

PUDUCHERRY DEEP WATER PORT

*A SCAM !*

# SALIENT POINTS

- Project approval process: a sham.
- Subhash Projects & CS Khairwal: a confluence of corruption.
- MoU: Subhash wins - Pandy loses.
- Port privatization: a cover up for illegal real estate development.
- Loopholes in the Environment Impact Assessment (EIA) report.
- Port privatization: an invitation to criminal activities.

# Project approval process: a sham

- Tender called for appointment of consultant. Subhash Projects participated and was rejected.
- Without any tender, DS constructions selected as developer.
- Mr. Rumneek Bawa, CEO of DS const. joins Subhash Projects who are then suddenly awarded the contract.
- No feasibility study conducted.
- Govt. of Pondy dumps National Institute of Port Management, official consultant, half-way for giving unfavorable report.
- Concession agreement hastily entered into by-passing normal process.
- Port Director transferred for asking too many questions.

# Subhash Projects & CS Khairwal: confluence of corruption

## SUBHASH PROJECTS:

- **Banned by SEBI for 3 years** for price manipulation, irregular subscription, mis-statements, non-listing of shares.
- **Indicted and punished** by the Calcutta High Court and Supreme Court for obtaining contract through underhand dealings with Minister of Power.
- **Rejected** even as a consultant by the Govt. of Pondy as they have no experience in building or managing ports and yet were awarded the contract as developers.
- **Less than Rs. 2600 crores** of business in the last 25 years – Value of business received from Pondy Govt. > **Rs. 6000 crores.**

# Subhash Projects & CS Khairwal: confluence of corruption

## CS KHAIRWAL, the then Chief Secretary

- **No 1 tainted officer** as per Central Vigilance Commission
- **Rated No 2** in India among the most corrupt official
- **Indicted** for granting permission to Red line bus services in Delhi which claimed many human lives
- **Arrested** along with Mistress and lodged in Tihar Jail by CBI
- **Prosecuted** by CBI for possession of disproportionate assets (28 immovable properties worth 20 million)
- **Prosecuted** for illegal possession of huge quantities of Foreign liquor.
- **Closely connected** with Developers and involved in hastily awarding the contract.

# Port privatization: a cover up for illegal real estate development.

- **Port not viable** as per National Institute of Port Management and Halcrow (Developer's consultant).
- Subhas Projects proposed an 8 million ton port. (Average traffic over the last 17 years – **47 tons/year**). No detailed local demand assessment data provided
- Project viable only with real estate component. Five star hotels, shopping malls, etc, proposed by developer in **violation of CRZ Act**.
- Project cost of Rs. 2700 crores for this port unjustified. With JNPT port as reference this port should not cost more than Rs. 700 crores.

# LOOPHOLES IN THE EIA

- No terms of reference
- No supporting data and documents annexed
- No social and insignificant ecological impact assessment
- No baseline data reference
- Factual errors ( Wind direction, littoral drift)
- Recommends dumping of non-plastic waste in the sea

# MoU: Subhash wins - Pandy loses

- 400 acres of prime property handed over to Subhash Projects @ Rs. 2000/acre per year.
- Revenue sharing of only 2.6% of profits while normally it is 30 % of total revenue.  
(The DPR states the port is not financially viable)
- No investment by Subhash Projects. Funds raised by mortgaging leased land and floating shares.
- Leased land can be sold after 10 years at market rates
- All mitigation measures is the responsibility of Pandy Govt.
- All clearances and licenses made mandatory under agreement.
- Govt to buy back the Port at the then prevailing market value.