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INDIA

# INFRASTRUCTURE UPDATE

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## MP power deals

The Madhya Pradesh State Electricity Board (MPSEB) and the National Thermal Power Corporation (NTPC) have signed five power purchase agreements as a result of which the state will receive an additional 820 mw of power from the different NTPC thermal power stations under the Tenth Five Year Plan.

## Haryana gets 64 mw

Haryana will get an additional 64 mw following an agreement between the Haryana Vidyut Prasaran Nigam (HVPN) and the Satluj Jal Vidyut Nigam for the purchase of power generated from the Nathpa Jhakri Hydro-electric Project in Himachal Pradesh. The power will be evacuated to the Northern Grid through two double-circuit 400 kv lines. The agreement will be valid for 35 years.

## Sipat project bids

The 1980 mw Sipat project of the National Thermal Power Corporation in Chhattisgarh looks set to take off with the company finalising March 28 for opening of bids. It is the first power project in the country to be implemented using the advanced 660 mw super critical technology parameter.

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## Ministry to move SC on Dabhol panel

The Union Cabinet has allowed the ministry of power to move the Supreme Court against the Maharashtra government with regard to the terms of reference of the Justice SP Kurdukar Commission inquiring into the Centre's decision in the Dabhol power project. The ministry of power has sought the appointment of the attorney general to seek his opinion and decide on the future course of action. The appointment has been sought as the state government has not yet directed the Kurdukar Commission to keep its proceedings in abeyance. Also, the state has not yet taken any steps to exclude the terms of reference pertaining to decisions taken by the Centre and its agencies in the Dabhol project. The Centre had already filed a fresh affidavit on February 6 before the Kurdukar Commission, affirming its objections against jurisdiction of the Commission, which has adjourned its proceedings till March 13.

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## Tata Power interested in ABB stake in Neyveli

Swiss multinational ABB has put on the block the 50 per cent it holds, along with associate companies, in ST-CMS Electric Co, one of India's eight original fast-track power projects. A few months ago, CMS Energy announced plans to withdraw from the 250 mw power project in Neyveli, Tamil Nadu, citing lack of clarity in India's power policy. CMS holds 50 per cent in the venture and is yet to sell its stake. As part of setting its finances in order, ABB had announced last October plans to sell its equity in power generation projects worldwide.The $317-million Neyveli project was issued a central government counter-guarantee and also enjoys escrow cover.

Tata Power, the Rs 37 bn Tata group major, is understood to be interested in the ABB stake. Tata Power has an aggressive expansion plan and has already bid for the US-based AES Transpower's 49 per cent stake in the Orissa Power Generation Corporation.

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## Power projects trim insurance covers

Power projects are beginning to trim their insurance covers to cut back on premium costs and ensure that returns of equity holders are protected. Both Tanir Bhavi Power Company Ltd (TBPCL) and PPN Power Ltd have trimmed costs by opting for plain vanilla covers. As a result, TBPCL's premium costs were cut to Rs 3.87 crore. PPN cut costs to Rs 130 milion. Last year, these two power projects were among the many who had taken several add-ons in their risk covers including terrorist risk cover. TBPCL operates a 220 mw barge- mounted power project near Mangalore and PPN power a 330-mw liquid-fuelled station near Tamil Nadu. More projects coming up for renewal, significant among them being the National Thermal Power Corporation and Dabhol Power Company, are expected to follow suit.

## Bhilai capacity hike

Bhilai Electric Supply Company (BESC), the 50:50 captive power JV between NTPC and SAIL, is finalising plans for additional power generation capacity of 500 mw. The expansion programme is estimated to cost about Rs 20 bn.

## Bio-mass plan

The Karnataka Renewable Energy Development Limited is planning to generate 375 mw of power by setting up 50 units of bio-mass based generation plants with a capacity of 7.5 mw each in the select rural areas suffering from acute shortage of power.

## BHEL captive plant

Bharat Heavy Electricals Ltd has bagged a Rs 1 bn order for setting up a 20 mw co-generation power plant at IOC's Mathura refinery complex. The power plant would be set up as a part of the refinery expansion project of Indian Oil Corporation at Mathura and is scheduled for commissioning in the next 19 months. Monday.

## More power for Delhi

Delhiities can now hope for a better power situation as the trial runs of the third phase of the Pragati Power Project will begin shortly. With the beginning of the trial run of the third phase of Pragati power project, Delhi is expected to get an additional 110 mw of power. At present Delhi gets 220 mw power from two units of the gas-based Pragati Power Project.

## Neyveli thermal plant

The two power stations of Neyveli Lignite Corporation (NLC) generated 10,719 million units of power till December last, which was 1.29% higher compared to the corresponding period in 2001. NLC would commission a 210 mw capacity new thermal power station at a cost of about Rs 10 bn by March 2003.

# Reliance Power may be merged with BSES

Subsequent to increasing its joint stake ( with Reliance Power) to 58.2% in BSES ltd, Reliance Industries Limited (RIL) may eventually merge its subsidiary Reliance Power Ventures Ltd with BSES Ltd. Reliance is also reassessing its proposed independent power projects in terms of the "fuel and return on investment" feasibilities of each project. RIL had earlier offered all its power plants to BSES Ltd, which eventually took over only the 48-mw combined cycle Reliance Salgaonkar project. Reliance has five planned independent power projects including the 1500-mw Jayamkondam, two 500-mw pet coke-fuelled units at Jamnagar, the 447-mw at Patalganga and the 375-mw lignite-fuelled Ghogha. The 3960-mw Hirma power project will be executed independent of Reliance Power. The Group has proposed to develop its 500 mw pet coke-based power project at Jamnagar on the strengths of its own engineering procurement construction (EPC) capabilities. A proposal has been submitted to the power ministry for change of EPC contractor from Foster Wheeler of USA to RIL for implementation of its Jamnagar power project.

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# Videocon unplugs from power sector

The Rs 40 bn Videocon group has decided to exit from the 1050 mw coal-based power project at Ennore in Tamil Nadu. Videocon's foreign partner, the UK-based National Power, had pulled out of project around two years back as the project did not achieve financial closure within the stipulated time frame. The group had been looking for a partner to replace National Power to no avail. National Power was to hold 49 per cent stake in Videocon Power, the company floated to implement the project, with the balance 51 per cent being held by the Videocon group. Earlier, the Videocon group had exited form the 250 mw Neyveli power project by selling its stake to Asea Brown Boveri.

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# Andhra move to micro-privatise power

The Andhra Pradesh government has decided to implement what it calls "micro-privatisation" on a pilot basis. It has found a new opportunity in the form of 'service outsourcing' at the 33 kv sub-station level. The Andhra Pradesh Central Power Distribution Company had recently called for 'expression of interest' from eligible persons/bodies to take up technical and commercial services in 30 substations. About 325 bids were received and 121 bidders were shortlisted on the basis of their technical and financial competence. The bids are in the process of being finalised. Initially, the outsourcing would be for a period of six months and the management would decide about continuation and/or replication of similar exercises in other sub-stations only after a thorough performance appraisal. These measures will further enhance Andhra Pradesh's stature as a pioneer in power reforms.

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# Mega grid to meet power shortage in the south

The 2000-mw power supply grid set up on the outskirts of Kolar, at a cost of Rs 38 bn, is likely to significantly reduce power shortage in four southern states to Karnataka, Tamil Nadu, Andhra Pradesh and Kerala. The grid is connected with Talacher in Orissa and at 1400 km is the fourth largest line in the world. While Karnataka's share in this grid is 466 mw, Tamil Nadu will get 636 mw, Andhra Pradesh 499 mw and and Kerala 330 mw.

## Mobile call rates fall

All cellular service providers are now charging a flat rate of Rs 2.99 per minute for a long distance call beyond 500 kilometres made from one cellular phone to another.

Users, however, have to pay additional airtime charges of a minimum of Rs 1.49 a minute. So a one minute call will cost approximately Rs 4.50 per minute. These tariffs do not apply to subscribers of BSNL and MTNL. These calls are marginally more expensive. Users do not pay any airtime charges, but BSNL's CellOne mobile subscribers now pay Rs 4.80 per minute round the clock for STD calls above 500 km.

MTNL charges Rs 2.90 per minute plus airtime charge of Rs 1.40 per minute for STD calls above 50 km from its Dolphin subscribers.

Reliance has promised to provide a flat tariff of 40 paise per minute for all calls made from one Reliance phone to the other, regardless of distance. However, a user will have to pay a refundable deposit of Rs 1000 for activating STD calls.

## BPL ties up with Data Access

BPL Mobile has announced a strategic tie-up with Data Access (India) Ltd. to launch a pre-paid international calling card under the Mots brand name which will be available at Rs. 18 for a one-minute call.

This is a 25 per cent saving over existing ISD rates offered by fixed line operators to U.S., Canada, U.K. and Western Europe.

Similarly at Rs. 22 per minute, users will get close to 10 per cent savings on calls to the rest of the world. The card is available in denominators of Rs. 210, Rs. 735 and Rs. 1,575.

## The conflict on WLL continues

The conflict between cellular and basic phone companies continues with both sides unwilling to relent. Reliance and Tatas, the two leading lights of the WLL(M) sector, have justified plans to provide call transfer and call forwarding through multiple registrations. The companies say these facilities conform to licence conditions as well as technical conditions of switching and can be extended to users outside the local call area. Cellular companies have been crying foul saying that this was "roaming by another name." The spat is unlikely to be resolved in a hurry. On a parallel track, the telecom dispute tribunal has agreed to club a complaint against Reliance and Tata Telecom with the main petition against WLL(M) filed by cellular companies. The tribunal has been told that the TRAI is examining the reply by Reliance on charges of violating licence conditions. Meanwhile, the panel set up by Mr Arun Shourie, Minister of Dis-investment, Communication and Information Technology, is likely to consider a converged licence allowing WLL operators to offer mobile services after paying an entry fee.

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## Transfer of licences allowed

Telecom licences can now be sold. The Telecom Commission has approved this in principle and the department of telecommunications (DoT) will move a Cabinet note to this effect. Till now, licensee companies could transfer equity but not the licence. This illiquidity came in the way of mergers and demergers. The new rule would remove a key obstacle to consolidation in the industry. Under the new rules, the new entity to which the licence would be transferred should be eligible for grant of a fresh licence for that service. Further, all terms and conditions of the licence, including the complete rollout obligation, will apply to the transferee company.

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## Moderate estimates for licence fee collection

As against estimated revenues of Rs 24.46 bn in the current fiscal, the DoT in its estimates forwarded to the Finance Ministry has stated that Rs 25.34 bn is expected to be collected in 2003-04. This at a time when the subscriber base is growing by leaps and bounds across the country. The fact that the licence fee collections are only Rs 880 mn higher than the current year could have two implications - either DoT plans to reduce the licence fee rates (something that is operators are clamouring for) or else it anticipates tariff reductions to have an adverse impact on operators' revenues.

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## Cellular growth slows

Cellular subscriptions went up by 680,000 in January, taking the country's total mobile user base to 11.16 million. This is, however, lower than the addition of over 700,000 new users in December 2002. While private cellular operators have blamed the entry of WLL limited mobility phones for the dip in cellular subscriptions, state-owned Bharat Sanchar Nigam Nigam Ltd continued to make inroads into the mobile market. Its subscriptions have crossed the 1-million mark since it began operations in October. It has also started mobile services for the first time in Andaman & Nicobar Islands, where it currently has 270 subscribers. However, operators in at least five circles witnessed a fall in their overall subscriber base. Meanwhile, limited mobility subscriber base of private operators increased to over 181,000 users in January.

## Reliance bookings

Reliance Infocomm has crossed the one-million mark (10 lakh) for the number of bookings for its limited mobility service. The service, touted as the "poor man's mobile", offers a host of facilities that include free incoming calls and outgoing calls at nominal rates. This is in addition to free SMS and facilities pertaining to music downloading and streaming video. The bookings have come from a little over 100 cities.

## Customs details on mobile

The Customs Commissionerate of Bangalore became the first in the country to launch an automated status enquiry system from which customs clearance status of import/export cargo, draw back claims and others details can be obtained through SMS messages on mobile phones.

All that a customer needs to do is to send the Shipping Bill number or Bill of Entry number to a phone number and the system checks documents and sends back the status in the form of SMS message.

## MTNL WLL plans in progress

Mahanagar Telephone Nigam Limited is expected to open the price bids soon and the letter of intent (LOI) to WLL vendors for code division multiple access CDMA 2000 1X terminals or handsets for its wireless in local loop (WLL) capacity expansion. The company is in the process of approving the techno-commercial bids after which, it will open the financial bids.

MTNL had invited bids for 95,000 CDMA 2000 1X terminals in December 2002. The total of 95000 terminals constitute of 60,000 units of WLL M (mobile) terminals and 35,000 WLL F (fixed) terminals. There were four bids in the WLL M category, three being from Hyundai and one from Kyocera, while the WLL F category had just one bidder which was LG.

# Max to buy out Comsat

Max India is buying out Comsat Corporation of the US from the 51:49 joint venture, Comsat Max Ltd. After the acquisition of the stake, the company will become a 100 per cent Max India subsidiary. Comsat Max is the country's leading provider of Vsat services and solutions for hosting, protecting, delivery and management of data, voice and video. The company has also diversified into the field of disaster recovery of data.

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# Hutch to buy Escotel's licence

Cellular operator Hutchison Essar has reached an agreement with Escotel to buy a licence to operate cellular services in the Punjab circle. Hutchison has applied to the Department of Telecommunications for permission to acquire the licence. The license is one of four licences obtained by Escotel at the time of bidding for the fourth operator licences in 2001. Escotel had paid around Rs 1.51 bn for the licence. Once the deal is approved, Hutchison would have to start operations in Punjab from scratch. This is because except for some very basic assets, Escotel has not started work in the region.

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# MTNL focus on prepaid cellular services

MTNL is on the recovery path, with the speedy growth of its cellular services, after the relaunch in February. This time it has a new thrust on prepaid cards. The demand for Trump having exceeded initial expectations, MTNL plans to change its strategy from providing 50% new connections on prepaid and the remaining 50% on post-paid services to 70% - 30% combination on prepaid and post-paid connections. One of the reasons for the popularity of the Trump card is that there are no hidden charges in it. The 100 per cent value in recharge coupons, extended validity period, loyalty bonus of Rs 50 on usage of Rs 400 in one month, lowest SMS rates, remote recharging makes it most affordable prepaid Cash Card in the country.

MTNL's cellular services growth had been adversely affected when the subscriber base hit the full capacity ceiling of its installed network, of 2.5 lakh subscribers, in September. MTNL has now added 2.5 lakh lines in Delhi and Mumbai. It is acquiring subscribers at the rate of 1,200 per day in Mumbai and 1,100 in Delhi for prepaid cards. It is also setting in motion the process of increasing its network capacity and has already initiated the process of adding eight lakh additional lines in Delhi and Mumbai.

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# BSNL attracts Chinese players

Chinese companies Huawei Technologies, China Putain and ZTE Corpora tion are among the seven vendors in the race to win the Rs 4 bn 7.45 lakh line code division multiple access (CDMA) 2001 1X network rollout project of BSNL in 12 states. Telecom equipment vendors from Korea, LG and Hyundai have also submitted technical bids for the project. Global vendors, Motorola and Ericsson, are also in the race to win the project.

The network rollout will be done in 12 states including Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh (East) and West Bengal.

## In brief...

- The Supreme Court has upheld the award of the umpire in an arbitration of dispute between power companies and Central and Western Railways. The court set aside the decision of the Bombay High Court that the dispute should be settled under the Indian Electricity Act and not according to the Arbitration and Conciliation Act. The umpire had awarded Rs 40 mn to the power firms with 12 per cent interest from 1993. The power firms had agreed to supply electricity to the two railways but a defect developed in the machine leading to the dispute.

- Five district roads in Kuppam constituency of Andhra Pradesh are set to be upgraded. The five roads would provide better accessibility to the neighbouring states of Karnataka and Tamil Nadu. The roads proposed are Kuppam-Pedaparthikunta, Bisanattham-Mallappakonda, Kuppam-Pachur, Mallanur-Adavibuduguru that reach up to the Tamil Nadu border and a perpendicular strip from the Palamaner-Krishnagiri National Highway to Rallabuduguru that links to the Karnataka border.

- A Rs.1.5 bn scheme for the comprehensive development of the road network in Thiruvanthapuram is in the offing. The plan, to be executed in three phases, envisages n strengthening and widening of roads, geometric improvements to road sections, development of the main road junctions, strengthening and rehabilitation of existing structures, upgradation of pedestrian facilities and identification of bus bays, bus stops and parking lots.

## Railways freight traffic up

Indian Railways earned Rs 221.18 bn from hauling goods traffic during the first 10 months of the current fiscal from April 2002 to January. Till January 2003, the Railways moved 426.37 million tonnes of freight traffic, which was 7.87 mt above the target of 418.50 mt set for the period. Of the total earnings, coal transportation accounted for Rs 95.40 bn, foodgrains movement contributed Rs 26.20 bn, petroleum, oil and lubricants (POL) carriage stood at Rs 22.57 bn while cement movement realised Rs 17.19 bn. Transportation of raw materials to steel plants contributed Rs 9.37 bn, movement of finished iron and steel fetched Rs 10.68 bn, iron ore export traffic realised Rs 4.99 bn, fertiliser traffic contributed Rs 10.80 bn while another Rs 23.97 bn came from other goods. Given the buoyancy in freight traffic, the Railway Ministry anticipates that the current year's freight target of 510 mt will be exceeded.

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## Mumbai transport project okayed

The Centre has approved the Rs 31.25 bn Mumbai Urban Transport Project which would upgrade rail infrastructure in the metropolis and reduce travel time for commuters by decongesting traffic. The project, which is expected to be completed in five years, will get a World Bank loan of Rs 16.13 bn. The Maharashtra government will meet 50% of the project cost and it will also share 50% liability of the World Bank loan component. The Railways will meet the remaining 50% cost which will be funded under Metropolitan Transport Project Plan head, with no division liability by the Railways. The project consists of a total of 14 rail projects out of which nine will be taken up in the first phase. On completion, there will be reduction in overcrowding of coaches, specially during peak hour, the spokesperson said, adding the travel time for commuters will be reduced as a result of increased frequency of services, remodelling of existing speed restrictions, improvements of turnouts and yard/station remodelling.

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## Rail network to be upgraded

Indian Railways is planning to introduce 260-metre long rail panels, to ensure higher safety of tracks. The ministry of railways has signed a memorandum of understanding with Steel Authority of India (SAIL) recently for the procurement of the high-quality long rails. The cost of the project to be commissioned by year-end, has been estimated at Rs 3.20 bn. The railways' annual requirement of long rails is close to three lakh tones. The railways also plans to undertake expansion of railway network in the country, under the Rs 150 bn National Rail Vikas Yojana project.

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## Canadian firms interested in infrastructure sector

Big and small companies in Canada are looking at opportunities in roads, water, power, and transport management. An infrastructure delegation from the Canadian province of Ontario, on a recent visit to Karnataka, proposed various schemes where the government could make payments over a long-term period. Such a proposal would give the public much needed roads quickly while relieving governments from making huge capital. Canadian companies already operating in India include SNC Lavilin, which is building some of the highways and R.V.Anderson (RVA), with interests in water supply and sanitation.

## In brief...

- The Brihanmumbai municipal corporation (BMC) has cracked the whip on 32 housing societies in Bandra and Borivli for failing to segregate dry and wet waste. The societies have been fined Rs 1,000 each. According to the amended section 368 of the BMC Act, it is compulsory for residents to segregate garbage as it reduces volume and makes for efficient disposal.

- The Delhi Jal Board (DJB) has announced a major hike in its price for water used in construction. The hike is, however, less for houses and more for commercial places. Till now, the fixed charge, based on the volume of the building, was Re 1 per metre cube for both commercial and residential buildings. The fixed charge has been hiked to Rs 5 per metre cube for houses and Rs 10 per metre cube for commercial buildings. Builders were so far paying the regular domestic or commercial rate. But now people building houses will have to pay Rs 7.5 per kilolitre for the first 50 kilolitres. The next slab is Rs. 50.

- The Madhya Pradesh Government has refused to clean up the 4000 m tonnes of lethal chemical waste lying in the premises of the Union Carbide Corporation (UCC), till the Centre sanctions the Rs 500 mn needed for the operation. Chemical waste has been seeping into the ground, contaminating ground water in a radius of up to 3 km. 5000 families living in 18 gas-affected localities have been consuming water contaminated with, among other things, mercury which is two to 24 times more than the permissible concentration limits. Another stumbling block is posed by the state law department's doubts on the lease deed of the factory premises.

## Industrial water users to pay cess

All industrial users of water except hydel power plants will now have to pay a water cess. The Lok Sabha has passed a Bill that proposes to extend water cess to the entire industry from the existing cover of 16 categories of high polluters. With the rates increased to three times the prevailing ones, the legislation is aimed at reducing consumption of water, stopping indiscriminate use and curbing pollution by covering more than 70 categories of industry. The cess on domestic consumption (2 paise per kilolitre; 3 paise for excess use in violation of the Water Act) will remain unchanged. The new law provides for maximum rate payable if consumption is within the norms and outside of it whereas those who use less than the specified quantity would be exempted from the cess.

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## SC seeks action on waste management

The Supreme Court has asked the Union Government to file a comprehensive response on solid waste management in major cities in the country and for marketing urban compost management as an alternative to chemical fertilisers. Currently, open dumping of solid waste is extensively practiced. The Union Ministry of Environment & Forests has issued a Municipal Solid Waste Notification reminding the municipalities of their responsibility in identifying and developing landfill sites.

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## TN urban bodies pool finance to tap debt market

Fourteen urban local bodies in Tamil Nadu have raised funds from the debt market through a pooled financing arrangement, which is the first such instance in the country without a State Government guarantee.

The pooled fund, called the Water and Sanitation Pooled Fund (WSPF), raised Rs 304 mn through an issue of bonds carrying a coupon rate of 9.2 per cent with a 15-year tenor. This fund will disburse the money to the local bodies concerned for carrying out water supply and sanitation projects, all of which are capital intensive and have long pay back periods. Urban local bodies can now peg user charges at more affordable levels than what they would have had to if they had borrowed from FIs.

For the WSPF, registered as a trust by the Tamil Nadu Government, the Tamil Nadu Urban Infrastructure Financial Services Ltd will act as the trust manager. USAID has guaranteed the Rs 304 mn bond issue to the extent of 50 per cent of the principal. As a cover for the balance, the State Government has undertaken to replenish shortfalls from the urban local body's share of the State Finance Commission devolution.

The first level of credit enhancement for the WSPF is the escrow of the property tax and other collections of the urban local bodies. This will be covered under a tripartite agreement among the WSPF, the local body concerned and its banker. The next level of credit enhancement is a Debt Service Reserve Fund, which will be set up by the State Government with liquid investments of Rs 69 mn. This money will be invested in “AAA” rated securities and the interest accruing from the fund will be available for the investors for the bond servicing.

After the success of the pooled fund, which had a “AA” rating, with subscriptions largely from the ICICI Bank and the Karnataka Bank, and some provident fund trusts, efforts are on to float a pooled fund benefiting more urban local bodies for executing projects under the National River Conservation Project.

## ERM for IDBI Bank

IDBI Bank has announced the deployment of VistaFin, an enterprise-wide relationship management platform developed by Geoscope Information Systems. VistaFin Provides a single-point interface for capturing sales, purchase, redemption information for all investment services managed by the bank as well as fee income tracking/ reconciliation facilities.

## Fibcom buys centre

Fibcom, a telecom infrastructure company, has acquired the software development centre of one of its joint venture partners Tellab Denmark at a cost of Rs 40 mn. The company has already invested Rs 50 mn to upgrade it into a full-scale R&D centre for Fibcom products. Through the acquisition, Fibcom would be able to do R&D and develop many of its own products in the optical fibre space and the take up development projects for Tellabs Denmark as well.

## JP Mobile - Nokia tie-up

JP Mobile Inc, a software provider that extends and manages corporate data on handheld devices, has entered into an agreement with Nokia to make SureWave software available on the in-box CD shipped with every Nokia 9290 Communicator. The SureWave software enables secure, synchronised access to enterprise applications such as Microsoft Exchange and Lotus Domino groupware.

## Andhra software exports

Software exports from Andhra Pradesh are likely to touch between $1150 million to $1200 million next year. Exports from the state have been growing at a cumulative annual growth rate of over 100% over the past nine years, touching $589 in 2001-02.

# Oracle Software plans for India

Oracle Software is planning to almost double its Indian headcount to 4000 over a couple of years. The addition in employees will serve newer areas like shared services, back-end operations, and call centre initiatives. The current strength of the company employees stands at 2460.

The company is also planning a new development centre in Hyderabad. It already has two centers in the country- one at Bangalore which looks after data base software and the other at Hyderabad that takes care of e-business software. The new center would be triple the size of the Bangalore centre in terms of area and would be engaged in Oracle e-business solutions.

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# Software exports to touch $10 bn: Nasscom

Indian software exports will touch around $10 billion in the current financial year compared to $7.78 billion last year, according to National Association of Software & Service Companies (Nasscom). While IT services will account for almost 75 per cent of the turnover, IT-enabled services will comprise the balance 25 per cent.

For the nine-month period ended December 2002, the software industry registered a 28% growth in export revenues, at Rs 340 bn. While the traditional IT services contributed Rs 258 bn, the IT-enabled services accounted for Rs 82 bn. Revenues from the ITES sector, which includes call centres and business process outsourcing (BPO), have grown 61% in April-December '02 when compared with the corresponding period last year, when revenues stood at Rs 51 bn. IT services revenues, on the other hand, have grown 20% from Rs 215 bn last year.

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# Greater synergy between Dubai IT hub and India

Dubai Internet City, the IT hub created by the Dubai government as a part of its free trade zone, is working towards synergies between companies located in West Asia and Indian software houses, particularly in the areas of IT-enabled services and disaster recovery management space. Out of about 450 companies located in the Internet City, 18 per cent are from India. The Internet City provides state of the art infrastructure for serving the local market as well as CIS countries, parts of Africa and Europe. The Dubai Internet City had earlier signed a memorandum of understanding with Nasscom and has also has state-level knowledge sharing arrangements. It has also signed an MoU with APFirst, an Andhra Pradesh government initiative, to collaborate in IT-enabled services space and for the establishment of data centres.

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# CSIR-TCS - bioinformatics software

The CSIR co-ordinated programme to develop versatile portable PC-based software for bioinformatics would see the launch of a version of the software package in May, 2003. The project started in April 2002 under the CSIR New Millennium India Technology Leadership (NMITLI) expects the commercial launch in December this year. NMITLI is aimed at enabling the Indian industry to become global technology leaders, in niche areas, through private-public partnership. The principal industry partner in the project Tata Consultancy Services (TCS), Hyderabad in technical collaboration with CDC Linux, Bangalore and Frontier Technologies, Hyderabad, would develop the software as per the MoU with CSIR.

## Wipro to support education

Wipro Infotech has entered into a services agreement with Manipal Academy of Higher Education to provide infrastructure management services and a suite of support services. Wipro will support over 2000 desktops across 28 institutes in the country and also offer help desk services, network support, desktop and servers support, OS/applications services and tech support. It would also set up a central help desk, which will support users across all the institutes on real-time basis.

## Satyam - Ansys tie-up

Satyam Computer Services has announced today that it has formed a strategic alliance with the global innovator of simulation software, Ansys. The company says that the alliance will help customers accelerate product innovation, time-to-market and quality. It also said that the alliance will allow the two companies to jointly deliver product design solutions that combine Ansys simulation software products with Satyam's engineering consulting, configuration, customisation and on-site development strategy.

## India to corner 70% of call centre market: IDC study

A recent study by the International Data Corporation suggests India will corner 70% of the call centre services market by the end of 2003 and 73% market share by 2006. In contrast, China - widely perceived to be India's biggest competitor in this business - will have 3% market share this year and 4% by 2006. Philippines will come closest to India with a projected 15% market share in 2003, which would decline to 13% by 2006. While Singapore will hold on to a 7% market share from 2003 to 2006, Malaysia and New Zealand would remain at 1%.

## Destination Japan for Indian software

Japan is emerging as the information technology market that can help the Indian software industry surmount its slowdown blues. Software exports to Japan were at Rs 1,510 crore in 2000-01, which was four per cent of the total software exports, according to the National Association of Software Services and Companies (Nasscom) data. The country's exports still remain US-centric, with 62 per cent of the business coming from the US, followed by Europe with 24 per cent.

According to analysts software exports to Japan are expected to increase by around 60 per cent to around Rs 24 bn by the end of the current financial year. The country is considered to be the biggest infotech market in the Asia-Pacific region and expected to remain so for some time to come.

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## India develops customised navigation software

India's first in-vehicle, voice-based interactive navigation system — SatGuide — would be available in the market in the next few days, thanks to Satyam Navigation, a GIS division of Satyam Computer Services Ltd (SCSL). Incorporating three cutting-edge technologies — Global Positioning System (GPS), Speech Recognition System and Digital Mapping System, this navigation system has been designed to get drivers to any location quickly.

The convergence of these three technologies with patented voice response and routing technologies has resulted in a safe, hands-free and eyes-free navigational system that literally gives turn-by-turn directions to the destination. The device is compact, portable and easy-to-use and has been provided with smart-chip technology for voice independent and error-free speech recognition. Directories of hospitals, ATMs, banks and navigation CD for intra- and inter-city navigation have been incorporated into the system. The company has filed for a patent for this product.

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## New software development centre in Kolkata

Wipro Technologies plans to recruit 2500 professionals for its upcoming Software Development Centre at Kolkata to be operational from June 2004. This would be the company's fifth major development centre in India, the physical structure of which is likely to be ready by the first quarter of next year. About 85 per cent of the intake of people would be fresh recruitment. The first phase of the project is likely to be operational by June next year, for which 1000 professionals would be recruited. The numbers would increase gradually.

The project, to be set up at a cost of about Rs 500 million excluding the expenditure on systems, would be complete in three phases. The development centre would initially be an execution centre for existing business. But it will also cater to IT-enabled services. The centre would be spread over 12 acres in Salt Lake area with over 250,000 sq ft of software blocks.

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