

NEWS ALERT

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After Fuel Price Hike, Oil PSU Sale On Cards

The government plans to sell shares in Oil & Natural Gas Corp and IndianOil to capitalise on the 'feel-good' mood among investors after raising petroleum product prices last week. The petroleum ministry wants the department of disinvestment to consider stake sale in the two companies as their financial position has been weakened by years of price control, which is set to continue for most products. The government can raise funds selling its stake and a company may sell new shares to improve finances. "With fuel prices now being raised, the issue of under-recoveries of these firms has been addressed to some extent," said a senior government official privy to the development. "So it is feasible for them to launch follow-on public offers."

Finance minister Pranab Mukherjee, who is facing a 5.5% fiscal deficit this year, aims to raise Rs 40,000 crore from sale of shares in government-run companies. Since follow-on offers of miner NMDC and utility NTPC did not enthruse investors, some in the government believe oil companies may be the right bet since the outlook has brightened following the announcement to free up petrol prices and an intention to do so with diesel.

Ande ka Funda: Poultry Farms Hatch Branded Dreams

A slew of poultry farmers such as Vangili Feeds, Suguna Group and SKM Eggs are now offering branded, value-added eggs at a premium to woo an increasingly health-conscious urban population. Branded eggs are mostly rich in protein, contain less fat and, in some cases, have herbal features and are odourless.

And farmers believe it will soon become a big thing in the food and beverages market, although it constitutes only a small fraction of the country's egg market. While the whole country consumes 360 crore eggs every month, the branded eggs constitutes only around 60 lakh eggs. But the segment is catching up fast in metros such as Delhi, Mumbai, Kolkata and Bangalore and is growing at an annual rate of 20%.

"We will bring out specialty eggs suitable for children, heart patients, diabetic patients and pregnant women," says V S Manikandan of Vangili Feeds, a poultry farm based at Namakkal, Tamil Nadu, which is considered the capital of Indian poultry industry. Vangili, which has tied up with Netherlands-based DSM Nutritional to supply additional vitamins through feeds to its product, plans to launch its branded value-added eggs in August.

Assured Return for Pension Plans



The insurance regulator has ordered life insurers to offer customers a guaranteed return of 4.5% per annum on pension and annuity plans as part of its new, tighter norms for the sector, a move that is expected to force companies to slash commissions to agents and invest more in government securities.

The diktat on guaranteed return was the centerpiece of new rules on unit-linked insurance plans (ULIPS) unveiled by the Insurance Regulatory and Development Authority (IRDA) on Monday, barely a week after it won back regulatory control over these plans following a bitter battle with markets regulator SEBI.

