

NEWS ALERT

Curbs On Cash-&-Carry May Be Eased

The government may relax restrictions on foreign investment in cash and carry operations, offering relief to a number of retail joint ventures such as Bharti Walmart.

The recent guidelines on cash and carry operations, or wholesale trading of goods, allowed ventures with foreign direct investment (FDI) to sell to group companies, but said such sales should not exceed 25% of the total turnover. The restrictions meant that Indian retailers would be able to source only a small part of their wares from the cash and carry ventures they have set up with foreign partners.

This will offer some relief to a number of Indian companies, which have formed joint ventures with foreign firms. The rules have upset the plans of business houses such as Sunil Mittal's Bharti and the Tatas and their partners, global biggies Wal-Mart and Tesco. India's largest retailer Kishore Biyani's plans to team up with French retailer Carrefour for a wholesale trading foray have also been hit. Some of these ventures were structured in a way that cash & carry companies owned by foreign investors sell a large share of their goods to Indian-owned retailers. The new rules also stipulated that the sale made to group companies should be for their internal use only, besides detailing the persons to whom sales could be made.



Banks May Have To Address ATM Problems In A Week

Banks will have to speedily address ATM-related complaints as the central bank, RBI, looks to provide a common code for all banks. The banks will have to issue a ticket number within a day of the complaint received and resolve the issue within a week of the filing of the complaint. The move comes after the banking regulator had directed the banking association IBA to draft a common code for ATM related complaints.

The banking regulator has also directed banks to display the ATM identification number and contact centre number specifically for ATM related issues.

Once a complaint is filed by a customer, the bank's branch will ensure that it is updated in the complaint management system (CMS) immediately. On uploading the details, the issue will be escalated to the current branch, which needs to be resolved within seven working days. Customers will also be able to file e-complaints once the banks upload the formats on their website.

Corruption, Irregularities In Implementation Of NREGA

A government-sponsored study on NREGA has found large-scale corruption and irregularities in the implementation of the programme in several states with authorities in some areas "misappropriating" central funds and "threatening" workers to keep their mouth shut. "There was great fraud in making (of job) cards, muster rolls were not maintained properly, and work was not provided to job seekers sometimes...", a team of researchers of V V Giri National Labour Institute noted in their draft report suggesting the government to take preventive measures. The study has found that in many cases, workers performed one day's job but their attendance was put for 33 days. The workers got money for one day while wages for 32 days were "misappropriated by the people associated with the functioning of NREGS".