



India Infrastructure Update



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POWER

Government Accepts NDPL Plan For 1000-MW Plant Outside Delhi

The Delhi government has approved an NDPL proposal to set up a 1000-MW gas-based power plant near Kanjhawala in north-west Delhi. The government is now in the process of writing to the DDA, asking them to change the land use of the area from agricultural to industrial. Approximately 100 acres have been identified to set up the Liquefied Natural Gas power plant. The proposal would now be put up before the Delhi Cabinet for final approval.

NDPL had sent the proposal to the Delhi government as far back as in 2003 to set up a gas-based plant in either north or north-west Delhi, areas where it distributes power. The project, if implemented, will reduce Delhi's dependence on the northern grid and central power stations.

Electricity Grid to Get 200 MW from Garbage-based Power Plants By 2007

Power plants based on municipal solid waste will add 200 MW to the grid by March 2007. Talking to reporters, the Chairman of NEDCAP, Sagi Durga Prasad Raju said plants, with a generation capacity of 6 MW each had been commissioned at Hyderabad and Vijayawada, while a third one was under construction at Visakhapatnam.

Mr. Raju said 11 similar plants were under consideration across the state. Plants would be viable if 400 to 500 tonnes of garbage was generated per day in the municipalities.

Towns where it is feasible to set up solid waste-based plants are Kakinada, Rajamundry, Nellore, Eluru, Tirupathi, Kurnool, Mahabubnagar, Karimnagar, Warangal and Nizamabad. In Hyderabad, two more plants are planned at Kapra and L.B. Nagar.

'10,000 MW of Nuclear Power Production by 2012'

India is poised to produce 10,000 MW of nuclear power by 2012, according to Anil Kakodkar, chairman of Atomic Energy Commission (AEC), and secretary, Department of Atomic Energy, Government of India. Speaking at the Nuclear Fuel Complex (NFC) Day celebrations held in Hyderabad, Mr. Kakodkar said the country's nuclear power programme was moving forward along expected lines. When the nine heavy water reactors being constructed in the country become operational, total nuclear power production would reach 4,500 MW, he said. "India needs to produce .27m MW nuclear power by 2050 and naturally this would put more pressure on the Nuclear Fuel Complex," the AEC chairman added.

Reliance Plans 12,000 MW Coal Plant in Orissa

Reliance Energy Ltd. is drawing up plans for a massive coal-fired power plant in Orissa at an estimated cost of \$11 billion. "This will, by far, be the world's largest pithead coal-based power plant at a single location," Chairman Anil Ambani told shareholders at its annual general meeting.

The 12,000 MW plant in the state of Orissa would increase the entire country's existing power generation by about 10 per cent. The investment would be about five times Reliance Energy's \$2.3 billion market capitalisation. Ambani did not say how the project would be funded, but said it would be done in phases.

India's NTPC Plans To Set Up 900 MW Power Plant In Sri Lanka

Marking its foray in the international market, state-run National Thermal Power Corporation said it plans to set up a 900 MW coal or LNG-based power plant in Sri Lanka. NTPC will submit a proposal to the Sri Lankan government to set up the project either on a Build, Own, Operate (BOO) or on Build, Own, Operate and Transfer (BOOT) basis, the power major informed The Stock Exchange, Mumbai.

The company has a total installed generation capacity of 23,435 MW and plans to become a 40,000 MW company by the end of the 11th plan period. NTPC plans to add 9,160 MW

Inside

Power	1
Telecom	3
Oil & Gas	5
Roads & Rails	6
Ports & Airports	7
Urban Infrastructure	8



generation capacity during the 10th plan period and 17,333 MW in the 11th plan.

PowerGrid to Add 2,500 MW by December

PowerGrid Corporation of India Ltd (PGCIL) plans to enhance its inter-regional power transfer capacity by about 2,500 MW to take the total national grid capacity to 12,000 MW by the end of this year.

"At present, we have an inter-regional capacity of 9,500 MW and, by December or latest by March next year, we would have a capacity of 12,000 MW," PGCIL Chairman and Managing Director R P Singh said at a workshop organised by Independent Power Producers Association of India. The central transmission utility has targeted inter-regional electricity transfer capacity to 30,000 MW by the end of the 11th Plan in 2012. Setting up this country-wide electricity grid requires an investment of \$ 16.1 bn, of which PGCIL will chip in \$ 11.5 bn, while the rest will come from private players.

FertilizerCo-op & State Government Tie Up for 1,000 MW Plant

The Chhattisgarh State Electricity Board (CSEB) and the Indian Farmer Fertilisers Co-operative Ltd (Iffco) will set up a coal-based 1,000 MW power plant at Premnagar in the Sarguja district of Chhattisgarh.

Chief Minister Raman Singh said his government was pursuing a time-bound programme to add an additional capacity of 6,000 MW in the state and invited Iffco to set up its \$ 1 bn Indian Farmers Forestry Organisation project in Chhattisgarh. A memorandum of understanding (MoU) was signed by the secretary, energy department, Ajay Singh, and Iffco Managing Director U S Awasthi. Iffco and the state power board will hold 74 per cent and 26 per cent, respectively, in the estimated \$ 1 bn project.

UP Govt Nod To New Pvt Power Project

The UP state government has given its nod to setting up a new power project in the private sector and carrying out extension and refurbishing of the four existing power plants involving an investment of \$ 2.3 bn.

The state government has also asked the Uttar Pradesh Power Corporation Limited to rationalise power tariff and get a comparative study of the prevailing tariff structure in other states conducted. This becomes significant in view of free power supply to farmers in some states.

Firms Set Up 236 MW Wind Power Capacity

As many as 59 corporates have set up wind-driven turbine

generators (WTGs) in Gujarat to produce power between October 2002 and March 2005. WTGs in Gujarat have an installed capacity of 236 MW.

These corporates range from pharmaceutical companies, clock makers, potato wafer makers to denim manufacturers, chemical units and export houses.

In June 2002, the Gujarat government declared the new Wind Power Generation Policy, aiming at private sector participation in setting up windfarms. Some leading corporates that have set up WTGs in Gujarat include Alembic Chemicals Limited, Intas Pharma and Gujarat NRE Coke Limited.

Private Power Project in Jammu & Kashmir

The Jammu and Kashmir government has opened the power generation sector to private enterprises. The foundation stone for a private power generation project based in the remote Ahrabal area of South Kashmir was laid by Chief Minister Mufti Mohammad Sayeed last month.

To be built by Jai Prakash Industries (JPI), this 15 MW hydro-power project will be built, owned, operated and returned (BOOT) to the state after 40 years. This is one of the ten micro-hydel projects that independent power producers (IPPs) would set up under the state's maiden liberal hydro-power policy to get private investment in exploiting the state's abundant water resources.

Neyveli Lignite Corporation to Execute Power Project on Its Own

The Jayamkondan lignite power project, envisaging production of eight-nine million tonnes of lignite and power generation of 1,000 MW in the first phase, will be executed by the Neyveli Lignite Corporation on its own, the NLC chairman-cum-managing director, S. Jayaraman, said on Wednesday.

"Originally, it was to be implemented as a joint venture project. Subsequently, we felt that we would be able to execute the project faster if we took it up alone. Our suggestion was accepted by the state government," Mr. Jayaraman told mediapersons here. The total cost of the project is estimated at \$ 1.4 bn.

State Power Company Targets 5,000 MW of Hydro Projects By 2007

The National Thermal Power Corporation (NTPC) has targeted 5,000 MW of hydro power projects by 2007, as part of its diversification programme, according to L.V.Rao, Executive Director, NTPC-Southern Region.

Addressing a press conference to share operational performance of the region for the year, he said hydro projects have been identified in Andhra Pradesh, Karnataka, West Bengal and Jammu and Kashmir. Its installed capacity for such projects now is 1500 MW.



India to Bind Telecom FDI at 49% in WTO

Notwithstanding the lack of commensurate reciprocation by the US and EU, India is set to unlock FDI channels multilaterally, as much as it did under the India-Singapore Comprehensive Economic Cooperation Agreement (Ceca). A fresh Cabinet note by the commerce and industry ministry proposes that autonomous regimes be bound in a broad spectrum of service areas.

This grand offer under Mode 4 (commercial presence) is designed to coax the QUAD countries (US, EU, Japan and Canada) to react to India's requests in Mode 4 (movement of persons) appropriately, a senior commerce and industry ministry official said. But in the revised offer India would bind FDI in telecom services at 49% instead of the autonomous level of 74%, and that in banking and insurance at 49% and 26% respectively.

This apart, FDI at 51% would be bound in townships, housing, built-up infrastructure and construction development projects. Recently, 100% FDI was allowed in construction and townships, subject to certain conditions.

Mobile Number Portability Scheme Soon

Telecom Regulatory Authority of India (TRAI) will soon initiate the process of putting in place a number portability regime, initially limiting it to mobile services. Under number portability, a subscriber can retain his/her number even while switching to a new service provider.

However, the biggest obstacle in number portability is that it increases infrastructure cost by about 10%, and this may lead to an increase in tariffs. There may be opposition from some segments on this count. The regulation will be in place once Trai receives a response to its consultation paper.

Unified Rates for Telecom Services

Union minister for telecommunications and information technology Dayanidhi Maran said the telecom department was giving finishing touches to the National Telecom Policy 2005 which will open the door to a single unified rate for telecom services. "Soon there would be no distinction between STD and local calls. There would be uniform rates and a 'OneIndia' approach," he told a press conference in New Delhi.

Asked if this meant a change in the licensing regime, Mr Maran said, "You read between the lines. Sanctity of licences would have to be maintained." He stressed that the UPA government would strive to have uniform rates across the country. Any call made within the country would be the same as calling within a state, he added.

He said the new telecom policy would provide for wireless technologies like WiMax and more liberal voice over IP.

Treating the entire country as a single market for telecom

services would mean reworking the present licensing regime, in which long distance licence holders have exclusive rights to carry calls across state boundaries.

Further, there would be pressure to revise local call rates in rural areas upwards, as long distance calls would no longer be able to cross-subsidise local calls.

Intra-state disparity in telephone tariffs has already been addressed by the government. The Department of Telecommunications (DoT) recently announced that calls between Chennai and the rest of Tamil Nadu, Kolkata and the rest of West Bengal and Mumbai and the rest of Maharashtra and between western and eastern Uttar Pradesh would be treated as local calls. Until then, calls between the three metros and their respective states and the two parts of Uttar Pradesh were long distance (STD) ones and the consumers had to pay for roaming. Under the new facility, calls from mobile-to-mobile and fixed-to-mobile have become local.

Mr Maran also said DoT was holding discussions with stakeholders — both CDMA and GSM players — on the matter of spectrum and 3G services. The issue is whether 3G should be treated as a continuum of 2G and 2.5G services.

Mr Maran told reporters that once there was clarity, the spectrum policy would be taken to the Cabinet. He, however, said operators should also make efforts to make optimum use of the available spectrum.

Software Imports by Telcos Not to Attract Tax

A New Delhi tax tribunal has held that the import of customised software by telecom companies for use in India will be exempt from withholding tax.

If the import is a copyright article and not the right of copyright, the payment for the import could not be construed as royalty. The beneficiaries of this order will be telecom operators like Nokia, Motorola, Ericsson and others supplying telecom switching equipment.

The tax payable for royalty is 20% under the Indian I-T Act and 10-15% under the Double Taxation Avoidance Agreement (DTAA) between India and the US.

The decision is also a great boost to Indian companies who import application software, as the I-T department has been treating payment for such import as royalty.

The order by a Special Bench of the Income-tax Appellate Tribunal (ITAT), New Delhi - based on an appeal filed by all three operators in India - held that payment for import of software could not be construed as payment of royalty and hence, is not taxable.

Clauses pertaining to royalty can be applied only when the software imported is accompanied by the copyrights enabling the importer to replicate it.



Hutch-Essar buys BPL Comm for \$ 574 mn in All-Cash Deal

BPL Mobile's cellular assets are set to flow into the Hutch-Essar combine to get the latter within knocking distance of market leader Airtel, with BPL Mobile's chairman & CEO Rajeev Chandrasekhar selling his 64% stake in BPL Communications to Essar. The company will be merged into Hutch Essar eventually. This is the biggest M&A in the telecom space in India.

The enterprise value of BPL's mobile business has been put at over \$1bn. The business carries a debt of \$ 436 mn. This means that Essar has acquired BPL Communications for around \$ 574 mn net of debt. Apart from stating that it was an all-cash deal, Mr Chandrasekhar declined to talk about pricing.

He said that Essar is in the process of buying out the remaining shareholders, including the 7.3% held by his father-in-law TPG Nambiar. The balance is held by ICICI and others (8.3%) and foreign investors (20.4%).

Essar will negotiate directly with these investors to buy them out. Sources said Essar is following a differential pricing strategy in acquiring stakes from other investors. But if Mr Nambiar gets the same valuation as his son-in-law, then he should walk away with \$ 41.8 mn.

DoT Plans Big Push for Broadband

The telecom department intends to increase the broadband coverage from present 83,000 to 0.25 mn connections across the country by the year-end.

Shakeel Ahmad, Union minister of state for telecom and IT, said this was the focus area for telecom at this juncture, apart from increasing the tele-density in the country with emphasis on rural areas.

Speaking at the convention of Asia-Pacific Telecom and ICT Development Forum (ADF) he said that given the rate at which the tele-density levels have been climbing, the government was confident of doubling the current tele-density levels over the next two years.

Mobile Phone Sales to Reach 779m Units in 2005

Global mobile-phone sales will rise faster than previously expected this year as consumers snap up handsets with cameras and music players and demand increases in countries such as India, researcher Gartner Inc. said.

Handset makers including Nokia Oyj and Motorola Inc. will sell 779 million mobile phones in 2005, up 16% from 2004, the Stamford, Connecticut-based researcher said in a study.

The researcher in May lifted its forecast to 750 million from

720 million. In 2004, sales rose 30 per cent to 674 million units.

Nokia, Motorola and rivals including Samsung Electronics Co. are adding features such as higher-resolution cameras to fuel demand, while people in countries such as India and China are seeking entry-level phones.

Indian Handset Market at \$ 2 bn in FY05

The Indian mobile handset market was worth \$ 2 bn in '04-05. A lion's share of this - 84% - were GSM handsets at \$ 1.7 bn with Nokia alone accounting for a whopping 62.3% marketshare.

According to a report by Cellular Operators Association of India (COAI) quoting a Voice & Data report of June 2005, the share of GSM handsets was even higher than the GSM connections which stood at 75% for the same period.

The report said CDMA handsets accounted for 16% of marketshare at \$ 326 mn.

In the GSM space, Samsung was way behind Nokia with 11.3% marketshare followed by Motorola at 9.2% and Sony Ericsson at 4% while LG had a marketshare of 2%. Other brands such as Sagem, Alcatel, Ben Q, Bird, Siemens, Philips, Blackberry, Krome, Palm, Kejian cornered 10.3% marketshare in 2004-05, the COAI report claimed.

In the CDMA handset universe, LG was the undisputed leader with a marketshare of 59.1% followed by Nokia at 17.6%, Samsung at 6.3 %, Motorola at 5.3%, Kyocera at 5.2% and others like Hyundai at 6.5%.

MTNL Starts Service in Mauritius

MTNL has kicked off operations in Mauritius with its international long distance (ISD) services. The state-run firm had acquired the licence to offer telecom services in that country last year.

"We have launched ILD services in Mauritius on June 24. In the first phase of our expansion plan there, we will start fixed line services on CDMA technology from next month," RSP Sinha, CMD, MTNL said.

MTNL was granted a licence to offer fixed line, cellular and ILD licences in Mauritius. Other than Mauritius, MTNL has a presence in Nepal along with partners like TCIL and VSNL and a Nepali company in a JV called United Telecom where it is offering CDMA-based mobile and ILD services.

Although MTNL is looking aggressively for overseas operations, Mr Sinha said, "At present there are no immediate plans to enter any other country. We are still examining various possibilities." The company had earmarked \$ 23 mn for rolling out networks in Mauritius.



Oil Cos May Have to Get Finds Cleared by Government

With oil strikes in India often been dogged by controversy, oil exploration companies will soon now have to mandatorily get their finds certified by the director general of hydrocarbons before making any formal announcement of reserve estimates.

Director general hydrocarbons VK Sibal said: "We are working with the petroleum ministry on a policy whereby all oil exploration companies will have to get the finds testified and certified by a competent authority before making official announcement on reserves. This is in line with global practices where oil companies cannot make such announcements before certification."

Cost Cutting Measures by PSU Oil Majors

Faced with huge losses, probably for the first time in their history, public sector oil companies are being forced to cut costs. The companies, mainly Indian Oil Corporation (IOC), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL), are all reverting to cost-control measures that they hope will contain losses to some extent. The major cost heads being flagged for a cut are logistics, inventory control and a cap on advertising and marketing budgets.

IOC in Race to buy 51% in Turkish Refinery Company

Oil major IOC has joined the race with Repsol, ENI, Shell and other global giants to acquire a majority stake in Tupras Refinery, an \$8bn Turkish refinery company, which has the largest market share in Turkey. The final price bids are to be submitted in the first week of September. Senior IOC officials said IOC had been shortlisted, along with 13 other oil majors, for the refining company.

IOC Plans Over \$ 413 mn Investment in Haldia Refinery

Indian Oil Corporation is planning an over \$ 413 mn investment in Haldia refinery. As part of the investment, the country's largest oil refining and marketing company is preparing a detailed project report to reconfigure the refinery capacity from 6m tonnes now to 7.5m tonnes by '09. The plan, in the final stages of materialising, is to be placed before the IOC board for approval shortly.

India, Pak to Carve Out Oil Buyers' Bloc

India and Pakistan are jointly seeking to emerge as the new buyers' bloc in the region's energy market, according to Petroleum minister Mani Shankar Aiyar. "The 'monopsonistic

powers' of India and Pakistan will be the new bargaining chip in the energy market," said the minister. "We are the natural market for most of these gas producers... the assured market for gas producers such as Iran to monetise their resources..." India has already taken a lead in this direction by aligning with the largest consumers of the region - China, Japan and Korea. Taking Pakistan on board, India now seeks to converge the largest producers of oil and gas with the largest consumers in the region.

Mukesh Rules Out RIL, IPCL Merger, For Now

Mukesh Ambani has ruled out an immediate merger of IPCL with flagship Reliance Industries (RIL), but told shareholders at the company's AGM in Vadodara that the board of IPCL may take a look at the merger proposal at a future date.

India in \$20bn LNG Supply Pact With Iran

After engaging in diplomatic mind-games with Tehran for months, New Delhi has finally sewed up long-term LNG supplies of 5m tonne per annum. India and Iran today signed the final sales purchase agreement valued at \$20bn for LNG supplies, the first consignment of which is expected to reach Indian shores by 2009. This is one of the largest overseas commercial deals signed by India.

Gail Seeks Market-Linked Prices for Gas Transmission

In line with market-determined prices for natural gas, Gail India has sought a market-determined system for fixing prices for the transmission of natural gas. In a paradigm shift, the government recently approved a market-linked pricing mechanism under the Gas Pricing Order for gas sold to customers in all sectors barring power, fertiliser and transportation.

General Okays Setting Up of Joint Working Group

Pakistan President General Parvez Musharraf's nod on the Iran-Pakistan-India pipeline marks the countdown to the project beginning in right earnest, with the region's three major energy players on board. India and Pakistan will intensify their interactions over the next six months, with Pakistan petroleum minister Amanullah Khan Jadoon visiting India over the next two months.

The governments of India and Pakistan issued a joint statement endorsing the need to give top priority to transnational pipelines to serve their interests in energy security. The strong "demonstration of political commitment" by the Pakistan government comes even as Uncle Sam continues to mount pressure on Iran.



Railways Launch Cleanliness Drive

The Railways has launched a nation-wide cleanliness drive to improve hygiene at various railway stations and on trains. Inaugurating the remodelled railway station building in Mavelikara, Union minister of state for railways R. Velu said a sum \$ 51 mn had been set apart in the Railway budget for providing passenger amenities.

He said the Railways had instituted a Cleanliness Efficiency Shield, which would be awarded to the best division. The Railway Ministry had also announced a comprehensive system to ensure complete cleaning of trains at select stations, the minister said.

Railways Face a \$ 459 mn Scrap Dilemma

The Railways is reported to have lost nearly \$ 459 mn awaiting Mr Laloo Prasad Yadav's Chhapra factory, which was to use recycled scrap to manufacture wheels. It has been reported that it is also struggling to find ways of storing thousands of tonnes of metallic waste.

In his 2004-05 budget speech the railway minister had said one million tonnes of scrap that are generated each year would no longer be sold but recycled instead to make wheels at the Chhapra factory.

The idea was to make the railways self-sufficient in the manufacture of wheels and restrict imports — scrap is the main raw material used in making wheels.

However, it will be another two years before the Chhapra factory starts functioning. During this while, a way needs to be found to store the scrap or at least utilise it. At present the scrap lies in the open, rusting away.

Indian Railways On a Fast Track

The Indian Railways ferried 5.5 bn passengers in 2004-05, an increase of 310 mn passengers compared to 5.2 bn in 2003-04. This roughly amounts to 15 mn passengers a day in 2004-05 as against 14.2 mn a day the IR carried in 2003-04.

Passenger earnings showed an improvement of 5.7 per cent and the IR hopes it will touch 11 per cent in 2005-06. The revenue accruing from the passenger traffic grew from \$ 3.1 bn in 2003-04 to \$ 3.2 bn in 2004-05.

The IR earned a revenue of \$ 7 bn in 2004-05 which is 10.7 per cent more than that of 2003-04 in spite of a reduction in freight rates of LPG and kerosene.

Thus, overall traffic earnings at \$ 10.7 bn for 2004-05 registered a growth of 9.1% over 2003-04.

TN to Extend Plastic Roads Project

Roads laid with plastic mixed bitumen have proved to be a commercial success in Tamil Nadu and the government is

likely to promote this concept on a larger scale this year. Speaking to this correspondent Mr D. Rajendran, secretary, small scale industries, Tamil Nadu, said the state would be the first in the country to promote the concept commercially. Last year the rural department had launched a pilot project covering 385 blocks at a cost of \$ 1.5 bn and all the roads in these blocks have withstood the test of time.

Railways Say No to Budget Proposal

The railways is in a quandary over a Budget directive that it would have to bear all transportation costs for carrying commodities during national calamities.

With the onset of summer, states like Andhra Pradesh have asked the Railway ministry to carry fodder free of cost. The Railways, however, have refused to bear the burden saying it was a state-specific problem rather than a national calamity.

The Budget announcement pertained to national calamities and not seasonal shortages faced by states, a senior railway official was reported to have said.

Centre Sanctions \$ 151 mn For Rural Roads in State

THE CENTRAL Government has sanctioned \$ 151 mn for construction of rural roads in Madhya Pradesh. Chief Minister Babulal Gaur had met Prime Minister Dr Manmohan Singh in this regard and requested him to release the amount at the earliest.

Release of the amount would enable the state government to construct 3000 km of roads connecting 1143 villages to main roads under the Pradhan Mantri Gramin Sadak Yojana (PMGSY).

TN Allocates \$ 211 mn to Improve Roads

Tamil Nadu Chief Minister Jayalalitha has allocated \$ 211 mn towards improving the state highways, major district roads, panchayat and panchayat union roads as part of the Comprehensive Road Infrastructure Development Programme (CRIDP). This is the second phase of the CRIDP. The chief minister had earlier sanctioned \$ 241 mn towards the programme for strengthening and renovating highways and roads in Tamil Nadu.

A Bangalore Concept to Decongest Roads

Bangalore is seeking to widen its congested roads and streets through 'Transfer of Development Rights', a concept that enables the civic body to acquire land in exchange for additional built-up area. The Bangalore Mahanagara Palike, the municipal corporation of the city, has started widening the Hosur Road, Bellary Road and Airport Road based on this concept on an experimental basis.



Airport Modernisation Scheme May Hit Another Logjam

India's airport modernisation and restructuring (Delhi and Mumbai) programme is set to hit another logjam. There is every possibility of the transaction document being sent back to the expert group of ministers (EGoM) for its approval.

The inter-ministerial group comprising law, finance and civil aviation appears to have again asked a series of searching questions and sought vital alterations. It is reported that they have questioned the liberal termination payment terms in the main details of the type of debt that the operators will bring in for investment purposes. But the most important part pertains to the commercial development of the airport land in both the metros.

The attorney general, while offering his view, has reportedly clearly stated that commercial development could only be for purposes related to the development of the airport and its benefits should directly accrue to the passengers. As such, one cannot build commercial complexes unless they are part of the passenger terminals. But restaurants, hotels and even medical care facilities can be part of the development.

The right of first refusal (RoFR) clause remains another contentious point of discord.

'Aerodrome India' to Boost Infrastructure in Airports

With the Centre opening up the civil aviation platform to private sector and further plans of improving the efficiency of airport infrastructure, an international exhibition and seminar on airport security and infrastructure "Aerodrome India 2005," is scheduled to be held from December 7 to 10, 2005 at Palace Grounds, Bangalore.

A senior official in the department of civil aviation said, the aim of the exhibition is to provide a platform for hardware manufacturers, consultants and service providers related to airport infrastructure, security and aircraft maintenance to interact and network with national and international players.

Pvt Operators of Airports May Get Tax Breaks

The government is set to provide major tax breaks to the private operators of the modernised Delhi/Mumbai airports. The fiscal concessions, however, come with a rider. Private operators of the Delhi and Mumbai airports will be allowed only a 10% escalation in airport charges in the first phase.

The fiscal concessions will help the private airport operators to keep costs under control and ensure better returns on the investments. The government is planning to provide tax breaks under sections 10(23G) and 80-IA of the Income Tax Act. Among other things, the provisions allow a 10-year tax holiday in the initial 15 years of operations.

\$ 9.2 bn Outlay Envisaged for Revamp Of Airports

The Centre has envisaged an investment ranging between \$ 9.2 bn and \$ 11.5 bn for revamping airports by 2009 through the public-private partnership model, Union civil aviation minister, Praful Patel, said.

Speaking at a meeting organised by the Federation of Indian Chambers of Commerce and Industry, he said just as the previous decade belonged to telecommunications, the next ten years would belong to aviation and transport, and aviation alone was expected to attract an investment of \$25-30 billion in the next five years.

Mr. Patel said that the upgradation of airports at Chennai and Kolkata would also be taken up under the airport revamp plan although the model that would be adopted had not been decided. Work on Hyderabad and Bangalore airports was also on the anvil as was modernisation of airports at 30 non-metro destinations. He said that work on these would start this year and get completed by 2010.

Sarbh Quits as P&O Ports Regional Director

Jimmy Sarbh has stepped down as regional director (South Asia and Middle East) of P&O Ports. Mr Sarbh will be succeeded by Nikhil Naik, currently deputy regional director.

However, Mr Sarbh will continue as chairman of the Indian subsidiary for two more years, and will chair the boards of five companies in the sub-continent - Nhava Sheva International Container Terminal (NSICT) at JNPT, Mundra International Container Terminal (MICT), Qasim International Container Terminal (QICT) in Pakistan, Bengal Port, which owns Kulpi Port and a proposed special economic zone, and Thakur CFS at Nhava Sheva.

\$ 3.4 bn Lined Up for Minor Ports

The Andhra Pradesh government is planning to develop some of the major minor ports in the next five years at an investment of nearly \$ 3.4 bn. The ports to be developed include Kakinada, Krishnapatnam, Nizampatnam and Gangavaram ports. Apart from developing infrastructure facilities, jetties will be constructed for visiting ships to undertake imports and exports of local cargo including cement and iron ore.

20-Year Plan for Development of 12 Ports

The shipping ministry is reported to be drawing up a 20-year perspective plan for the development of 12 major ports. It has directed the Indian Ports Association (IPA) to collect inputs for the plan and has also engaged foreign consultants. On the basis of the inputs, the ministry will prepare a plan document, which is to be readied by February 2006.

The Planning Commission would also work in tandem with the ministry in this regard.



\$ 11.5 bn for Urban Infrastructure

The Centre is planning to spend a whopping \$ 11.5 bn in the next five years under the proposed National Urban Renewal Mission, which envisages upgradation of infrastructure facilities in selected towns in the country, according to Union minister for urban development and parliamentary affairs Ghulam Nabi Azad.

The project is aimed at upgrading infrastructure like the road network, improvement of health-care facilities and others through an integrated approach. A revised strategy has been drawn for effective implementation of the project, wherein all local bodies will work in coordination with each other, he explained.

Urban Scheme for 0.38 mn Houses in AP

The Andhra Pradesh Government has taken up a special scheme to construct 3.83 lakh houses for the urban poor during 2005-06.

This scheme seeks to cover 0.15 mn houses under Urban Permanent Housing programme (UPHP), 31,022 under Valmiki Ambedkar Yojana (VAMBAY) and 0.2 mn under Rajiv Gruha Kalpa (RGK) programmes.

Urban Ministry Nod for Metro Second Phase

The Union Urban Development Ministry has given its approval to the second phase of the project that will connect South Delhi and Trans-Yamuna areas to the existing metro corridor.

The second phase, estimated at \$ 1.8 bn, was cleared after considering the comments of the Finance Ministry and the Planning Commission, ministry officials said. The proposal was cleared without any alterations, they added. A final stamp of approval from the Group of Ministers is all that remains for the second phase to be flagged off.

The proposal to extend the high-speed transport system had run into opposition with the Archaeological Survey of India (ASI), architects and planners demanding that the second

phase -- especially the elevated stretch from IIT to Qutub Minar -- should be taken underground, given the heritage value of the area.

DMRC officials, on the other hand, argue that the underground tube is much more expensive to maintain. Ensuring the security of passengers is also a tougher task. To fears that the tube will encroach on the heritage hub of the city, officials point out that the Aurobindo Road line will be terminated 300 metres short of the Qutub Minar.

Central Help Sought For Urban Development Project

Kerala Chief Minister Oommen Chandy has sought the help of Union minister for urban development and parliamentary affairs Ghulam Nabi Azad to get the \$ 2.6 bn Kerala Sustainable Urban Development Project cleared by the Department of Economic Affairs so that the state can open negotiations with the Asian Development Bank for a loan for the project.

The proposal for Sustainable Urban Development will cover five municipal corporations — Thiruvananthapuram, Kollam, Kochi, Thrissur and Kozhikode. However, other municipalities can also benefit from the proposed project through the Urban Fund to be created as part of the project.

Cheap Bio-management Tech Needed For Urban Waste

Biological waste management could be a good option for urban waste management as it should be based on cheap and adaptable technology that can be used in a widespread manner, according to minister of state for housing and environment Rajendra Shukla.

He was speaking at the inaugural function of the two-day training programme on 'biological management of urban waste' organised by the Environmental Planning and Coordination (EPCO).

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