

**Our Bureau**  
NEW DELHI, Jan. 3

THE country's first national highway project under the annuity scheme of National Highway Authority of India (NHAI) has successfully managed to achieve financial closure.

The project in question is the Belgaum-Maharashtra border stretch on NH-4 being executed by North Karnataka Expressway Private Ltd (NKEPL), a joint venture between Consolidated Toll Network Ltd - the surface transport arm of IL&FS - and Punjab Lloyd Ltd (PLL).

The highway project, backed by IL&FS, achieved financial closure on December 31 in a record time of 45 days from the signing of the agreement.

This is primarily on account of the significant reduction in the risk involved in the project as, under the annuity scheme

norms, NHAI has undertaken payment of a fixed semi-annual amount over the concession period of 15 years to the private partner.

The project, costing Rs 525 crore, is being financed by a consortium of 12 leading nationalised banks, which have together extended secured term loans worth Rs 406.40 crore.

While the unsecured loan component is Rs 35 crore, the debt-equity ratio of the project has been pegged at 3:1, according to NKEPL sources.

The leader of the banking consortium, Punjab National Bank (PNB), has been assigned the management and supervision of finalisation of documents and security arrangements for the project.

IL&FS, which has a 42 per cent stake in NKEPL, has assumed the role of project developer and financial advisor.

PLL and CTNL, the other two joint venture partners, have equity holding of 42 per cent and 16 per cent respectively in NKEPL.

The project essentially involves strengthening and widening of a 77-km stretch of NH-4 running through Karnataka on a build-operate-transfer (BOT) basis.

The scope of work includes the building of four major bridges, six minor bridges, 122 culverts, service roads, trucks and lay-byes, wayside amenities and a toll plaza.

As per the agreement entered into on November 20 last year, NKEPL will take the responsibility of designing, financing, building and maintaining the road over a concession period.

This includes a 30-month construction period beginning February 2002 and a 15-year maintenance period.

**Our Bureau**  
HYDERABAD, Jan. 3

THE Union Ministry of Rural Development has approved a funding of Rs 2.75 crore to Andhra Pradesh towards water and sanitation projects.

The funds, routed through the Rajiv Gandhi National Drinking Water Mission, are to be used for projects in the districts of Adilabad, Mehbubnagar, Kurnool and Anantapur.

The first instalment of Rs 96.07 lakh has already been released.

A Ministry release said that the main objective of the project is to inculcate a sense of hygiene and change the attitude of people towards water and sanitation. It has also allocated Rs 11.25 lakh to Nizamabad district under the integrated wasteland development programme.

## New States get bulk of tribal welfare funds

**United News of India**  
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THE Centre has provided a special assistance of Rs 110 crore to Chhattisgarh, Jharkhand and Uttaranchal for developing infrastructure, besides increased allocation of funds for various projects and schemes for tribal development.

The three new States share a sizeable chunk of the Rs 1,040-crore allocated by the Ministry of Tribal Affairs for tribal development schemes and projects in 2001-2002.

The allocation in this fiscal shows an increase of 65 per cent over Rs 630 crore sanctioned in 1999-2000. The allocation in the last fiscal was Rs 810 crore, a release said.

Also, the Centre set up a separate National Scheduled Tribes Financial and Development Corporation (NSTFDC) with an authorised capital of Rs 500 crore, extending financial assistance at concessional rate for income-generating schemes costing up to Rs 10 lakh per unit.

The Ministry increased the level of grant-in-aid to the States and Union Territories (UTs) under Article 275(1) from Rs 200 crore in 2000-2001 to Rs 300 crore in 2001-2002.

Similarly, the Ministry also increased the level of Special Central Assistance (SCA) to Tribal Sub-Plan (TSP) to the States and UTs from Rs 400 crore in 2000-2001 to Rs 500 crore in 2001-2002 to speed up the pace of expenditure and improve the level

of literacy and education standards.

The Ministry, since its inception in 1999, proposed to set up 100 residential schools during the Ninth Plan period by utilising part of the allocation for grant-in-aid under Article 275 (1) of the Constitution to improve the quality of education being imparted to tribal students.

Of these 75 have already been sanctioned and 12 are operational.

As a result of the various activities taken up by the Ministry, the number of Scheduled Tribes living below poverty line decreased from 9.98 lakh in 1999-2000 to 8.81 lakh in 2000-2001.

Also, the Ministry extended financial assistance worth Rs 17.84 crore to 225 NGOs during

1999-2000 and released Rs 23.86 crore to as many as 275 NGOs in 2000-2001.

Besides improving the literacy level and educational standards, funds were also provided for construction and improvement of about 1,400 km roads in tribal areas.

The corporation also provided grants for skill development programmes and filling the critical gaps, providing backward and forward linkage for activities taken up those whose family income does not exceed double poverty line income limit.

Since its inception in April 2001, NSTFDC had sanctioned financial assistance of Rs 684.61 lakh to 701 ST beneficiaries spread over five States.

## CII summit in Bangalore

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NEW DELHI, Jan. 3

MORE than 1,000 trade delegates from around the world will be participating in the eighth Partnership Summit of the Confederation of Indian Industry (CII), which is scheduled to be held in Bangalore from January 5 to 11.

Special focus is expected to be on India's relationship with the countries in West Asia, as a large number of business delegations from Oman, Qatar, Bahrain, the UAE, Egypt and Saudi Arabia are expected to participate in the event.

## 'Good governance must think of long-term benefit'

**Our Bureau**  
BANGALORE, Jan. 3

GOOD governance should presuppose a long-term and sustained benefit to the society at large through collaborative efforts, rather than focusing on short-term gains of enhanced value to the shareholders and efficient management of entities.

Stressing this theme, speakers at a seminar held on Thursday said that business, stakeholders and civil society should work towards the triple

bottomline of profits distributed equitably among people, who in turn should contribute to protecting the environment. Only by this reckoning will corporate governance have some value.

The seminar was inaugurated by the Karnataka Governor, Ms Ramadevi, and addressed by the former Chief Justice of Supreme Court, Mr M.N. Venkatachaliah.

Others who spoke include Mr K. Jairaj, Vice-Chairman and Managing Director, Karnataka State Road Transport Corporation, Dr M.R. Rao, Director, IIM Bangalore, Mr Madhav Mehra,

President of World Council for Corporate Governance, and Mr V.V.K. Mani, Regional Manager, *The Hindu*.

Mr Venkatachaliah said that the receding role of State as a welfare instrument was an issue that needed to be addressed to relocate the responsibility of social obligations.

"Globalisation has not brought any marked change in the redistribution of wealth as can be seen from the fact the income value of the top 20 per cent kept increasing even now."