



1. Karnataka cabinet: CM Basavaraj Bommai allocates portfolios to 29 ministers, retains finance & Bengaluru development

Three days after cabinet expansion, chief minister Basavaraj Bommai on August 7 allocated portfolios among the 29 ministers, while keeping finance and Bengaluru development to himself.

While majority of the ministers in the previous Yediyurappa cabinet have retained their portfolios, two first-time ministers Aaraga Jnanendra and V Sunil Kumar, have been given home and energy portfolios respectively, according to an official gazette notification issued in this regard with the consent of the governor.

Full story: <https://timesofindia.indiatimes.com/city/bengaluru/karnataka-cabinet-cm-basavaraj-bommai-allocates-portfolios-to-29-ministers-retains-finance-bengaluru-development/articleshow/85123810.cms>

2. Govt to revise guidance value of properties in Karnataka soon

Property prices in the state may largely go up soon as the government is looking at revising guidance values.

A Central Valuation Committee (CVC) comprising senior officials of the revenue department is assessing guidance values in all districts and could submit its report this month, said a senior revenue department officer.

Full story: <https://timesofindia.indiatimes.com/city/bengaluru/govt-to-revise-guidance-value-of-properties-soon/articleshow/85023095.cms>

3. Kumar Mangalam Birla steps down as Vodafone Idea chairman

KM Birla has stepped down as the non-executive chairman of financially-troubled Vodafone Idea, the company said in a regulatory filing on Wednesday. “The board of directors of Vodafone Idea, at its meeting held today (Wednesday), have accepted the request of Kumar Mangalam Birla to step down as non-executive director and non-executive chairman of the board with effect from close of business hours on August 4, 2021,” the filing said.

The board has elected Himanshu Kapania, currently a non-executive director, as the non-executive chairman.

Full story: <https://www.financialexpress.com/industry/kumar-mangalam-birla-steps-down-as-vodafone-idea-chairman/2304525/>

4. Govt may have to take the biggest hit if Vodafone Idea fails

With outstanding dues of nearly Rs 1.6 lakh crore in spectrum payments and AGR dues, the government may be the biggest loser in case Vodafone Idea collapses under crippling losses and heavy debt.

The hit for the government just doesn't stop here. If one adds the outstanding Rs 23,000 crore owed to the banks, the impact could be one of the biggest in corporate history as a large part of the loans (65-70%) is extended by state-run lenders. The banks have further extended guarantees worth thousands of crores to the company, which also run the risk of defaults.

Full story: <https://timesofindia.indiatimes.com/business/india-business/govt-may-have-to-take-the-biggest-hit-if-vodafone-idea-fails/articleshow/85165702.cms>

5. RBI holds rates steady, inflation forecast now close to 6% limit

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) on August 6 left the key policy rate, the repo rate, unchanged for the seventh time in a row while retaining its accommodative stance to “revive and sustain growth on a durable basis and continue to mitigate the impact of Covid-19 on the economy”.

Unveiling the bi-monthly monetary policy, the RBI panel however raised the projection for retail inflation to 5.7 per cent in the financial year 2021-22 from 5.1 per cent earlier, quite close to its upper tolerance limit in the 2-6 per cent band. It also underlined that the recovery “remains uneven across sectors and needs to be supported by all policymakers”.

Full story: <https://indianexpress.com/article/business/economy/monetary-policy-committee-reserve-bank-of-india-repo-rate-unchanged-7442373/>

6. Sensex scales Mt 54K for first time

Indian stock markets scaled a new high on August 4 on the back of investor optimism of an extended equities rally spurred by a continued rush of liquidity and improvement in economic activity amid Covid-induced disruptions.

The Sensex hit the 54,000-mark for the first time, with the 30-share index rising 546.41 points or 1.02% to 54,369.77. The Nifty closed 128.05 points or 0.79% higher at 16,258.80.

Full story: <https://www.livemint.com/market/stock-market-news/sensex-hits-54-000-for-first-time-as-markets-extend-gains-11628087727533.html>

7. Sebi looks to do away with promoter concept

With the definition of a promoter undergoing a change as a large number of private equity and venture fund-led companies are getting listed on the bourses, Sebi has decided to do away with this traditional concept.

The Sebi board on August 6 gave its nod to start the process of changing the concept of 'promoters' to 'person in control' or 'controlling shareholders' and asked the regulator to prepare a road map in consultation with their counterparts. "In recent years, number of businesses and new age companies with diversified shareholding and professional management that are coming into the listed space are non-family owned and/or do not have a distinctly identifiable promoter group," Sebi said.

Full story: <https://timesofindia.indiatimes.com/business/india-business/sebi-looks-to-do-away-with-promoter-concept/articleshow/85114108.cms>

8. India to axe retro clause in 2012 tax law, paves way for settling litigation with Vodafone and Cairn

The Centre is scrapping the retrospective aspect of the law taxing indirect transfers of Indian assets, paving the way for settling long-drawn litigation with Vodafone Group and Cairn Energy among others and doing away with a key hurdle to overseas investment. The government introduced a bill in Parliament on August 5 to this effect, marking the initiation of a key reform.

Once the legislation is passed, the provisions of the law will only apply prospectively from May 28, 2012, the day it had received presidential assent.

The bill proposes to withdraw all back tax demands levied under the law, allows the government to refund tax collected and settle cases if companies withdraw challenges filed in all legal forums.

Full story: <https://economictimes.indiatimes.com/news/economy/policy/india-seeks-to-amend-retrospective-tax-law-fm-introduces-bill-in-ls/articleshow/85074291.cms>

9. India PMI manufacturing up at three-month high in July as lockdowns ease

Manufacturing activity in India rebounded to a three-month high in July after contracting in the previous month, a private sector survey showed on August 2.

The IHS Markit Manufacturing Purchasing Managers' Index (PMI) rose to 55.3 in July from 48.1 in June, well above the 50-level separating growth from contraction. Factory activity in June had slipped into contraction for the first time in 11 months.

Full story: https://www.business-standard.com/article/economy-policy/india-pmi-manufacturing-up-at-three-month-high-in-july-as-lockdowns-ease-121080200359_1.html

10. Exports hit a record; trade deficit widens to three-month high in July

India's trade deficit continued to widen in July as imports jumped to the highest level of this fiscal, while exports rose to a record.

Trade deficit widened to \$11.23 billion in July from \$9.37 billion in June, according to data released by the government on August 2. That's the highest in three months.

- Merchandise exports rose 8.2% month-on-month to \$35.17 billion.
- Merchandise imports increased 10.8% to \$46.4 billion.
- On an annual basis, exports rose 47.9% and imports increased 59.4% on a low base.

India's exports rose for the fourth straight month in July, and are expected to help buoy the economy.

Full story: <https://www.bloomberquint.com/business/exports-hit-a-record-trade-deficit-widens-to-three-month-high-in-july>

11. Services PMI shrinks for third straight month in July

India's services sector activity remained in red for the third consecutive month in July as demand was hit harder in the contact-intensive sectors than manufacturing, a private survey said on August 4.

Full story: <https://www.hindustantimes.com/business/services-pmi-shrinks-for-third-straightmonthinjuly-101628118401024.html>

12. RBI extends current a/c rules implementation deadline to Oct 31 after reports of hassles

The Reserve Bank on August 4 allowed time to banks till October 31 to implement changes on the current account front, following reports of small businesses being hit with account freezes in the last few days.

The central bank said the circular is aimed at enforcing credit discipline amongst the borrowers as well as to facilitate better monitoring by the lenders, but made it clear that a graded approach had been prescribed to banks on opening and operating of current accounts and cash credit/overdraft CC/OD facilities.

Full story: <https://www.financialexpress.com/industry/banking-finance/rbi-extends-current-a-c-rules-implementation-deadline-to-oct-31-after-reports-of-hassles/2304380/>

13. Supreme Court stalls \$3.4-billion RIL-Future deal, win for Amazon

The Supreme Court on August 6 ruled in favour of Amazon in a case that pitched the American online major against India's original retail king Kishore Biyani's Future Group and Mukesh Ambani's Reliance Retail, which is set to go big on e-commerce. The ruling puts the \$3.4-billion merger deal between Future and Reliance on hold for now.

Full story: https://www.business-standard.com/article/companies/amazon-scores-big-win-as-supreme-court-stalls-future-s-3-4-bl-retail-deal-121080600448_1.html

14. Sebi enforces amendments to empower independent directors

Capital markets regulator Sebi has overhauled the rules pertaining to the appointment, removal and remuneration of independent directors to ensure their independence and effectiveness.

The development assumes significance in the backdrop of the role of independent directors coming under scrutiny for their failure in detecting and preventing corporate frauds and promoter mismanagement.

The new rules will be applicable from January 1, 2022, the Securities and Exchange Board of India (Sebi) said in a notification.

Full story: <https://www.livemint.com/companies/news/sebi-enforces-amendments-to-empower-independent-directors-11628412643687.html>

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