Postponing selloff a/c to FY12 behind 5.1% deficit

□ ONGC, SAIL issue proceeds only in next fiscal books

Himani Kaushik

New Delhi, Mar 1: Thanks to the luxury of the large fiscal headroom created by the 3G auction bonanza, finance minister Pranab Mukherjee deferred the accounting of roughly ₹16,000 crore of the likely disinvestment proceeds this fiscal to 2011-12. This is the principal reason why the fiscal deficit for the current fiscal is estimated at 5.1% of the GDP, as against 4.8% predicted by the Economic Survey last week.

The follow-on public offer (FPO) of ONGC could hit the market this fiscal by March 15, mopping up ₹12,000 crore, but this would be accounted for only in fiscal 2011-12. The government has already decided to defer steel major SAIL’s FPO which could have yielded the exchequer some ₹4,000 crore (in addition to a same amount to the company through fresh issue of shares) to early next fiscal. Hindustan Copper FPO, originally planned for December 2010, has also been deferred to next fiscal. With the ONGC and SAIL issues themselves capable of raising over ₹16,000 crore, the finance ministry could even look at surpassing the new disinvestment target of ₹40,000 crore for 2011-12, an year in which non-tax revenue is expected to decline by 43% to ₹1.28 lakh crore.

Even on an optimistic growth forecast (a nominal GDP growth of 14%) for next fiscal, Mukherjee was circumspect enough to project for 2011-12 to the current year. In other words, he has opted to pan out fiscal consolidation efforts more evenly between the two years, which helped him put the 2011-12 deficit at 4.8%, below the FRBM target of 4.8%.

“As against a target of ₹40,000 crore, the government will raise about ₹22,144 crore from disinvestment in 2010-11. A higher-than-anticipated realisation in non-tax revenue has led us to reschedule some of the disinvestment issues planned for the current year,” Mukherjee said in the Budget speech.

Indian Oil Corporation, Hindustan Copper and Rashtriya Ispat Nigam Ltd are among the major disinvestment proposals for next year. IOC’s FPO, which would include sale of 10% government stake in the oil marketing company, and issue of fresh equity of the same size, is expected to mobilise about ₹20,000 crore. The current thinking is to slot the IOC issue for the second half of next fiscal.

The government garnered ₹22,744 crore out of the six disinvestment issues this fiscal including ₹15,199 crore from Coal India IPO and ₹3,721 crore from Powergrid FPO.
Export levy upsets miners

OUR SPECIAL CORRESPONDENT

Calcutta, Feb. 28: Finance minister Pranab Mukherjee proposed a steep increase in duty on the export of iron ore lumps and fines, meeting the long-standing demand of the steel industry.

Mukherjee raised the duty on fines (iron ore dust) to 20 per cent from the present level of 5 per cent while that on lumps was hiked to 20 per cent from 15 per cent.

Steel industry captains hailed the proposal as a move in the right direction, but iron ore miners predictably dumped it as a step that could potentially kill the iron ore industry hurting both export as well as the domestic steel players.

"What you expect me to say? Its like your salary is chopped off by 20 per cent. Of course, everybody will be badly hit. It will make Indian iron ore less competitive in the global market," P.K. Mukherjee, managing director of Sesa Goa, said.

Sesa, owned by billionaire Anil Agarwal’s Vedanta, is India’s largest iron ore exporter in the private sector.

The country is likely to sell 90 million tonnes of lumps and fines to other countries, especially China during 2010-11, down 23 per cent from 117.57 million tonnes in the previous year, mostly because of the ban on export from Karnataka. Almost 75-80 million tonnes of the export are fines.

The FM, however, also conceded to the demand of the iron ore lobby by reducing the duty on pellet and iron ore nugget to zero from the present level of 15 per cent.

“The hike on export duty on iron ore fines and lumps to 20 per cent ad valorem is most welcome. I am sure that this will lead to greater value addition at home and encourage the domestic steel industry,” Sajjan Jindal, vice-chairman and managing director of India’s largest private sector steel producer JSW Steel, said.

However, Tata Steel MD Hemant Nerurkar rooted for further intervention even as he lauded the move saying exemption of duty on pellets also reduces the scope for greater value addition within the country.

“The value addition at the pelletisation stage is much less compared to finished steel and the aim should be to encourage steel production within the country, which would lead to more jobs, output and value addition within the country,” he said.

A million tonne steel plant requires Rs 4,500 crore to Rs 5,000 crore compared with Rs 750 crore – Rs 1,000 crore for similar size pellet plant.

Koushik Chatterjee, group CFO of Tata Steel, also rooted for infrastructure sector status for the steel industry.

Another view

Mining industry claimed the move would eventually hurt domestic steel players who buy iron ore and fines from the market.

“There is no buyer of Indian iron ore now. If fines are not exported, there will be no lumps production. So the domestic lump prices will go up and steel producer eventually increase steel prices. So, the measure is counter productive,” secretary general of mining association Pimi, said.
सिलीकोसिस के बढ़ते प्रकोप पर मानवाधिकार आयोग चिंतित

जनसता खुशी

नई दिल्ली, 1 मार्च। राष्ट्रीय मानवाधिकार आयोग के अध्यक्ष के जी बालकृष्ण ने सिलीकोसिस को जानलेवा बीमारी बताते हुए इसके बढ़ते प्रकोप पर चिंता जताई है। उन्होंने इस बीमारी के प्रति सरकारी एवं सेवाओं के लाभ नहीं की गणना की जा रही है। संगठन को सिलीकोसिस पर आयोग ने राष्ट्रीय सम्मेलन का उद्घाटन करते हुए उन्होंने कहा कि यह सबसे अधिक जनसता का प्रभाव है।

सिलीकोसिस फैलनामे की बीमारी है जो छोटे से सावधानी के कारण नहीं लगती है। इस बीमारी के बारे में अभी लोगों को ज्यादा जानकारी नहीं है। यहीं तक कि कई डॉक्यूटर भी इसे तनावदायक मान कर उपचार शुरु कर दे रहे हैं। राष्ट्रीय मानवाधिकार आयोग ने राजस्थान को सिलीकोसिन जानलेवा मानवाधिकारी में काम करने वालों में मदद करने के लिए राजस्थान में इस जानलेवा बीमारी के बढ़ते प्रकोप की जानकारी के बाद इसके प्रति गर्व सरकारी दिखाया है। इसी दिशा में राष्ट्रीय सम्मेलन का आयोग भी जागरूकता फैलने के उद्देश्य से किया गया।

सम्मेलन में आयोग के सदस्य पीड़ित श्रुति ने कहा कि वे सरकारी एवं सेवाओं का ध्यान दें कि इस गंभीर बीमारी को ध्यान दिया गया है। राजस्थान, मध्य प्रदेश और रुझान से खाता नहीं या जरूर व नहीं पता करने वाले कारणों में काम कर रहे कई राज्यों में इस बीमारी से प्रभावित हैं। ज्यादातर भीतरिक असृष्टिकर्म के उद्देश्य से मदद करने के लिए उन्हें गद्दी दिलाई जा सकते।
Nalco: Executive of MP-based company held

RAHUL TRIPATHI
NEW DELHI, MARCH 1

FORMER Nalco CMD A K Srivastava and his conduit B L Bajaj, both in CBI custody in connection with a bribery case, have known each other since 1986 when Bajaj joined the National Thermal Power Corporation (NTPC) as deputy manager of finance, according to investigators. Srivastava was already working at NTPC as deputy manager.

While Srivastava, a mechanical engineer, left NTPC in 1995 as senior manager, Bajaj continued till January 2004.

The interrogation of the duo has led to the arrest of executive of a Madhya Pradesh-based company, Ratan Pal, a representative of Bhatia Group of Companies in Indore, was arrested late on Monday night and was taken on remand for five days. According to the CBI, Pal had paid Rs 20 lakh bribe to Bajaj for delivery of the former Nalco CMD on behalf of the Bhatia Group of Companies.

The CBI said there is "iniminating" evidence in the transcript of a recorded conversation between Pal and Bajaj for balance payment of Rs 40 lakh. "Pal is the fifth person to be arrested in this case. The company was to pay Rs 1.25 crore bribe to Srivastava out of which Rs 65 lakh was paid; Rs 20 lakh was paid 10 days ago with the help of Bajaj. Negotiations were on for the balance Rs 40 lakh between the Bhatia Group of Companies and Bajaj when the agency laid a trap," said a CBI spokesperson.

The CBI last Friday arrested Srivastava and his wife Chandini and Bajaj and his wife Anita on bribery charges and recovered 10 kg of gold bricks worth Rs 2.43 crore from a bank locker and nearly Rs 30 lakh in cash from their possession.

Bajaj's interrogation revealed that he joined Bharat Coking Coal Limited (BCCL) in January 1975 where he worked as joint director till 1985. "He left BCCL and joined Manipur Spinning Mills Limited as financial controller where he worked till December 1985. Bajaj, who specialises in finance, then joined as deputy manager at NTPC where he came in contact with Srivastava," said a CBI official.

At the time of the arrest, Bajaj was working as senior vice president with Nagarjuna Construction Company Limited, which he joined in 2008 after stints at other companies.

"The two are learnt to have given several favours to various companies during their tenure as heads of PSUs and we are in the process of examining the details of the projects sanctioned by them," added a CBI official.
Duty removal on ore pellet export enthuses Jindal Steel, others

The Union Budget has waived the entire 15 per cent duty on export of iron ore pellets, and Jindal Steel and Power is gearing to take advantage of the ensuing prospects. Pellets are made by moulding ore powder into desired configurations, with some value addition.

Sushil Maroo, JSPL’s director (finance), told Business Standard, “We have a 4.5-million tonne pellet making capacity, commissioned recently. By the plan, 50 per cent is for our own consumption and the rest for sale in the domestic market.” Because of the duty waiver in the budget, he said, the company was now exploring the possibility of exporting pellets.

Maroo said, “Shadeed needs two million tonnes of pellets and can consume all our pellets earmarked for domestic sale. We have exported to them before and will look at doing it again, in bigger quantities. However, if we will do it or no would depend one pellet prices in the international market.” With its new 4.5-million tonne plant, it has become the largest pellet maker in the country. Maroo said, “The government is clearly pushing companies to go in for value addition. Even previously, we had exported small quantities and are now thinking of exporting more. This duty waiver has definitely opened the international market for us and gives us a lucrative opportunity to export pellets.”

The duty waiver on export of pellets has been cheered by the industry. S B S Chahar, advisor, Federation of Indian Mineral Industries (Fimi), said: “Zero duty on pellet exports is a good idea and this will motivate more companies to set up plants in the country.” He said Fimi had made repeated representations to the finance ministry for withdrawal of export duty on pellets.

Ranu Som, chairman and managing director of NMDC, said: “Now companies will look to set up bigger pellet plants to sell internationally, too.” The company is setting up two plants with a combined capacity of 3.2 million tonnes.
CBI arrests Delhi-based executive in Nalco graft case

press trust of india

NEW DELHI, 1 MARCH: A Delhi-based executive of a Madhya Pradesh company was today arrested by the CBI in connection with the alleged bribery case involving Nalco CMD Mr. AK Srivastava.

Mr Ratan Pal, a representative of Bhatia group of companies, was later produced before a city court which sent him to CBI custody till 5 March. "A Delhi-based executive of a Madhya Pradesh-based company was arrested today in connection with the bribery case and presented before special CBI court," official spokesperson of the agency said. According to the CBI, Mr Pal had paid Rs 20 lakh bribe to the conduit BL Bajaj for delivery to the Nalco Chairman-cum-managing director on behalf of the Bhatia groups of Companies.

"The allegations on the face of it are quite serious and are required to be investigated thoroughly. Accordingly, I am satisfied that the prayer for police custody remand of the accused is justified," Special CBI judge O P Saini said. The agency said there is "incriminating" evidence in the transcript of the recorded conversation between Pal and Bajaj for balance payment of Rs 40 lakh.

The defence counsel opposed CBI's plea saying that his client's (Pal) arrest was wholly unjustified as he was fully cooperating with the investigating agency and had appeared before it as and when he was directed to do so. Mr Pal is the fifth person to be arrested in this case. The agency has arrested Mr Srivastava, his wife Chandni, Bajaj and his wife Anita on charges of accepting illegal gratification and recovered 10 kg of gold bricks from a bank locker and nearly Rs 30 lakh in cash from their possession. The court today sent Chandani and Anita to judicial custody.
Sesa Goa: Hit by export duty

Analysts have lowered net profit estimates for financial year 2011-12 by 22.3 per cent

There seems to be no end to Sesa Goa's woes, with the finance minister increasing the export duty on iron lumps and fines to 20 per cent (freight on board) in his Budget proposals on Monday. Given that almost 30 per cent of the company's revenues come from exports, this is a major blow. Both lumps and fines have now been brought under the export duty net.

And, fines account for 85 per cent of Sesa Goa's total export volumes. While the export duty on ore has undergone several changes (from zero to 20 per cent) over the past couple of years, it's increasingly apparent that as long as ore prices remain high (above $100 FOB), the government is likely to continue its stance on export duty. In addition, analysts expect Indian Railways to increase freight rates in the given situation, which will effectively add to costs.

According to a report by Edelweiss Capital, the company has been constantly facing challenges on the volume front with its Orissa mine out of operation, the effective export ban in Karnataka till date and a lack of approvals for additional volumes in Goa. However, analysts are estimating volumes of 21 million tonnes in FY12 on the presumption that the Karnataka ban will be revoked. The state is considering the Supreme Court directive to formulate export guidelines.

With ore prices unlikely to come down in the near future, the possibility of a pass-through also seems slender. The company is expected to close FY11 with revenues of ₹8,502 crore, expected to fall to ₹8,012 crore in FY12. Profitability, too, will come down in line with the export duty increase. The company will have to focus on the domestic market, which will mean lower realisations, believe trade experts.

Angel Broking has raised its expectation of export duty expenses to ₹1,903 crore for FY12 against its previous forecast of ₹485 crore. Consequently, the earnings before interest, taxes, depreciation and amortisation estimate for FY12 also stands pruned by 26.1 per cent to ₹4,008 crore.
Hindalco

CURRENT PRICE: ₹212.5,
TARGET PRICE: ₹203

The stock has made a sharp recovery after hitting successive lower lows. Its long-term trend may still be negative and it is running into resistance between 213 and 215. If it breaches 215, it could test 219. If it cannot beat 215, it might slide back to 203. Keep a stop at 215 and short, with a target of 203. Increase the position between 207 and 209. Clear the position at 203. If the 215 stop is broken, reverse and go long with a target of 219 and with a stop at 212.
चांदी के दाम नई ऊंचाई पर

नई दिल्ली • अंतरराष्ट्रीय बाजार में चांदी के दाम कहने से सराफा बाजार में मंगलवार को चांदी की कीमतों में 200 रुपये जो तेजी आकर भाव 50,700 रुपये प्रति किलो के तहत हिस्सा पर पहुँच गए। अंतर्राष्ट्रीय बाजार में चांदी का भाव दोबारा हुजूम दीर्घ 34.38 डॉलर प्रति ऑंस पर कारोबार करती दिखा गूहा। जबकि 28 फरवरी को चांदी का भाव 33.98 डॉलर प्रति ऑंस पर बदल हुआ था। दिल्ली मुकदम केंद्र में एक बार के के अधिकारी ने बताया कि अंतर्राष्ट्रीय बाजार में चांदी की कीमतों में वृद्धि चली गई है। इसी का कारण चांदी की कीमतों में 110 रुपये की विशेषता आकर भाव 21,070 रुपये प्रति डॉलर डॉलर पहुँच गए। इसके बावजूद चांदी बाजार में इस दौरान चांदी की कीमतों में 8 डॉलर की तेजी आकर भाव 1,419 डॉलर प्रति ऑंस पर कारोबार करती दिखा गया।
नालको रिश्वत में एक और घरा

जल्द इलामी नालको के सीरियली पूर्व के सीबीआई को सौंपकर जा लाते कविता रिलेशन मामले में सीबीआई ने मंत्रीकार को मास्टरपेश शिख बनाने के दिशा में शिखर आदेश की है। भारतीय गुप्त अर्थनीति कंपनी के प्रतिनिधि राज राज को जारी में एक न्यायालय के समय उपस्थित किया गया, जो उससे 5 मार्च एक सीबीआई अदालत में भौतिक निर्देश गया है। मास्टरपेश शिखर कंपनी के दिशा में रहने वाले एक्सेक्यूटिव शिखर रिलेशन मामले के सबसे महत्वपूर्ण अदालत को निर्देशित किया गया और न्यायालय सीबीआई के समय उपस्थित किया गया।

सीबीआई के मुनाफे, पान पैदा कि सीबीआई के अध्यक्ष ए.एल. बजार के जरिए नालको के बजटमैन और मैनेजर शामस्तर को 20 लाख रूपये की रिलेशन थी। (ब्रह्म/प्रेम)
Verdict on Vedanta expansion reserved

Cutac: The Orissa high court has completed hearing on Vedanta Aluminium Ltd's plea seeking to quash the Centre's notification stalling expansion of its refinery at Lanjigarh and the captive plant.

A division bench of the court comprising Chief Justice V. Gopal Gowda and Justice B.N. Mohapatra, after hearing both parties as well as the state government on Monday, reserved its verdict. The Union ministry of environment and forests had justified its 20 October 2010 order stalling the expansion of the refinery, saying the company should furnish fresh proposals to obtain environmental clearance for its expansion bid. PTI
खरिज संपन्न से संपन्न 
बुंदेलखंड विकास से दूर

सुनील शर्मा

उर्फ़, 1 मार्च। बुंदेलखंड के सातों जिलों में खरिज संपन्न से संपन्न है। फिर भी यह क्षेत्र विकास में पीछा है। प्रदेश की कुल खराबों का 18 प्रतिशत बुंदेलखंड में है। इससे प्रदेश सरकार को कठिनाइयों का राजस्व मिलता है।

लेकिन यहाँ को ज्यदा सड़कों बुंदेलखंड के पीछे पाने का प्रयास करते हैं।

लालौन में 2006-07 में कुल खराबों की संख्या 89 थी। इसके से फोहिर्द पट्टी स्वीकृत थे और राजस्व विभाग का जवाब महज सात करोड़ रुपए जुटाना था। 2010-11 में खराबों की संख्या ज्यादा का तस्वीर है। लेकिन स्वीकृत पट्टी की संख्या घटकर 19 रह गई और राजस्व लाख बढ़कर 15 करोड़ हो गया।

जिला खराब अधिकारी राजकुमार का कहना है कि हाई कोट की रोक के कारण नए पट्टी स्वीकृत नहीं हो रही हैं। इस रूप से हाई कोट के रोक के कारण नए पट्टी स्वीकृत नहीं हो रही हैं। जब भागलपुर की रोक हटायी तब नए पट्टी पर काम शुरू होगा। ललितपुर जिले में कुल खराब क्षेत्र 129 हैं। इनमें 95 क्षेत्रों पर खराब का काम ही रहा है। इस जिले में ग्रेनाइट मार्ग नामक शुरू है। जिले में भर्ती माद्राय पश्चिम में भी होता है। यहां से सरकार का ज्यादा 16.50 करोड़ का सलाह मार्ग बनाना होता है।
Coal mine threatens to eat up town
Locals Protest As Most Important Sites Of Dharamjaigarh May Go Under

Supriya Sharma | TNN

Dharamjaigarh (Rajgarh):
So far, coal mines have been gobbling up villages in Chhattisgarh’s Raigarh district. Now it is the turn of a town. At a public hearing for a proposed coal mine on Monday, 438 people spoke with not one person in support of the project.

Once the seat of a tribal king, Dharamjaigarh is a small, neatly laid out town with countryside charm and urban comfort. Hills loom in the distance, homes hide under treetop canopies. Life is laid-back. Both the government and the church run schools and hospitals. Mahatma Gandhi’s statue sits at town-centre with a broad smile. Most of this threatens to go under.

D B Power Company was allocated 695 ha of land — nearly seven sq km — to dig coal to fuel its upcoming power plant in neighbouring Janjgir-Champa district. The mining will be done by blasting and excavating a large open pit and not by underground tunnels.

If the environment ministry approves this project, the coal mine would eat up half the town and three adjacent villages — Taralmar, Medermar, Bayasi — with 835 homes, eight schools, a hospital, government offices and buildings, including a new college built at the cost of Rs 1.37 crore and inaugurated by chief minister Raman Singh last year. According to a company-sponsored environment impact assessment, 2,700 people will be displaced and 51,000 people affected by the mine.

On Monday, under the cover of riot police, residents queued up under a small tent, walking up to a square opening in a wire mesh wall, to face a microphone, a camera, a panel of government officials.

They used different words but said the same thing. “Go away D B power. We don’t want you,” said Bimla Toppo. “I will not let you stay here,” said Kamla Kanta, beligerence defying her meek housewife look.

Sonita Sakho, a college student thundered, “We’re poor but we can afford to buy slippers and shoes. You think you can buy us out?”

A retired school principal, Imliya Toppo, summed up: “You say you’ll build hospitals for us. But will you be able to clean up the air?”

D B Power is promoted by the Bhaskar group that publishes Dainik Bhaskar, a mass circulated Hindi newspaper in Chhattisgarh. The paper, through a series of reports in its local edition, has tried to turn public opinion in the project’s favour.

A day before the hearing, a full page report in the paper claimed Villagers move forward in support of D B Power. Another states that the company has submitted in writing to the administration its decision to exclude 350 acres (141 ha) of town area.

If that is so, why did DB Power not amend the company banner at this public hearing which states that the mining area is 695 ha?” asked Praveen Srivastava, a medical representative. “Don’t try to fool us. We’re educated. We know a plain letter has no legal value.”

A company employee, at the public hearing was dismissive of the objections. Unless the people can point out technical lacunae, their objections amount to nothing, he said, on the condition of anonymity.

Home to a majority of advis, and listed under Schedule Five, Dharamjaigarh is covered by the PESA (Panchayat Extension to Scheduled Areas Act 1996), which makes it mandatory to consult local people before land acquisition.
Copper May Gain Before Manufacturing Report

LONDON Copper may rise for a fourth day in New York on Tuesday on speculation that figures will show stronger growth in manufacturing in the US. Aluminium climbed to a 29-month high. Manufacturing in the US probably expanded in February at the fastest pace in almost seven years, economists said before an Institute for Supply Management report on Tuesday. The European Commission raised its forecast for the euro region’s economic growth in 2011. "Expectations for a strong ISM number later today provided a boost to sentiment," said Alex Heath, head of industrial-metals trading at Royal Bank of Canada Europe in London. Copper for May delivery rose 0.1% to $4.502 a pound at 8:19 am on the Cme in New York on Tuesday. Copper for three-month delivery was at $9,888 a tonne on the LME.
NMDC signs an agreement with MECON

N K Nanda, Director (Technical), NMDC, exchanging an MoU with MECON for rendering engineering consultancy services for a 3 MTPA integrated steel plant of NMDC at Negamar, Chhattisgarh on behalf of NMDC with K K Mehrotra, Director (Engineering), MECON, in presence of Rana Som, CMD, NMDC and A.K. Ghosh, CMD, MECON.
Budget is silent where it matters

In Pranab Mukherjee’s first budget speech as the Union finance minister in the 1980s, so unstoppable was he that it made Indira Gandhi, perhaps India’s Wittiest prime minister, later on remark, “here is the shortest finance minister who has made the longest speech.” Three decades later, his budget speech, though not too long, has remarkably shrunk in content. Inflation, deficit, corruption — on none of these burning issues of the day is Mukherjee’s 2011-12 budget explicit in any way. On the other hand, there are far too many urgent items on his future list. Take for example the Goods and Services Tax (GST), which subsumes all the indirect levies like excise, VAT and local taxes and is expected to give at least a two per cent boost to the GDP. Only the constitutional amendments that are necessary will be tabled in this session of Parliament. Nobody knows when it will be a reality.

Besides, the priorities of the budget are quite opaque. Mukherjee plans to raise ₹40,000 crore by sale of stake in the Central Public Sector Undertakings, yet not to allow the government share in them to drop below 51 per cent. However, the high moral posturing implicit in it has been thwarted only recently when the chairman of National Aluminium Company Limited (NALCO), a CPSU, was arrested for accepting bribe to favour a private company importing coal. It shows that having a government official to lead the PSUs does not necessarily improve its efficiency.

On some other delicate issues, particularly the one involving allowing foreign portfolio investors to invest in SEBI-registered mutual funds, the budget seems too daring. It says such foreign investors must comply with the Know Your Customer (KYC) requirements for the equity schemes. But which Indian agency has the wherewithal to testify to information provided by the Foreign Institutional Investor (FII), and to vouchsafe that it is not black money generated in India that is ‘round tripping’ into the Indian capital market, to flee it the moment there is prospect for a better return somewhere else? It is a particularly sensitive issue in view of the fact that except for the government employees India does not have a pension system worth the name, and the return of provident funds and bank deposits being low, there are many retirees who put their savings in the mutual funds, particularly the part-debt part-equity ones. It is a lifeline for the old people.
But it is the silence of the minister on inflation, deficit and corruption that is eloquent. He has expressed the hope that the average inflation in fiscal 2012 will be less than fiscal 2011, but it is nothing but a clever game of numbers. For headline inflation, the recent shift from computing the rise in wholesale price index to a new basket of consumer prices will expectedly make the 2011-12 price rise appear less menacing. Besides, on the high base of 2010-11, food prices in the following year may not look too jumpy. Nevertheless, what the budget skirts around is the high basic inflation rate, of items other than food articles and oil, which are now going at a worryingly high 5-plus per cent because growth is stifled by shortage of money, which in its turn is caused by government loans crowding out private credit.

There is no clue in the budget as to how would Pranab Mukherjee grease the wheel of the economy with the lubricant of easy capital, so that it can spin again. He says he will bring down fiscal deficit from 5.1 per cent of the gross domestic product as of now to 4.6 per cent a year hence. But there is no plan in his hand, unless it is there up his sleeve, to cut deficit either by reducing expenditure or raising the revenues. On the contrary, the direct and indirect tax revenue he is targeting in 2011-12 is a small, probably symbolic, ₹200 crore less than that of the previous year.

Nor is there any let-up in the populist cash drainage typical of the UPA regime, either by hiking the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) wages, or lowering the price of food distributed among a nebulously defined population of poor at a rate that qualifies its being defined, as in the Bible, as manna from the skies. On black money too, the budget is economical with words. It says a Group of Ministers has been constituted to suggest ways for curbing corruption. That sounds like a cruel joke, with a former Cabinet minister now in police custody on graft charges. Nobody believes that India’s ministers are quite the right people to find the switch that can turn off the generation of black money, and that of its being parked in tax havens abroad. However, the least that was expected of the minister was to offer a roadmap to bring India several rungs below where it currently stands along the global corruption index.

The silence in the budget on key issues hints that there may be something wrong in the United Progressive Alliance coalition itself. If the leader of the coalition, the Congress, were transparent enough to its partners, it could be more clear-throated on how it would earn money, spend it and catch the wrong-doers.
CBI custody for another accused in NALCO case

Staff Reporter

NEW DELHI: Another accused in the NALCO bribery case, who was arrested on Monday, was sent to five-day CBI custody by a court here on Tuesday.

The CBI told the court that Ratan Pal Singh Bhattacharya allegedly paid a bribe of Rs.20 lakh to the suspended managing director of the National Aluminium Company Ltd., A. K. Srivastava, on behalf of the Bhattacharya Group of Industries, through co-accused B. L. Bajaj, who acted as a middleman.

The CBI submitted the transcript of recorded conversations between Mr. Bhattacharya and Mr. Bajaj for a balance payment of Rs.40 lakh.

Special judge (CBI) O. P. Saini said the facts of the case revealed a “deep-rooted conspiracy between the accused persons regarding bribing a top-ranking public servant.”

The court sent Chandni Srivastava and Anita Bajaj, wives of the two main accused, who were apprehended by the CBI while depositing gold bricks in a Shahjahan Road bank locker, to 14-day judicial custody, after the CBI said the two were not needed for custodial interrogation.
Iron ore exports drop 24% in Jan

New Delhi, March 1

Indian iron ore exports continued to decline and were down by about a fourth in January 2011 at 10.6 million tonnes (mt) as compared to 14 mt in the corresponding period last year.

Total exports for the April-January 2011 were down 18 per cent to 75.1 mt (61.7 mt), said the Federation of Indian Mineral Industries.

The decline is largely attributed to the ban on movement of iron ore for exports in Karnataka, the third largest producer. In the year-ended March 2010, the Indian iron ore exports stood at 117.37 mt.

The Union Budget for 2011-12 on Monday proposed to hike and unify the export duty to 20 per cent on iron ore exports. Earlier, the iron ore lumps attracted an export duty of 15 per cent, while the fines were levied a duty of 5 per cent.

India is the fourth largest producer of iron ore and the third largest exporter of the raw material used by the steel industry. Majority of the Indian iron ore is exported to China, the world's largest steel producer.
Philippines seeks Indian investment in mining, BPO

New Delhi, March 1

The Philippines on Tuesday invited the Indian industry to invest in sectors like mining, BPO, food processing and tourism. “BPO is a well established area... besides, mining, tourism, electronics manufacturing, automobiles and garments are the other potential areas,” the Secretary (Cabinet Minister), Department of Trade and Industry, the Philippines, Mr. Gregory L. Domingo, said here. The Philippines Government considers the BPO sector as a priority for investment. Foreign mining companies like Anglo American, BHP Billiton and Sumitomo Mining already have their presence in the Philippines. Further, Domingo said the country is reviewing easing visa procedures for Indian corporates. In 2009-10, bilateral trade between India and the Philippines stood at over $1 billion. Main exports to the Philippines include electronic integrated circuits and micro-assemblies, phosphoric acid, while imports are flat-rolled steel and iron-ore products. — PTI
नालको रिश्वत केस में एक और गिरफ्तारी

प्रवक्ता ने दिखाई : नालको के उपकरण सीरीज में रचित कागज के मामले में यथार्थी ने रत्न पत्र नामक शहर की गिरफ्तार कर पुलिसवाले के लिए नियंत्रण दिया गया है। सीरीज में नालको रत्न पत्र भाषिता सुप्रीम कोर्ट के नियंत्रण में रहे और उसे राजस्व देने के मामले में गिरफ्तारी किया गया है।

सीरीज में नालको ने रत्न पत्र भाषिता में पेश कर गिरफ्तार के लिए दिया गया है। अन्य नालको ने रत्न पत्र भाषिता के मामले में राजस्व देने के लिए दिया गया है। सीरीज में नालको ने रत्न पत्र भाषिता के मामले में राजस्व देने के लिए दिया गया है।

लकड़ी मामले में ब्रज राधाकृष्ण ने रत्न पत्र भाषिता के मामले में राजस्व देने के लिए दिया गया है। इसलिए सीरीज में नालको के राजस्व देने के मामले में ब्रज राधाकृष्ण ने रत्न पत्र भाषिता के मामले में राजस्व देने के लिए दिया गया है।
Silver tops Rs 51,000/kg; gold at 8-week high

Our Bureau
Mumbai, March 1
Silver prices topped Rs 51,000 a kg on the domestic bullion market after the metal advanced to 31-year high in the global market. Gold, however dropped.

Bloomberg reports:
Gold on Tuesday climbed to an eight-week high as unrest in Libya and a weakening dollar spurred demand for the metal as an alternative investment. And silver advanced to the highest price since 1980.

Gold added $8.32, or 0.6 per cent to $1,419.80 an ounce, the highest price since January 3. Silver was up 1.4 per cent to $34.37.

The US Dollar Index, a six-currency gauge of the greenback's strength, earlier fell to the lowest level in more than three months.

BULLION RATES
MUMBAI: Silver (99.9% purity) Rs 51,005 a kg; gold (99.9% purity) Rs 20,870/10 gm; standard gold (99.5% purity) Rs 20,770/10 gm.
Hedge funds boost bullish bets on gold on haven demand

Prices climb 5.6% in February after 6.1% fall in January

Bloomberg
March 1
Hedge funds boosted their bullish bets on gold to the highest since December, when the precious metal was headed to a record price, as tensions in West Asia spurred investor demand for a haven.

Managed-money funds held net-long positions, or wagers on rising prices, totalling 182,739 futures and options contracts on the Comex as of February 22, up 14 per cent from a week earlier, US Commodity Futures Trading Commission data showed last week. Holdings rose for a third straight week and are the highest since December 7, the day gold reached a record $1,432.50 an ounce.

PRICE RALLY
The price has rallied for five straight weeks as pro-democracy uprisings spread from West Asia to North Africa. Gold is rebounding after a plunge in January that was the biggest in more than a year. Before then, the precious metal had rallied every year for the past decade.

"Gold has found support and buyers have been coming in the past few weeks," said Mr Frank Lesh, a trader at FuturePath Trading LLC in Chicago. “All the factors driving the price of gold higher are still there — political instability, currency volatility and inflation. People are following through with their intentions after the dip in January."

Gold has climbed 5.6 per cent this month, after a 6.1 per cent decline in January prompted by an investor shift into equities. Prices are up 27 per cent in the past year.

Managed-money positions include hedge funds, commodity-trading advisers and commodity pools. Analysts and investors follow changes in speculator positions because such transactions may reflect an expectation of a shift in prices.
Fundamentals

Copper jumped to its highest in two weeks on Tuesday as the spotlight fell on strong fundamentals.

Benchmark copper on the London Metal Exchange hit $9,942 a tonne, its highest since Feb. 16.

Three-month aluminium traded at $2,612 a tonne in official rings from $2,600 on Tuesday. Zinc traded at an unchanged $2,520 a tonne, lead was bid at $2,559 from $2,562, tin was bid at $32,375 from $32,320 and nickel traded at $28,900 a tonne.
Budget Leaves Investors Richer by ₹2,33,500 crore

Sector-specific sops lift Street sentiment; Banks contribute ₹32,800 cr to investor kitty since Monday

THE stock market on Tuesday cheered the Union Budget for the second consecutive day with a record-breaking rally, taking the total addition to investors’ wealth to over ₹2,33,500 crore in just two trading sessions. Sector-specific sops caused a smart rally in many shares after having been battered amid extremely bearish market conditions since January this year.

Among prominent sectors, 41 listed banks have added ₹32,800 crore to investor kitty since Monday. Some of the leading banks rose 1.6-6.3% on Tuesday.

While the government has lowered net borrowing target in the 2011-12 Budget, analysts expect the move will lead to an improvement in liquidity in the market. A provision for infusion of an additional ₹6,099-crore capital in public sector banks also helped improve sentiment towards the lot, they said.

“The government’s conviction of achieving a 9% growth and containing deficit at 4.6% is a big positive which helped boost market sentiment on Tuesday,” said Almondz Global Securities global head of institutional equity Harjilal Singh Seth.

Banking and infrastructure sectors are likely to benefit the most on account of the Budget which has laid greater emphasis on achieving targeted growth on the back of higher investments in infrastructure development and in other priority sectors.

Banking was followed by the oil and gas sector, with the combined market cap of 37 companies jumping by ₹30,600 crore in just two days. The rally in oil and gas shares was led by oil marketing companies, like BPCL, HPCL and IOC which have hiked jet fuel price by soaring crude oil prices in the international market. The government has made a provision of ₹23,640 crore as cash subsidy to PSU oil retailers for selling fuel below market rates in FY 2012.

FMCG shares also gained sharply, with 109 such companies recording a rise of ₹17,800 crore in the past two days. Cigarette major ITC led the pack, as the company is spared from any hike in excise duty on cigarettes which was contrary market expectations. The stock climbed 11% to ₹173.5 in the past two days.

The 174 capital goods companies added wealth of ₹15,800 crore, as infrastructure and construction companies led by Larsen & Toubro and HCC are expected to benefit from the Budget which made provisions to boost investment in the sector.

Finance minister Pranab Mukherjee has proposed 23% higher allocation of ₹2,14,000 crore for the infrastructure sector in 2011-12. He has also proposed to allow various government undertakings to issue tax-free bonds of ₹30,000 crore in 2011-12.

The funds raised through these bonds will be used for infrastructure development in railways, ports, housing and construction of highways in the country.

Apart from these provisions, the finance minister has raised overseas investment limit in five-year corporate infrastructure bonds by $20 billion and also raised income tax exemption on tax-saving infrastructure bonds up to a maximum of ₹20,000 a year.
नाल्को रिश्वत कांड में एक और आरोपी चार दिन की रिमांड पर

भाषा: हिंदी

नाल्को रिश्वत कांड में सीबीआई द्वारा मिस्रायल फिल्म की अमेरिका के बीच दिन के रिमांड में सीबीआई को सीट दिया है। सीबीआई का आरोप है कि राजनौत ने विवृतियों में भूमिका निभाने रूप से चीजें बनाने की भांगी उद्धोक सहयोग को अपने साथ देखा है। सीबीआई ने राजनौत के बीच दिन के रिमांड के लिए सीट दिया है।

इस मामले में सीबीआई ने आरोपियों की श्रीमती तथा विकास के पारंपरिक की दिन से 14 दिन की नामिक रिहाई पर मिलकर जेल भेज दिया है। जेल भेज दिया है। सीबीआई को मिलकर दिए गए राजनौत जिसके भांगी उद्धोक सहयोग को सीबीआई अपने साथ देखा है।

राजनौत के बीच दिन के रिमांड का आरोप अस्वीकार है, जिसने इस भविष्य का सच्चाई करने के लिए उसे चार दिन के रिमांड में सीट दी जाए। इससे राजनौत फिल्म के कारण एक राजनौत जेल में निहित है। इससे राजनौत जेल में निहित है। इससे राजनौत जेल में निहित है।