

NEWS ALERT

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The Reserve Bank of India has announced measures to help money markets tide over an imminent cash crunch in June. The measures will result in Rs 22,600 crore additional funds being made available to banks through the central bank's overnight lending facility. The measures announced are in effect a temporary half percentage point reduction in statutory liquidity ratio requirement — a norm which prescribes the extent of government bonds banks need to hold. RBI has also said it will make overnight loans available to banks twice a day under its liquidity adjustment facility (LAF) against the present system where banks bid for funds under an auction once every morning.

Pepsi India Touches Eco Watershed, Gives Back More Than It Takes

The Indian arm of PepsiCo has become the first of its global units to put more water back into the environment than it consumes, the company said. The beverage giant has achieved 'positive water balance' by recharging 6 billion litres and using 5.17 billion litres during 2009 with a net saving of 836 million litres. PepsiCo, which has 45 beverage bottling and snacks plants in India, said the figures were verified by audit firm Deloitte Touche Tohmatsu India.

"As the first business in our system and probably the entire beverage world to conserve and replenish more water than it consumes, PepsiCo India is a huge inspiration for all of us. I am proud of this accomplishment," PepsiCo chairman & CEO Indra Nooyi said. The India model will be replicated in PepsiCo's other markets that face water scarcity, such as China. But environment activists are not entirely pleased with PepsiCo's efforts. Sunita Narain of the Centre for Science and Environment said she would like to see companies achieve positive water balance, but this must happen within their factory compounds. "It would be ideal if PepsiCo was replenishing all the water it consumes in areas where its plants are located. The scarcity and problem lies in those areas," she said.

PepsiCo said it has achieved water balance through conservation in agriculture to substitute transplanting of paddy with direct seeding technology, community programmes like construction of check-dams and recharge ponds, and rain or roof-water harvesting.

PFRDA Pitches For Tax Relief On NPS To Make It Attractive

The interim pension regulator has sought tax relief on investments in the New Pension Scheme (NPS) to make it more attractive to employees of private sector firms. The Pension Fund Regulatory and Development Authority (PFRDA) has written to the finance ministry seeking level playing field for NPS with other long-term savings schemes that will get tax benefits under the proposed Direct Taxes Code.

"All we want is equal treatment," a PFRDA official said.

NPS is currently under the Exempt-Exempt-Tax system, which means investment will be taxed when it is withdrawn. Provident fund and many of the small savings schemes are under the Exempt-Exempt-Exempt (EEE) regime, and are not taxed at any point.

"If the finance ministry plans to continue with the EEE regime for long-term saving schemes, we want the NPS also to get the same treatment," the official said.