

**1. Let Budget schemes kick in before asking about stimulus, says Nirmala Sitharaman**

Finance minister Nirmala Sitharaman has said that there is no need to rush with an immediate stimulus in response to the Covid second wave as Budget announcements, including on spending, are yet to fully seep into the economy with just two months of the financial year having passed.

She also suggested that funds were not a problem and headroom was available under schemes, such as loans based on government guarantee. "The Budget, which is designed for a Covid-affected economy, will have to go down to the people. We are not even taking that on board, and we have started talking about where is the big deal stimulus. The Budget itself is designed keeping necessity (for a stimulus). Many of the schemes which were announced during Atmanirbhar Bharat are still being used," she said.

Full story: <https://timesofindia.indiatimes.com/business/india-business/covid-19-let-budget-schemes-kick-in-before-asking-about-stimulus-says-finance-minister-nirmala-sitharaman/articleshow/83096518.cms>

2. IGST on Covid-related supplies exempted till August 31, announces FM Nirmala Sitharaman

The GST Council in its meeting decided to exempt levies on the import of coronavirus relief material till 31 August, Finance Minister Nirmala Sitharaman announced on May 28.

"Adhoc exemptions have been given for Covid-related equipment. As a Council we are responsible for tax relief reaching the end-user, the common man, which is why there was an impasse on exempting Covid-19 related material," FM Sitharaman has said.

Full story: <https://www.livemint.com/news/india/gst-council-to-exempt-levies-on-import-of-covid-19-relief-material-fm-nirmala-sitharaman-11622194269819.html>

3. RBI rules on hiring statutory auditors alarm non-banks

Non-banking financial companies (NBFCs) are worried that the Reserve Bank of India's (RBI's) new guidelines on hiring statutory auditors will make it difficult for them to find professionals who fit the bill, especially in the middle of the year.

While the new guidelines issued on 27 April find favour with a section of auditors, others empathize with the sentiments of NBFCs. The central bank's move may be in the right direction to improve audit quality, but may be too stringent for many entities, they said.

According to the central bank, auditors must be rotated every three years with a cooling off period of six years before the next appointment, while joint audits by more than one auditor have been mandated for NBFCs with assets of ₹15,000 crore or more. That apart, auditors will also not be allowed to work for more than eight NBFC clients concurrently.

Full story: <https://www.livemint.com/industry/banking/rbi-rules-on-hiring-statutory-auditors-alarm-nonbanks-11621617733769.html>

4. Petrol, diesel prices at record high, petrol crosses Rs. 100 mark in Mumbai

Petrol and diesel prices were hiked across the four metros on Saturday, May 29. In the national capital, petrol prices were raised by 26 paise from Rs 93.68 per litre to ₹ 93.94 per litre, while diesel prices were increased by 28 paise from ₹ 84.61 per litre to ₹ 84.89 per litre, according to Indian Oil Corporation.

This is the 15th increase in fuel prices since May 4, when state-run oil refiners ended an 18-day hiatus in rate revision observed during assembly elections in states such as Tamil Nadu, West Bengal.

Petrol crossed the ₹ 100 mark in Mumbai and the new petrol prices in the financial capital stand at ₹ 100.19 per litre. Diesel is retailed at ₹ 92.17 per litre in Mumbai. Moreover, the petrol rates had already crossed the ₹ 100-mark in several cities of Madhya Pradesh and Rajasthan. Fuel rates vary across the states in the country due to value-added tax or VAT.

Full story: <https://www.ndtv.com/business/petrol-and-diesel-price-today-29-may-2021-petrol-diesel-prices-at-record-high-petrol-crosses-rs-100-mark-in-mumbai-check-rates-here-2451723>

5. Nifty settles at record high, Sensex climbs 308 points

The benchmark equity indices on the BSE and National Stock Exchange (NSE) ended around 0.6 per cent higher on May 28 with the Nifty 50 ending at a record high.

Earlier in the day, Nifty went past its previous record intraday high of 15,431.75 and touched a lifetime intraday high of 15,469.65. The NSE barometer eventually settled at 15,435.65, with a gain of 97.80 points (0.64 per cent).

Likewise, the Sensex ended at 51,422.88, up 307.66 points (0.60 per cent). During the intraday session, it reached a day's high of 51,529.32, however, it was nearly 1,000 points shy of its own record intraday high of 52,516.76.

Full story: <https://indianexpress.com/article/business/market/bse-sensex-nse-nifty-record-high-indices-stocks-shares-global-cues-covid-cases-7333740/>

6. Launch of new e-filing Portal of the Income Tax Department - Non-availability of e-filing services from 01.06.2021 to 06.06.2021

The Income Tax Department is going to launch its new e-filing portal www.incometax.gov.in on 7th June, 2021. The new e-filing portal (www.incometax.gov.in) is aimed at providing taxpayer convenience and a modern, seamless experience to taxpayers.

In preparation for this launch and for migration activities, the existing portal of the Department at www.incometaxindiaefiling.gov.in would not be available to taxpayers as well as other external stakeholders for a brief period of 6 days i.e. from 1st June, 2021 to 6th June, 2021.

In order to avoid any inconvenience to taxpayers, the Department will not fix any compliance dates during this period. Further, directions have been issued to fix hearing of cases or compliances only from 10th June, 2021 onwards, to give taxpayers time to respond on the new system.

Full story:

https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/935/PressRelease_Launch_new_efiling_Portal_ITD_20_5_21.pdf

7. India attracted highest ever total FDI inflow of US\$ 81.72 billion during 2020-21, 10% more than the last financial year

Measures taken by the Government on the fronts of Foreign Direct Investment (FDI) policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country. The following trends in India's Foreign Direct Investment are an endorsement of its status as a preferred investment destination amongst global investors:

- India has attracted highest ever total FDI inflow of US\$ 81.72 billion during the financial year 2020-21 and it is 10% higher as compared to the last financial year 2019-20 (US\$ 74.39 billion).
- FDI equity inflow grew by 19% in the F.Y. 2020-21 (US\$ 59.64 billion) compared to the previous year F.Y. 2019-20 (US\$ 49.98 billion).
- In terms of top investor countries, 'Singapore' is at the apex with 29%, followed by the U.S.A (23%) and Mauritius (9%) for the F.Y. 2020-21.

Full story: <https://pib.gov.in/PressReleasePage.aspx?PRID=1721268>

8. Karnataka Chief Minister B S Yediyurappa willing to end Covid-19 lockdown, but conditions apply

Chief Minister B S Yediyurappa on May 29 said he was willing to end the lockdown in the state on June 7, but said the decision would depend on the Covid-19 situation at the time and "public cooperation".

"Till then, we will take strict measures," Yediyurappa said. "If people cooperate, the question of continuing (lockdown) after June 7 doesn't arise. We will also decide depending on how cases decrease."

Full story: <https://www.deccanherald.com/state/top-karnataka-stories/karnataka-chief-minister-b-s-yediyurappa-willing-to-end-covid-19-lockdown-but-conditions-apply-991606.html>

9. India's economy likely accelerated in Jan-Mar, before COVID-19 wave

India's economic growth likely picked up in the January-March quarter from the previous three months, but economists have grown more pessimistic about this quarter after a harsh second wave of COVID-19 hit the country last month.

The median forecast from a Reuters survey of 29 economists showed gross domestic product in Asia's third-largest economy grew 1.0% in the March quarter from a year earlier, up from 0.4% in the

previous quarter when India began pulling out of a steep pandemic-induced recession in earlier six months.

Full story: <https://economictimes.indiatimes.com/news/economy/indias-economy-likely-accelerated-in-jan-mar-before-covid-19-wave/articleshow/83104841.cms>

10. India economy seen growing at world's quickest rate despite Covid outbreak

The Indian economy's resilience will be tested by its ability to overcome a devastating outbreak of Covid-19, although no one's yet doubting its potential to pull off the world's fastest pace of growth among major economies this year.

The economy is on track to grow 10% in the year that began April 1, according to the median of 12 estimates compiled by Bloomberg News. That's after several economists downgraded their forecasts in recent weeks to factor in local curbs on activity, including in India's political and commercial hubs.

Full story: https://www.business-standard.com/article/economy-policy/indian-economy-faces-resilience-test-amid-risks-from-virus-121053100064_1.html

11. Govt expands credit lifeline for MSMEs amid second wave of Covid-19

The government has expanded the Rs 3-trillion Emergency Credit Line Guarantee Scheme (ECLGS) to help businesses hit by the second wave of the Covid-19 pandemic. Dubbed ECLGS 4.0, the scheme has added the civil aviation sector and loan to health institutions for on-site oxygen generation plants.

The Centre has also removed the loan outstanding ceiling of Rs 500 crore of loan outstanding. However, the maximum additional loans they can take under the scheme is limited to 40 per cent of the outstanding loan, or Rs 200 crore, whichever is lower.

Loans given under ECLGS 1.0 will be eligible for additional assistance up to 10 per cent, raising the total guaranteed loan up to 30 per cent of outstanding as on February 29, 2020.

Full story: https://www.business-standard.com/article/economy-policy/govt-eases-emergency-credit-guarantee-scheme-to-help-businesses-in-pandemic-121053000305_1.html

12. FPIs net sellers for 2nd consecutive month; pull out Rs 1,730 crore in May

Foreign portfolio investors (FPI) turned out to be net sellers for second month in a row by taking out nearly Rs 1,730 crore from Indian markets in May as second wave of the coronavirus pandemic spooked investor sentiment.

In April, the total net outflow from the Indian capital markets (both equity and debt) stood at Rs 9,435 crore.

According to depositories data, overseas investors withdrew Rs 3,375.2 crore from equities but invested Rs 1,645.8 crore in the debt segment between May 1 and May 28.

This took the total net outflow to Rs 1,729.4 crore.

Full story: <https://www.moneycontrol.com/news/business/economy/fpis-net-sellers-for-2nd-consecutive-month-pull-out-rs-1730-crore-in-may-6961441.html>

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