

# Infra orders and news summary

**Infra orders announced/awarded and news- Fortnight ending 14th March 2011**

The total value of orders announced was Rs24.2bn

No	Order received by (For/From)	Rs bn
1	BHEL (BTG fot 1*600MW Rayalaseema Power project for AP Genco )	14.45
2	Megha Engineering & Infrastructures (Pumping station and pump house in Gujarat for Sardar Sarovar Narmada Nigam )	5.56
3	Megha Engineering & Infrastructures (Water supply and irrigation projects in Bidar district for Govt of Karnataka )	0.49
4	Tecpro Systems (Debottlenecking of Raw Material Handling Plant for Durgapur Steel Plant of SAIL )	0.98
5	Tecpro Systems (Additional coal conveying arrangement for Tamil Nadu Utility)	0.72
6	Diamond Power Infrastructure (400kV HVDC Line Conductors for PGCIL )	0.85
7	BGR Energy (fibre optic backbone on power lines in Karnataka, Kerala, Andhra Pradesh and Puducherry. for PGCIL )	0.37
8	BGR Energy (Condensate Polishing Unit (CPU) for Adani Power's Tiroda and Kawai plants )	0.30
9	Brahmaputra infraproject (Civil work for builings in Gurgaon, Haryana for Indiabulls Real Estate )	0.31
10	Tecpro Systems (Lignite handling plant for Panandhro thermal power plant of Gujarat State Electricity Corp )	0.19
11	Concurrent Infrastructure (Electrical Machinery for Jamshedpur plant of Utkal Steel )	0.03

## A. Infra News

### □ Infrastructure

#### ***GVK increases stake in MIAL to 50.5% by purchasing 13.5% stake from Bid Services Division of South African Airports***

GVK, through its subsidiary GVK Airport Holdings Pvt. Ltd. (GAHPL), has agreed to acquire a 13.5% stake in MIAL held by Bid Services Division of South African Airports (SAA). The consideration to be paid has been agreed at US\$231m, valuing MIAL at US\$1.71bn, or ~Rs77bn. GVK has funded the acquisition with a three-year bank loan, structured as a letter of credit (LC) facility. The LC issued by the bank would be immediately cashed by SAA. GVK would however, not be required to pay an interest/finance charge on the LC issued, on a recurring basis. At the end of three years, GVK would pay the bank a total of US\$287mn, including the principal amount of US\$231mn and accumulated interest/financing charges of US\$56mn.

#### ***L&T completes financial closure for Hyderabad Metro Project***

L&T has achieved financial closure for the Hyderabad metro project. Due to a change in the layout and an increase in the length of the metro, the cost for the project has increased to Rs148bn from Rs121.3bn. The project will be funded by Rs114bn debt, Rs14.38bn viability gap funding and rest by equity.

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## □ Power

### ***NTPC commissions 500MW Unit-1 at Jhajjar; also synchronises 500MW unit-6 at Farakka***

NTPC has announced commissioning of 500MW unit-1 at Jhajjar (Aravali Power Company Private Limited (APCPL)- a JV of NTPC Limited, Haryana Power Generation Corporation Limited, Govt. of Haryana and Indraprastha Power Generation Company). NTPC has also synchronized unit-6 of 500MW of Farakka thermal power plant. Earlier, in February, the company had synchronized unit-1 of 660MW supercritical thermal power plant at Sipat.

### ***Lanco synchronises 2<sup>nd</sup> 600MW unit of Udipi power plant***

Lanco has synchronized the 2nd 600MW unit of its Udipi power plant in Karnataka. While the plant is estimated to be ready for commissioning in the next few weeks, transmission and evacuation capex (being built by stage government utility) will be completed in couple of months. Lanco has signed PPA's with Karnataka and Punjab State governments to buy power from this unit at regulated returns post completion of transmission link. Till then, the plant is expected to sell the power generated in Unscheduled Interchange (UI) market.

### ***NTPC approaches Supreme Court in bulk tender case for supercritical boilers***

Media reports suggest that NTPC will approach the Supreme Court (post inputs from Solicitor General) against the Delhi High Court ruling that allowed Ansaldo (Gammon India's subsidiary) to bid for NTPC's bulk tender for supercritical boilers. Earlier, NTPC had disqualified Ansaldo on technical grounds, against which Ansaldo had approached the Delhi High Court and received a favorable verdict allowing the company to bid for NTPC's bulk tender of supercritical boilers.

### ***ABB India acquires business of ABS Global Industries for Rs4bn***

The Board of Directors of ABB have approved the acquisition of operating businesses of ABB Group's (Zurich) Indian subsidiary – ABS Global Industries Limited on a slump sale basis. The acquisition price is Rs4bn. The businesses which are proposed to be acquired are (a) Transformer Insulation - Boards and Components, (b) LV Breakers & Switches and (c) Vacuum Interrupters, which all together have an additional revenue potential of ~Rs2.5bn per annum. The rationale for the acquisition is to achieve greater synergies between ABB's Indian business units. The effective date of the acquisition is fixed as April 01, 2011. The acquisition price implies EV/sales of 1.6x as compared to EV/sales of 2.4x CY10 sales for ABB India.

## □ Roads

### ***IVRCL-Sushee group consortium lowest bidder for Rs14.86bn Nechipu-Hoj Annuity Road project in Arunachal Pradesh***

Media reports suggest that IVRCL in a consortium with Sushee Group has emerged as the lowest bidder for 2-laning of Nechipu-Hoj road in Arunachal Pradesh on BOT (annuity) basis under Special Accelerated Road Development Program for North East (SARDP-NE). The Nechipu-Hoj stretch is 311kms long and is part of Trans-Arunachal highway project. The estimated project cost is Rs14.86bn, which will be partly funded by Rs10bn in construction grant. The consortium has bid for semi annual annuity of Rs390m and the total concession period is 12.5 years. The Sushee Group is the lead partner in the consortium.

### ***Delhi High Court directs NHAI to award Ranchi Jamshedpur road project to Madhucon***

The Delhi High Court has directed NHAI to award the Ranchi Jamshedpur road BOT project to Madhucon instead of NCC. During the bidding stage, although Madhucon was the lowest bidder, NHAI considered the company's bid as non-responsive due to certain discrepancies in bid document (although subsequently clarified by Madhucon representatives to NHAI). As per the financial bids opened, NCC was found to be the lowest bidder. Madhucon approached the Delhi High Court challenging NHAI's decision to award the project to NCC, and has now received a favourable outcome. The Ranchi Jamshedpur project is 4-laning of 163 km stretch on NH-33. The Rs14.9bn size project is planned to be awarded on BOT (Annuity) basis. As per media reports, Madhucon had quoted Rs2.66bn annuity. The project concession period is 15 years, which includes the construction period of 2 and ½ years.

**NHAI changing prequalification norms to annual basis; invites Request for Annual Prequalification (RFAQ) till April 22nd**

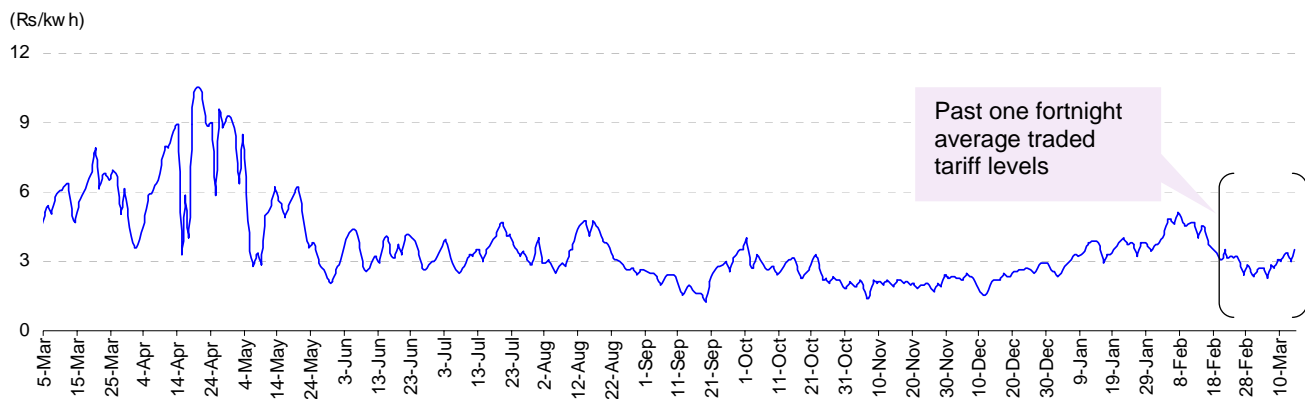
NHAI is changing the norms for pre-qualification of bidders to reduce time involved in the bidding stage. While earlier a road developer or a consortium had to get itself pre-qualified before every bid, now it can get itself pre-qualified for all projects to be awarded during a period of one year. As per the new norms, a developer or consortium can get itself prequalified for estimated project sizes in multiples of Rs500mn, starting from Rs2bn. NHAI has asked companies to submit their pre-qualification applications by April 22nd, 2011. The prequalification will be considered valid between 1<sup>st</sup> January and 31<sup>st</sup> December every year. NHAI is planning to award 100 projects of total length 11,151km next year.

**Tariffs for power traded on the power exchanges**

**Traded tariffs for the period (3 Mar-14 Mar 2011) on India Energy Exchange (IEX)**

	(Rs/kwh)
Max	5.00
Min	1.19
Average	2.93

**Trend of average traded power tariff trend since Mar 2010**



Source: IEX

Analyst	Sector/Industry/Coverage	E-mail	Tel. +91-22-6622 2600
Pathik Gandotra	Head of Research: Financials, Strategy	pathik.gandotra@idfc.com	91-22-662 22525
Shirish Rane	Construction, Power, Cement	shirish.rane@idfc.com	91-22-662 22575
Nikhil Vora	FMCG, Media, Mid Caps, Education, Exchanges	nikhil.vora@idfc.com	91-22-662 22567
Nitin Agarwal	Pharmaceuticals, Real Estate	nitin.agarwal@idfc.com	91-22-662 22568
Chirag Shah	Metals & Mining, Telecom, Pipes, Textiles	chirag.shah@idfc.com	91-22-662 22564
Bhoomika Nair	Logistics, Engineering	bhoomika.nair@idfc.com	91-22-662 22561
Hitesh Shah, CFA	IT Services	hitesh.shah@idfc.com	91-22-662 22565
Bhushan Gajaria	Automobiles, Auto ancillaries, Retailing	bhushan.gajaria@idfc.com	91-22-662 22562
Salil Desai	Construction, Power, Cement	salil.desai@idfc.com	91-22-662 22573
Ashish Shah	Construction, Power, Cement	ashish.shah@idfc.com	91-22-662 22560
Probal Sen	Oil & Gas	probal.sen@idfc.com	91-22-662 22569
Chinmaya Garg	Financials	chinmaya.garg@idfc.com	91-22-662 22563
Abhishek Gupta	Telecom, Metals & Mining	abhishek.gupta@idfc.com	91-22-662 22661
Saumil Mehta	Metals, Pipes	saumil.mehta@idfc.com	91-22-662 22578
Vineet Chandak	Real Estate	vineet.chandak@idfc.com	91-22-662 22579
Kavita Kejriwal	Strategy, Financials	kavita.kejriwal@idfc.com	91-22-662 22558
Anamika Sharma	IT Services	anamika.sharma@idfc.com	91-22-662 22680
Varun Kejriwal	FMCG, Mid Caps	varun.kejriwal@idfc.com	91-22-662 22685
Swati Nangalia	Media, Education, Exchanges, Midcaps	swati.nangalia@idfc.com	91-22-662 22576
Nikhil Salvi	Construction, Power, Cement	nikhil.salvi@idfc.com	91-22-662 22566
Kavitha Rajan	Strategy, Midcaps	kavitha.rajan@idfc.com	91-22-662 22697
Dharmendra Sahu	Database Analyst	dharmendra.sahu@idfc.com	91-22-662 22580
Rupesh Sonawale	Database Analyst	rupesh.sonawale@idfc.com	91-22-662 22572
Dharmesh R Bhatt, CMT	Technical Analyst	dharmesh.bhatt@idfc.com	91-22-662 22534
Equity Sales/Dealing	Designation	E-mail	Tel. +91-22-6622 2500
Naishadh Paleja	MD, CEO	naishadh.paleja@idfc.com	91-22-6622 2522
Paresh Shah	MD, Dealing	paresh.shah@idfc.com	91-22-6622 2508
Vishal Purohit	MD, Sales	vishal.purohit@idfc.com	91-22-6622 2533
Nikhil Gholani	MD, Sales	nikhil.gholani@idfc.com	91-22-6622 2529
Sanjay Panicker	Director, Sales	sanjay.panicker@idfc.com	91-22-6622 2530
Rajesh Makharia	Director, Sales	rajesh.makharia@idfc.com	91-22-6622 2528
Nirbhay Singh	SVP, Sales	nirbhay.singh@idfc.com	91-22-6622 2595
Suchit Sehgal	AVP, Sales	suchit.sehgal@idfc.com	91-22-6622 2532
Pawan Sharma	MD, Derivatives	pawan.sharma@idfc.com	91-22-6622 2539
Dipesh Shah	Director, Derivatives	dipesh.shah@idfc.com	91-22-6622 2693
Jignesh Shah	AVP, Derivatives	jignesh.shah@idfc.com	91-22-6622 2536
Sunil Pandit	Director, Sales trading	sunil.pandit@idfc.com	91-22-6622 2524
Mukesh Chaturvedi	SVP, Sales trading	mukesh.chaturvedi@idfc.com	91-22-6622 2512
Viren Sompura	SVP, Sales trading	viren.sompura@idfc.com	91-22-6622 2527
Rajashkekhar Hiremath	VP, Sales trading	rajashkekhar.hiremath@idfc.com	91-22-6622 2516

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Naman Chambers, C-32,  
G- Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051

Tel: 91-22-6622 2600  
Fax: 91-22-6622 2501