of the Axa group. Axa SA is the fifth-largest insurance and financial services company in the world. Axa Pacific Holdings has tied up with Bharti for the JV. The life insurance JV company has earmarked an Rs 5000 million investment for a period of three years. It is expected to start writing policies by the second quarter of '06. Though Axa has been talking to a number of players for the asset management foray, it is keen on teaming up with Bharti due to the inherent advantages in working with a common partner. Axa is understood to be looking at the possibility of entering other financial services segments such as pension funds. The Bharti group is also understood to be keen on establishing its presence in financial services.

Motorola now eyes low-end handset market

Having helped Motorola gain market share in markets like North America and Europe, Ed Zander, chairman of the board and CEO, has now set eyes on India, among other emerging markets.

To begin with, Motorola will be launching several new phone models in September this year. Taking a cue from market leader Nokia, Zander plans to focus on the retail channel too. Allen Burnes who looked after the handsets business in the Middle East and Africa markets is being brought in to head the mobile phone devices business in India.

For the moment, Zander is concerned only with increasing market share in the country. He does not have any plans to start manufacturing immediately. "We'll do it right for economy and cost structure," he said.

Petroleum ministry seeks audit-check of oil PSUs

In yet another blow to public sector unit (PSU) autonomy, the petroleum ministry has turned its attention to the books of accounts of oil PSUs. Petroleum ministry has shot off letters calling upon the auditors of the firms for a quick check on audit issues. Sometime back, petroleum secretary Mr. S C Tripathi met representatives of the audit firms working for Oil and Natural Gas Commission (ONGC) and Gas Authority of India Ltd (GAIL). Ministry officials also met auditors of downstream PSU oil companies like IndianOil, Hindustan Petroleum, Bharat Petroleum and Engineers India Ltd. It is "unusual" for the administrative ministry to take up meetings with auditors as they are appointed by the Comptroller Auditor General (CAG) of India and their annual reports are anyway subjected to CAG inspection.

Higher ONGC dividends should offset duty cuts

The petroleum ministry is working on a revenue-neutral proposal to slash excise duties on petrol and diesel. It has suggested that the revenue loss on account of the duty cuts would be compensated through higher dividends by state-owned Oil and Natural Gas Commission (ONGC). This excise duty cut is estimated to lead to a revenue loss of around Rs 30 billion. The petroleum ministry has proposed that ONGC, which has been raking in windfall gains due to spike in global crude oil prices, would compensate the government for this loss through higher dividend payouts. The excise duty restructuring is aimed at being revenue neutral.

ONGC's on track, restores 60% output

ONGC has restored production from the Mumbai High oilfield to 250,000 barrels of oil per day, which is 60% of the production before a fire wiped out its MHN platform on July 27, 2005. ONGC is hiring an FPSO (floating production & storage system) that will restore output to near normal in six months.

Soaring crude jacks up working capital needs of oil firms

Increasing working capital requirements and a negative cash flow has resulted in increased borrowings for the oil marketing PSUs. The increasing price of crude oil has meant that working capital requirement for oil companies has gone up. Moreover, because of the losses that they are incurring on their major products, diesel, petrol, LPG and kerosene, these companies are unable to fund working capital requirements from their own cash flows. IndianOil, the country's largest oil company, seems to be

the worst hit. Its borrowings increased from Rs 100 billion last year to Rs 175 billion by the end of the first quarter. In the first quarter of this financial year, IndianOil recorded losses of Rs 540 million. Other oil companies are also facing the same fate. Bharat Petroleum's debt has increased from Rs 5 billion last year to Rs 25 billion by the end of the first quarter.

Jatropha may put India on road to fuel self sufficiency

Bio-fuel has already become a rage in Brazil, Ghana, Sweden, Germany and even the US, and could end up playing a larger role in India's quest for energy security. Farming of jatropha - commonly known as 'Rattanjot' - growing wild in arid Rajasthan, is catching on. Farmers from Andhra Pradesh to Haryana, Madhya Pradesh to Karnataka are cashing in on the crop with fuel-potential. Jatropha grows fast, has high seed yield and is usually not eaten by animals. Around 1 million hectares across India have been identified for jatropha plantation. Jatropha biodiesel has an extra edge in its particularly favourable ignition performance, besides being sulphur-free and therefore a clean, low-emission fuel. Companies such as Daimler Chrysler, IndianOil, Indian Railways, Tata Motors and state roadways companies in Andhra Pradesh, Tamil Nadu, Haryana and Gujarat are ready to bet on biofuel.

Honeywell, oil firms in Rs 2.2 billion e-retail deal

In a move that will further modernise the retail operations of petroleum companies, state-owned oil majors IndianOil (IOC) and Hindustan Petroleum (HPCL) have inked a Rs 2.2 billion (about \$48 million) agreement with Honeywell Automation India, (HAIL) for implementation of a comprehensive e-retail automation solutions package. E-retail automation will enable the oil companies to improve their retail station operational efficiency and provide significant convenience to consumers.

RIL plans to set up Rs 8000 million styrene plant

Reliance Industries (RIL) has drawn up plans for the country's first styrene plant at Jamnagar with an investment outlay of Rs 8000 million. The 750,000 tonne-per-annum plant will produce styrene, a building block for plastics like polystyrene and synthetic rubber, from Jamnagar refinery's off-gases. Currently, the entire domestic demand for styrene is met through imports. A few mid-sized ethyl alcohol-based styrene units closed some years ago. The RIL plant will be the first in India to produce styrene through the petrochemical route.

6 bid for Delhi, Mumbai airports

The government accepted six technical and financial bids for the modernisation and privatisation of the Delhi and Mumbai airports. Five consortia - GMR-Fraport, Reliance-ASA (a Mexican airport operator), DS Construction-Munich Airport, Sterlite-Macquire Bank-Airport de Paris, and Essel group (Zee)-TAV (of Turkey) - bid for both Delhi and Mumbai airports. The GVK-South African Airport Operator combine bid only for Mumbai. The bids now go for evaluation. Technical aspects of the bids will be evaluated first and then the financial part. The winner is expected to be declared by the end of this calendar year. The Larsen & Toubro-led three-member consortium pulled out of the bidding process for the privatization of the Mumbai airport. The Bharti-Changi consortium also withdrew from bidding for the Delhi and Mumbai airports.

Panel suggest Greenfield airports for Delhi and Mumbai

A 32-member parliamentary panel has recommended developing new Greenfield airports in Delhi and Mumbai that will have the capacity to handle much more passenger and air traffic keeping in view the growth in the civil aviation sector in the country. The Standing Committee on Transport, Tourism and Culture was of the view that investing huge money on modernisation of Mumbai and Delhi airports would be a waste as there were certain inherent technological constraints.

Rs 7.47 billion for 12 major ports

The government plans to spend Rs 7.47 billion during the current fiscal for development of 12 major ports. This amount will be raised through internal resource generation, external borrowing and budgetary support. The shipping ministry envisages a total investment of Rs 6.57 billion through internal and external budgetary resources (IEBR) and Rs 900 million through gross budgetary support (GBS) for the development of ports. The programme would look into enhancing the capacity of ports.

Govt plans sop for firms giving airports a face-lift

The government feels that the ambitious plan to modernise Mumbai and Delhi airports at a cost of more than Rs 100 billion with private sector participation could require subsidy in the form of 'viability gap' funding. A provision to this effect is part of the terms of corporatisa-

tion and the government has to fork out the necessary funds even while the joint ventures upgrading the two airports pay the Airports Authority of India a share in the airports' revenue and an upfront 'royalty' fee of Rs 1.5 billion. Successful bidders who are chosen to upgrade the two airports can seek 'viability gap' support as large investments could lead to negative earnings in the initial years. The government estimates that the cost of modernisation would be Rs 28 billion for Delhi airports and Rs 26 billion for Mumbai airport in the first phase. Ultimately, the total investment in the two projects could go up to Rs 200 billion. The 'viability gap' funding may be necessary to avoid cutting of corners by private sector partners at the cost of quality.

Indian airports below Asian average

A survey rating conducted for the Union civil aviation ministry has revealed that both of India's premier airports at Delhi and Mumbai fell even below the average for Asian airports. The civil aviation ministry had engaged an agency of the International Air Transport Association (IATA) for the survey. On a scale of 1 to 5, where 1 denotes "poor" and five denotes "excellent", the performance standard average rating of Delhi airport (both domestic and international) was just 2.72 which is below the Asian average of 3.5. Mumbai got a rating of 3.2. The survey report was for the period of January to March this year. The global average was 3.75.

Changi eyes airports in South

Having pulled out of the big-ticket Mumbai and Delhi airport revamp projects, Singapore's Changi Airport is eyeing projects in south India, including the Chennai airport. It may tie up with regional partners for these ventures rather than work with Bharti Enterprises, as the airport major feels that working with regional players would make sense for smaller projects. For the Mumbai and Delhi airports, Changi had tied up with the Bharti group but the consortium did not ultimately bid for these major projects. The message from Changi is that pulling out from the Delhi and Mumbai projects is not the end of its involvement in Indian aviation. It is already involved in the designing of the Surat airport and will continue to look at smaller projects. Not having committed to the Delhi or Mumbai airports, Changi will be in a position to invest in a number of smaller projects, which may help in hedging risks. With the Piramal-Hochtief consortium, the Bharti-Changi-DLF combine decided to opt out of the Mumbai and Delhi corporatisation plan since the standards laid down by the government were considered unacceptable. Apart from Chennai Changi is likely to look at smaller projects, including greenfield ventures.

Diesel hike will cost the Railways Rs 2.45 billion

The recent hike in the price of diesel will impose an additional burden of Rs 2.45 billion on the railways for the rest of the financial year. However, there will not be any increase either in passenger or freight fares, according to Minister of State for Railways Mr. R. Velu. Mr. Velu was confident that the additional burden would be met through the expected increase in the volume of freight traffic. He said road operators would definitely increase their tariff by at least 10 to 15 per cent. Already, rail freight rate is cheaper than road. An increase in road freight tariff would attract more traffic to rail, which in turn would help compensate the additional financial burden. Rail services were now operated on diesel and electric tractions. According to railway officials, the annual budget for fuel expenses was Rs 91.3 billion, of which diesel alone accounted for Rs 46.7 billion. Electrification had so far been getting low priority.

Bangalore roads going the plastic way

The Karnataka government is finally working at a solution to improve the quality of the roads. What's more, the solution even combats the growing plastic waste the city is generating. KK Plastic Waste Management, a Bangalore-based company, has pioneered a technology which uses shredded plastic waste mixed with asphalt to tar roads. The technology has been approved by the Central Road Research Institute which has verified that the road life increases twice over. This is besides using two tonnes of plastic waste per km. The Bangalore Municipal Authorities are backing the technology though it costs 5-10% more than the normal process. Besides this, Karnataka has also sought Central assistance for upgradation of 38 roads in the IT corridor of Bangalore, coming under Public Works Department.

Siemens wins 2 GSM-R contracts from Railways

Indian Railways has awarded two additional GSM-R (Global Systems for Mobile Communications-Railways) contracts to the Siemens Communications Group. With this, Siemens will equip 2,200 km of the rail network with GSM-R technology. Both recent contracts are worth double-digit millions. Train engineers, conductors and stationmasters in Delhi, Haryana, Punjab and Jammu and Kashmir will be able to communicate with one another through a new mobile system. GSM-R will support conference calls between multiple people and assure a stable connection, regardless of the weather conditions. In addition, pressing a single key will enable the train engineer to automatically contact the control centre at the nearest station via his GSM-R mobile

handset without having to dial its discrete number. In addition to installation and start-up, the contract also includes services, such as personnel training and system maintenance for the next three years.

New toll plazas on main roads in Delhi

The Delhi government is planning to build 10 entry points toll plazas on the major roads in various parts of the city for quality travel. The "ultra modern" plazas will be constructed on a build-operate-transfer basis. The government has invited the major players in road-making. The innovative technology, apart from generating revenue, would streamline the traffic system in the Capital. The government plans to put the system in place ahead of the Commonwealth Games to be hosted by Delhi in 2010.

Eleven consortia in race for Railways' call centre services

Eleven consortia each consisting of IT-enabled service providers and instant voice response system (IVRS) hardware equipment vendors and software players have bid for setting up the call centre network of Indian Railways. Those in the race include IBM, Wipro, Tata Consultancy Services (TCS) and Avaya. At present, Railway officials are working on technical evaluation of the bids. As a part of its move to emerge as a customer-friendly organisation, the Railways has plans to set up call centres with "high service-level agreements that would provide quality service to our passengers." Outsourcing the call centre operations to an expert in the area is a move in this direction.

Railways to step up safety measures

The Southern Railway will make investments for improving the security at railway lines, Southern Railway General Manager Thomas Varghese has said. The most important component in this section is fitting Anti-Collision Device (ACD) in all trains operating in the Chennai-Kochi sector. As a first step, the device is being tried in select trains, Mr. Varghese said. The ACD was first implemented in Konkan Railway and is expected to cost Rs 5,00,000 per train. The section will also get automatic warning system at level-crossings, hooters that go off automatically when the train approaches, he said. Other security measures include interlocking level-crossings with the station master's offices. The Southern Railway would spend another Rs 190 million for security works like track and signal improvement.



Rs 28 billion allotted for urban renewal process

The ministry of urban development will provide Rs 28 billion to states and union territories for the national urban renewal mission. If states provide matching funds for urban expenditure, the total outlay would go up to Rs 56 billion. In the outcome budget for 2005-06, released by the finance ministry, the urban development ministry stated that a total of Rs 9 billion would be allocated for water supply, Rs 5.25 billion for sewerage and sewage treatment, Rs 5 billion each for roads and urban transport, Rs 2.75 billion for storm water drainage and Rs 1 billion for solid waste management.

More funds for local bodies in Karnataka

Village local bodies or Panchayat raj institutions and urban local bodies in Karnataka will get an additional Rs 12.21 billion for the next five-year period, starting this year as recommended by the Twelfth Finance Commission (TFC). This is part of the Rs 250 billion to be released to these institutions all over the country: Rs 200 billion for the panchayat raj institutions and Rs 50 billion for the urban local bodies. The grants are to be used by the panchayat raj institutions to take charge of water supply, sanitation schemes and to meet the cost of their repair and operation and maintenance. The urban local bodies are required to spend at least half of the money allocated for solid waste management schemes through public-private partnership.

Master Plan a must for development of urban areas

Having a Master Plan is imperative for development of any urban area. Transport, services and land use sectors should work together as development is not just about constructions but also about conservation of green areas, water bodies, heritage structures, says noted urban affairs expert Mr. E F N Ribeiro. The former chief town planner, Government of India and chairman of Association of Metropolitan Development Authorities of India, points out that urbanisation will only increase in the country. "Master plans fail because of lack of coordi-

nation between different government agencies. Getting these agencies to work in accordance with the plan is important," he emphasised. At the same time, the plan also has to be flexible to accommodate and absorb unforeseen developments.

Mysore included under National Urban Renewal Mission

The inclusion of Mysore under National Urban Renewal Mission (NURM) is expected to create an integrated infrastructure system for the city to cope with the rapid growth and development and improve living conditions in urban areas. However, the broad objectives of NURM seem to reflect the concerns aired by the Vision 2020 document prepared for the city by the Mysore Agenda Task Force (MATF) almost four years ago. The MATF had submitted the document to the government, which chose not to implement it.

'Bridging rural-urban divide crucial for growth'

Uniting people for the progress of the country and bridging the rural and urban divide could be achieved only by bringing in the concept of distributive justice as the central theme of all development policies, programmes and activities, the former Director General of the Council for Advancement of People's Action and Rural Technologies, Mr. L V Saptharishi said. He said that policies and instruments since the start of the 1990s tended to work against the interests of the poor and they have been left to fend for themselves under the umbrella of market forces.

'Extend 100-days employment scheme to urban areas'

Ananth Subbarao, General Secretary of the All India Trade Union Congress (AITUC), has demanded that the government extend the 100-day employment assurance scheme for rural unemployed youth to urban areas. He said that there is a considerable number of educated unemployed youth in urban areas and asked why they should be deprived of such a scheme.

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