

LIVE RICH FINANCIAL Chronicle

IN ASSOCIATION WITH THE International Herald Tribune

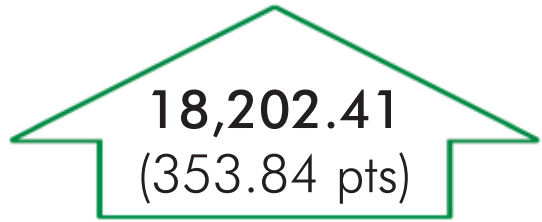


THURSDAY, FEBRUARY 16, 2012 VOLUME 4 NO-239 PAGES 24 Rs 3.00

REDUCE ► REUSE ► RECYCLE

SMARTBIZ

► BUY ► SELL ► SAVE ► SPEND



SENSEX

NIFTY ▲ 5,531.95

Who moved my Sensex

TATA MOTORS 286.40 6.91%	DLF 248.80 6.05%	TATA POWER 110.45 6.00%	L&T 1,449.10 5.06%	BHEL 276.95 4.53%
STERILITE 134.75 4.34%	ICICI BANK 980.10 4.03%	MARUTI 1,303.70 3.04%	HDFC BANK 532.95 2.95%	GAIL 396.80 2.92%
M&M 735.40 2.57%	HDFC 713.95 2.45%	INFOSYS 2,867.25 2.39%	SBI 2,250.50 2.37%	BHARTI AIRTEL 349.70 2.12%
TCS 1,241.00 1.75%	JINDAL STEEL 609.80 1.62%	TATA STEEL 495.15 1.56%	COAL INDIA 339.45 1.45%	ONGC 278.85 1.03%
HINDALCO 162.30 0.90%	HERO MOTO 2,093.05 0.85%	BAJAJ AUTO 1,746.20 0.83%	NTPC 182.20 0.52%	SUN PHARMA 555.30 0.27%
ITC 202.80 0.22%	WIPRO 435.35 0.07%	CIPLA 318.55 -0.75%	HUL 388.05 -0.75%	RIL 836.05 -1.43%

REALTY▲5.01, CG▲4.01, POWER▲3.56, BANKEX▲3.55, AUTO▲3.33, CD▲3.07, METAL▲2.13, TECK▲1.96, IT▲1.77, PSU▲1.74, HC▲0.75, FMCG▲0.06, OIL&GAS▼0.32



Bloomberg

Volvo's cheaper variants

The carmaker launched variants of S60, S80 and XC60 to cater to the volume segment, reports Michael Gonsalves P6

- Bulls are back with Sensex crossing 18,000. Nifty gains nearly 20 per cent in new year while FIIs pump in \$5billion to equities in 2012 P4
- Iran displays nuclear might; unveils fuel rod. Said it was looking at cutting oil sales to six EU countries but would not do so at the moment P9
- Renault-Nissan factory to launch second line. The factory of Renault-Nissan near Chennai to open the second production line next month P6
- Honda Greater Noida unit resumes output. Japanese carmaker aims to deliver its latest small car Brio to waiting customers by next month P6

Higher spectrum for all mobile operators

Uniform 8% annual levy across circles, services

PRESS TRUST OF INDIA
New Delhi

IN A major advantage to old GSM operators, the government on Wednesday said all service providers would be allowed to hold higher spectrum of up to 10 MHz, a move that would help them offer quality services.

Announcing a part of the new telecom policy, telecom minister Kapil Sibal told in a press conference, "The prescribed limit on spectrum assigned to a service provider will be 2x8 MHz (paired spectrum) for GSM technology for all service areas other than Delhi and Mumbai where it will be 2x10 MHz (paired spectrum)."

Current prescribed limit is 6.2 MHz of GSM spectrum. However, players would be free to acquire additional frequency beyond the prescribed limit, in the open market, should there be an auction of spectrum subject to the limits prescribed for merger of licences.

Old GSM operators are supposed to pay one-time charge for extra spectrum beyond 6.2 MHz but it was not clear whether now one-time charge would be beyond the new prescribed limit or not.

All spectrum would be delinked from the licence from now, he said, adding



Vertical limit

■ Prescribed limit on spectrum assigned to a service provider will be 2x8 MHz for GSM

■ Old GSM operators to pay one-time charge for extra spectrum beyond 6.2 MHz

■ Prescribed limit for CDMA operators remains unchanged at 2X5 MHz

that a decision on pricing of spectrum or one-time charge for extra spectrum held by some incumbent operators would be taken later in view of the Supreme Court judgment that cancelled 122 2G licences issued in 2008.

When asked about the impact of new norms announced on subscribers, he said users should get better services and at affordable rates due to more efficient usage of spectrum.

Turn to P8

Disinvestment by auction, but formal decision to come later

SIDDHARTHA P SAIKIA
New Delhi

A GROUP of ministers, meeting on Wednesday to consider divesting 5 per cent government equity in ONGC and BHEL by auction, deferred a decision until its next meeting.

Disinvestment secretary Haleem Khan officially admitted that it was now not possible to achieve the Rs 40,000 revenue target through disinvestment.

"The outlook is not positive. We have not taken any decision today," heavy industries minister Praful Patel told media after the group's meeting.

Oil minister S Jaipal Reddy, however, said disinvestment through auction would take place. "We have decided to go in for auction. All those decisions will be taken at the next meeting," Reddy said, declining to specify when that would be. "Shortly" was all he would say.

Turn to P4

Big tax breaks planned for infra investments

50% of money put in bonds to be deductible

EC Exclusive

KA BADARINATH
New Delhi

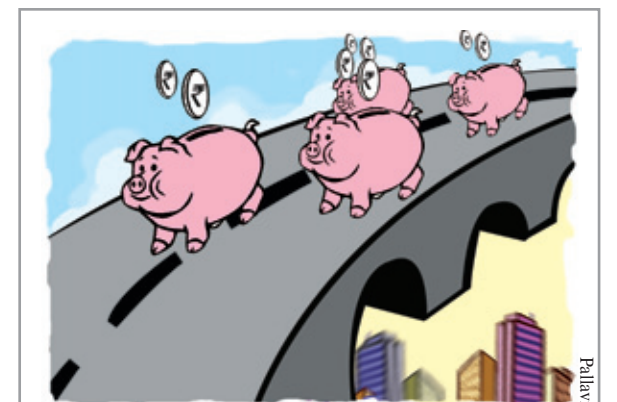
TO GET money flowing into infrastructure again, the finance ministry plans to offer big tax breaks to companies and individuals investing in debt paper that goes to fund these projects.

It is proposed to let companies invest up to Rs 1,000 crore each in listed debt instruments floated by infrastructure finance companies, special purpose vehicles and banks.

For tax purposes, 50 per cent of the invested amount will be deductible from their income in a staggered manner over the maturity period of the bonds, which come in a series of two with tenures of five and 10 years. However, these investments will have to be held for a minimum one year.

Companies in both private and public sector can invest, according to the proposal, which is still taking shape. Finance minister Pranab Mukherjee will, of course, discuss the proposal with prime minister Manmohan Singh before including it in the next budget.

Recommendations for



Proposed tax sops

Companies	Individuals
■ Firms will be allowed to invest up to Rs 1,000 cr each in infra debt instruments.	■ Rs 1,00,000 investment in infra bonds will be exempt from tax.
■ 50 per cent of these investments be given tax deduction over five years.	■ TDS limit to be hiked to Rs 10,000 on interest earnings from infra bonds
■ These investments to have one-year lock-in period	■ Maturity for ELSS may be hiked to 5 yrs for exemption within Rs 1,00,000 cap
■ PSUs will be allowed to invest in debt issues of infra finance companies	■ Infra fin firms will be allowed to mobilise Rs 50,000 cr via tax-free bonds

various aspects of the proposal came from an infrastructure group in the government with economic secretary R Gopalan and urban development secretary Sudhir Krishna as members. This newspaper tried to contact Gopalan but he was not available. The proposal is aimed at increasing the share of company surpluses invested in the infrastructure sector.

Companies prefer to park surplus funds in short-term instruments and paper that offer higher tax-adjusted yields. About Rs 10,00,000 crore of corporate money is invested in various instruments. Of this, 60 per cent is in term deposits of banks and the balance 40 per cent in mutual funds. The latter includes Rs 1,00,000 crore in fixed maturity plans.

Turn to P8

Coal India to sign supply guarantee agreements

SIDDHARTHA P SAIKIA & VIKAS SRIVASTAVA
New Delhi/Mumbai

AFTER a two-year break, state-run Coal India will soon start signing fuel supply agreements (FSAs) with power producers that have been commissioned till last December. These fuel supply agreements have to be completed by end of March.

Prime minister's office has also directed Coal India to sign fuel supply agreements with power plants that have to be completed by March 2015. If Coal India fails to supply agreed quantity of coal, it would have to meet the shortfall through imports or through other state-run companies.

These drastic steps are a result of the meetings of the committee of secre-



mentioned in letters of assurance for 20 years. Coal India will be penalised if the supply is below 80 per cent. On the other hand, it will get incentives for achieving 90 per cent of supply, prime minister's office said in a statement on Wednesday. This step would benefit power plants with an estimated capacity of more than 50,000 mw, it added.

Turn to P8

WHATSINIT 4me

WORLD MARKETS*

	Current	% chg
NYSE	▼ 8,027	-0.03
NASDAQ	▲ 2,944	0.42
FTSE	▼ 5,884	-0.26
NIKKEI	▲ 9,260	2.30
HANG SENG	▲ 21,365	2.14
SHANGHAI	▲ 2,367	0.94
KOSPI	▲ 2,025	1.13
BOVESPA	▲ 65,357	0.49
DAX	▲ 6,743	0.22
STI	▲ 3,012	0.81

*As at 9 pm IST
Page anchored by Mahul Brahma and Mukesh

International Herald Tribune WORLD BUSINESS



Job for life
A debate exploded in Italy after Mario Monti said young Italians had to give up this idea

Talks stalled
Yahoo's talks to sell most of its stakes in Alibaba of China and Yahoo Japan have collapsed

ABRACADABRA SAJITH KUMAR



Results of Pranab Da's recent US visit are showing!



At the 62nd Berlin Film Festival, 23 films will be competing for the big honour — the golden and silver Bears — at Berlinale Palast. Our correspondent, Narayan Srinivasan, reviews two films, Ursula Meier's *Sister* and Frederic Videau's *Coming Home*

my MIND

India is an ideal adoption ground for FrontlineSMS. For civil society organisations, this platform presents exciting possibilities, says Brij Kothari P11

MY SACRED BULL

The horses must be tamed. For, blinded they can gain a fortune for their masters and their sacred, holy claims. Question not what is gives you, says Parvez Imam P11

GOLF WAS NEVER A FINER CORPORATE STATEMENT.

Curtis Australia celebrates American Bobby Jones' achievement of winning the Golf Grand Slam in 1930 with a Limited Edition Pen. The handcrafted pen which symbolizes success has a solid sterling silver overlay featuring period-style golf scenes. It is available as a fountain pen, ball pen or a capped rollerball and in a choice of green or black resin. Presented in a luxury box with Limited Edition certificate, this pen says it all. To see, touch and experience this wondrous creation, drop by at Editions.

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