

FPO, ONGC auditors

(at today's closing share price of Rs 1,301.40). After the offer, the government shareholding in ONGC will come down to 69.14 per cent from the current 74.14 per cent. "The Ministry of Petroleum and Natural Gas has accorded an in-principle approval (to the share sale) and the Department of Disinvestment has circulated a note for inter-ministerial consultations," Petroleum Secretary S Sundareshan said. Prior to the ONGC offer, Indian Oil Corporation, the country's biggest oil marketing company, will come out with an FPO, in January. "It is proposed that IOC will issue fresh equity capital of up to 10 per cent of its paid up capital along with a simultaneous disinvestment of 10 per cent of the government shareholding in the company," Sundareshan said.

The government is likely to realise about Rs 7,990 crore while IOC will fetch about Rs 10,125 crore to meet its capital expenditure requirement. Government holding after fresh issue and disinvestment will come down to 62.65 per cent from the current 78.92 per cent. When asked about the timing of the issue, Sundareshan said the Department of Disinvestment will assign appropriate slots for various issues, keeping in mind issues like winding the market.

Highways ministry seeks ₹3,400 crore for repairs

BS REPORTER
New Delhi, 27 October

The government is likely to approve Rs 3,400 of crore of additional spending on the national highways for the current financial year. After unprecedented rains damaged roads, the road transport and highways ministry has sought more money for repair.

At the Economic Editors' Conference here today, R S Gujral, the ministry's secretary, said, Rs 1,000 crore was being asked for overall maintenance and Rs 1,650 for roads other than those covered under the National Highways Development Project. Besides, Rs 700 crore had been sought from the central roads fund and Rs 50 crore for repair of bridges, he said.

Claiming the department was currently building roads at 12 km a day, minister Kamal Nath said in the past 10 months, Rs 36,000 crore of funds have been tied up for the national highways.

He said the ministry awarded just eight projects in 2008-09 (before he took charge). "The whole process caught pace in October 2009 and since then till now, we have been able to award 66 projects," said Nath.

Of the projects awarded, 89 per cent have been on build-operate-transfer (toll), one to two per cent on engineering, procurement and contract (EPC) and the rest on BOT.

Iron ore boom

BS REPORTER
New Delhi, 27 October

Legal mining in the country has lost a lot of money for Indian Railways (IR).

The railways say they lost cargo traffic of 11 million tonnes of iron ore in the first half of the current financial year, owing to restrictions imposed by the governments of Orissa and Karnataka on the mineral's movement. The two governments had imposed restrictions on the movement earlier this year to clamp on illegal mining in their territories.

The overall freight traffic loaded by IR in the first half of 2010-11, at 438.2 mt, was higher by at least 10 mt compared to that loaded in the same period last year. "This loading could have been further improved but for a loss of 10.8 mt on account of less loading of iron ore," a note prepared by IR said, attributing the loss to the restrictions imposed in Karnataka and Orissa.

The railways loaded a total of 887 mt of freight in the financial year ended March, a 6.5 per cent growth over 2008-

Sugarcane

BS REPORTER
New Delhi, 27 October

The Union food ministry will start talks on decontrol with sugarcane producing states like Uttar Pradesh and Maharashtra next month.

"We will start consultations (on sugar decontrol) with the sugarcane-producing states after Diwali," Food, Agriculture and Consumer Affairs Minister Sharad Pawar said at the Economic Editors' Conference here. He added that the govern-