Govt sets the ball rolling for divestment worth ₹20,000 crore in 10 PSUs

BS REPORTER
New Delhi, 3 July

After a two-month lull, the government’s divestment drive for 2015-16 seemed to be back in focus. The Centre on Friday issued requests for proposal (RFP) for merchant bankers and legal advisors for stake sale in 10 state-owned companies — Oil India, Container Corp, NMDC, MMTC, ITDC, NTPC, Engineers India, BEL, Nalco, and Hindustan Copper.

The selection of legal advisors and merchant bankers will be followed by investor roadshows and the stake sales on the exchanges through the offer-for-sale (OFS) route. The government also issued a request for proposal (RFP) inviting legal advisors for the Goldman Sachs-managed Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF). The last date for applications for all the proposals is July 24.

The department of disinvestment (DoD) issued two RFPs for selecting merchant bankers. Each merchant banker will handle five stake sales at a go.

The Centre will pare 10 per cent stake each in Oil India and NMDC, 15 per cent stake in MMTC, 12.03 per cent stake in ITDC, and five per cent stake in Concor. The second RFP for sale is of 15 per cent stake in Hindustan Copper, 10 per cent stake in Nalco and Engineers India, and five per cent stake in NTPC and BEL.

At current share prices, the planned stake sale in these 10 companies would combine for up to about ₹20,000 crore worth of disinvestment proceeds, nearly half of the budgeted target of ₹41,000 crore from minority stake sale in public sector undertakings (PSUs).

This time around, the government will bundle multiple companies’ request-for-proposals and roadshows.

Traditionally, after getting Cabinet approvals, the disinvestment department issues separate requests for proposal (to engage merchant bankers) for each company in which stake sale is being planned. Similarly, investor roadshows are usually done separately for each company. But, as is the case today, a single merchant banker or a group of bankers will handle four to five companies’ stake sales together.

With the first quarter of the financial year almost over, government officials have said such a move would save time and not give merchant bankers the luxury to pick and choose, working only on the most attractive names.

The RFPs for legal advisors, however, were issued separately. An RFP was also issued to select legal advisors for the CPSE exchange traded fund (ETF). Launched on March 28 and listed on April 4, 2014, the CPSE ETF had raised ₹3,000 crore for the government in FY13. It comprises 10 PSU scrips—Coal India, ONGC, GAIL, Rural Electrification Corp, Power Finance Corp, Container Corp, Indian Oil, Oil India, Bharat Electronics and Engineers India.

This year, the Centre may raise another ₹5,000 crore from the ETF, which is managed by Goldman Sachs Asset Management.
Gold firms up on weak dollar, Greek deal hope

AGENCIES

London, July 3

Gold prices firmed on Friday, rebounding from a 3-1/2-month low as the dollar softened after weaker-than-forecast US employment data tempered expectations for a September rate rise by the Federal Reserve.

Investors remained cautious ahead of Greece’s referendum at the weekend on an international bailout deal. Spot gold was at $1,168.39 an ounce.

Silver fell 0.3 per cent to $15.64, while platinum dropped to $1,078.85 and palladium was down at $683.85.

Copper was slightly lower as worries about demand from top consumer China resurfaced, but losses are likely to be capped by a weaker dollar and expectations that further price falls could lead to production cuts. Copper on the London Metal Exchange traded at $5,793 a tonne.

Three-month aluminium was at $1,722; nickel at $12,085. Zinc was at $2,023, lead at $1,775 and tin was down at $14,165 a tonne.

Oil headed for the biggest weekly decline since March as a rebound in US drilling added to signs that producers will keep pumping into an oversupplied market.

The number of active rigs seeking oil climbed by 12 to 640, the first gain since December, according to data from Baker Hughes Inc.

West Texas Intermediate for August delivery lost 0.9 per cent to $56.40 a barrel on the New York Mercantile Exchange. Brent for August settlement slid to $61.57 a barrel on the ICE Futures Europe exchange.

The European benchmark crude traded at a premium of $5.04 to WTI.
PSU divestment: govt invites bids for legal advisors

OUR BUREAU
New Delhi, July 3

Giving a fresh push to the divestment process, the government has invited bids to engage legal advisors for minority stake sale in five public sector companies through the offer for sale (OFS) route. Bids have also been invited to appoint a legal advisor for a follow-on-offer for the CPSE Exchange Traded Fund.

The five State-run companies where minority stake sales are contemplated are NTPC (5 per cent), Bharat Electronics (5 per cent), OIL India (10 per cent), Engineers India (10 per cent) and Hindustan Copper (15 per cent).

At current market prices, the stake sale in these five public sector entities could fetch as much as ₹11,500 crore to the exchequer.

The Centre is looking to raise ₹69,500 crore this fiscal through divestment in State-run companies. Of this ₹41,000 crore is expected to be raised from sale of minority stake and ₹28,500 crore from strategic stake sales.

As for the CPSE ETF, the Centre on Friday said it wants to launch a follow-on fund/ tap tranche offer of existing the CPSE ETF scheme comprising stocks of 10 listed central public sector enterprises.

The Finance Ministry is planning to launch by October a more retail investor friendly CPSE ETF in which the funds of the EPFO and NPS could also be parked.
गोवा: 82 खादनों की लीज की जांच

पराजीत (भाषा)। गोवा में अवैध खानन वाले 82 खादनों की बातों के दिशा में एक बड़ा कदम बढ़ाने के लिए राज्य सरकार द्वारा गठित एक एकाउंटेंटी की एक टीम ने पहले पर दी गई जुलाई 118 खादनों में से 82 के बारे में रिपोर्टेड है। तक्तलीन मुख्यमंत्री मनोहर परिवार ने इस टीम का गठन किया था, जिसे 2005 से 2012 के बीच विभिन्न खादनों के लिए नियुक्त किया गया था। वह कदम उस समय खानन घोटाले के सामने आने के बाद उठाया गया था। घोटाले की जांच करने वाले न्यायाधीश एम.बी. शहा आदीगे ने इस संबंध में 35 हजार करोड़ रुपए मुल्य की अवैध गृहिति का अनुपात लगाया था। 82 खादनों ने भूमि की विधि को अपने लाभ के लिए उपयोग किया।
NDMC to set up 5 control rooms to tackle water-logging

OUR CORRESPONDENT

NEW DELHI: The New Delhi Municipal Council (NDMC) has announced to set up five control rooms to check water-logging during the monsoon.

"Five control rooms have been set up at Sanghi Mess, Khan Market, Netaji Nagar, Malcha Marg, Mandir Marg and at Connaught Place, which will work round-the-clock till September 30 to look into the problems of water-logging," said NDMC spokesperson Jagjitwan Bakshi. "These control rooms will be manned by senior executive engineer level officers and will be equipped with trucks, potable pumps and other machines," he added.

The NDMC has also identified vulnerable areas under its jurisdiction. The NDMC has already completed de-silting of manholes, gully gratings and open drains in its areas. "We have completed the de-silting work of manholes, gully gratings and open drains in all areas. Residents are advised to complain about water-logging to these control rooms," Bakshi said.
Gold ends steady; silver recovers

After a three-day losing run, gold prices held steady at ₹26,500 per ten grams at the bullion market on Friday on scattered buying activity by jewellers.

Silver, however, recovered by ₹250 to ₹36,000 per kg on increased offtake by industrial units and coin makers.

Traders said some buying by jewellers at prevailing levels helped gold prices to end steady.

In the national capital, gold of 99.9 and 99.5% purity ended steady at ₹26,500 and ₹26,350 per ten grams, respectively. Sovereign followed suit and closed flat at ₹23,300 per piece of eight gram.

Globally, gold was up by 0.28% to $1,169 an ounce in London in early trade on Friday.

On the other hand, silver ready recovered by ₹250 to ₹36,000 per kg, supported by increased offtake by industrial units and coin makers. Silver weekly-based delivery rose by ₹320 to ₹35,500 per kg.
Indian gold prices at deep discounts

Mumbai/Singapore, July 3: Gold prices in major consumer India were quoted at deep discounts to the global benchmark this week on tepid demand and adequate levels of inventory, dealers said.

Prices were quoted at a discount of $8 to $15 an ounce over London prices, much wider than the $1 discount in mid-June, they said. Persistent weakness in India, the world’s top consumer of gold last year and the No. 2 buyer in the first quarter of this year, could add pressure on global prices, which are currently just above a 3 1/2 month low. Gold prices in India have fallen more than 3 percent in a fortnight, tracking losses in the global market. “The price drop failed to lure customers,” said Bachraj Bamalwa, director at the All-India Gems and Jewellery Trade Federation.

Two-thirds of India’s gold demand comes from rural areas where jewellery is the traditional store of wealth. However, in the current monsoon season farmers in rural areas are spending on agriculture, leading to a decline in bullion demand. Lack of weddings and festivals are also hurting gold demand, dealers said.

“Weak demand will remain for another month. From August onwards, jewellers will start restocking for the peak festival season at year end,” Bamalwa said. Reuters
RBI, govt in talks to ease import of gold-silver alloy

Mumbai/New Delhi, July 3: The Reserve Bank of India and the finance ministry are in talks to scrap bulk import licences for a gold-silver alloy used by domestic refiners, months after relaxing curbs on gold imports, officials with direct knowledge of the discussions told Reuters.

Gold is India’s second-highest import in value terms, and a jump in imports widened the current account deficit in 2013, sparking the country’s worst currency turmoil since a balance of payments crisis in 1991.

An alloy of gold and silver, called dore, from which refiners produce pure gold, forms about 150 tonnes of imports each year and attracts a duty of 8.24%, which is less than the duty of 10.30% on refined gold.

The RBI wants to remove all restrictions on refiners while the finance ministry has raised concerns over tax evasion, the sources said.

Government and RBI officials met late last month to examine the proposal. “The finance ministry is not in favour of relaxing conditions for import of gold dore as it could lead to tax evasion,” said a senior finance ministry official, who declined to be identified because he is not authorised to speak to the media.

Government officials worry that buyers may try to exploit the difference in import duties by declaring pure gold as dore.

“As of now, refiners like us need to get a licence from the Directorate-General of Foreign Trade to import bulk of gold dore,” said Rajesh Khosla, the managing director of MMTC-PAMP, India’s biggest gold refiner.

“This policy was to prevent any misuse as dore gets a concessional import duty. Now there is a possibility of scrapping the need for a licence for dore as gold can be imported freely anyway.”

In November 2014, the government scrapped an unpopular rule, the 80:20 requirement that forced traders to export 20% of all gold imported into the country.

PTI
Govt plans to begin divestment process with stake sales in NMDC, OIL, MMTC

ANIMESH SINGH
NEW DELHI

Racing against time to meet the ₹41,000 crore divestment target for the current financial year in major PSUs, the Government plans to begin the exercise by divesting its stake in State-owned entities like NMDC, Oil India Ltd (OIL), MMTC, ITDC and Concor through offer for sale (OFS). To initiate the process, the Department of Disinvestment (DoD) has decided to seek bids for setting up a panel of merchant bankers, which will help it in sale of shares of these companies.

The Pioneer on July 2 had first reported about the DoD having called a meeting on the same day with key ministries to initiate the divestment process and announce names of companies in which Government could sell stake.

The meeting, which was attended by senior officials from the Petroleum, Steel, Commerce, Tourism and several other ministries, arrived at a consensus to form a panel of merchant bankers for a period of up to three years, which will assist the Government in the stake sale of the aforementioned companies, which have been grouped together in a basket, sources aware of the development, confirmed to this newspaper.

This group has been titled as Basket - I, and once the stake sale process of these companies is completed, then other public sector companies which is on the DoD list for the current financial year, will be taken up and grouped together as Basket - II and so forth.

Meanwhile it was decided in the meeting that bids should be called from merchant bankers for setting up a panel of such bankers which will help the Government in the stake sale process of Basket - I companies.

Sources privy to the development said that till now, only a single merchant banker used to handle the stake sale process of a particular company. Now the Government has decided to form a panel of merchant bankers, which will have a tenure of up to three years, which will help the Government in divestment process of a bunch of companies.

Government plans to sell 10 per cent of its stake in mining major NMDC, which will mean that 39.64 crore shares of the company will be offered for sale. In MMTC, the Government will sell 15 per cent of its share (15 crore shares), while in OIL the Government will offer 6 crore shares for sale (10 per cent stake).

In ITDC, the Government will sell 12.03 per cent of its stake, which will translate into 1 crore of its share available on sale. In Concor, 5 per cent of Government share will be offered for sale (97 lakh shares).

Meanwhile DoD has also called for bids to appoint legal advisors for sale of stake in five PSUs through an offer for sale (OFS), besides a follow on offer of the CPSE Exchange Traded Fund. These include NTPC, Hindustan Copper Ltd (HCL), Engineers India Ltd (EIL), OIL as well as Bharat Electronics Ltd (BEL).

At the current market prices, the stake sale in five PSUs could fetch the exchequer around ₹11,500 crore. The divestment department plans to sell 15 per cent stake in HCL, 10 per cent each in OIL and EIL and 5 per cent each in NTPC and BEL.
Now, apply online for yellow fever vaccination

Ritwika Mitra

NEW DELHI, DHNS: Now, those travelling to Africa and South America can now submit their applications for yellow fever vaccination online on the NDMC website. The online initiative will be launched on July 8.

Currently, travellers have to visit the New Delhi Municipal Council Headquarters to submit copies of applications for yellow fever vaccination. Following this, the council allocates them an available slot.

“Once travellers plan their trip, they can submit their application online. There will be no need to come to the office physically. The earliest vaccination slot will be shown online while the person is submitting the application. This new process will allow residents from any part of the country to apply for yellow fever vaccination through the NDMC website. There will be 50 vaccination slots available weekly,” said a senior NDMC official.

Travellers can get vaccinated at the International Inoculation Centre on Mandir Marg in the council jurisdiction. The user will be provided with the application number and designated slot once the enrolment is complete.

Applicants can get vaccinated from 2 pm to 4 pm every Wednesday and Friday. Around 5,000 people come to the NDMC centre for vaccination annually. Travellers can also submit their applications to the Municipal Corporation of Delhi. However, the MCD has no plans yet to go online for applications of vaccination.

“There is no procedure in place to invite applications online. Applicants can get vaccinated at the centre located in Civil Lines,” said a senior official of the South Delhi Municipal Corporation.

Though yellow fever is not prevalent in India, it can lead to an epidemic in case the virus is transmitted through humans from the affected countries to India. Yellow fever is a hemorrhagic disease which affects both monkeys and humans.

This is caused by a virus and transmitted to humans through bites of infected mosquitoes. So it is mandatory for Indians travelling to tropical and sub-tropical places in Africa and South America to be vaccinated.