



1. Karnataka FDI in Jan-Mar up 77% compared to same quarter last year

With more than Rs 24,000 crore, Karnataka has reported a 77% increase in Foreign Direct Investment (FDI) inflow for the quarter ending March 31, 2021, compared to the same quarter of previous year.

Analysis of FDI data from the Ministry of Commerce and industry's Department for Promotion of Industry and Internal Trade shows that the state attracted Rs 24,457 crore in the January-March 2021 period, compared to Rs 13,761 crore between January and March 2020.

Industries minister Jagadish Shettar attributes the improvement to reforms introduced in the state which has boosted the investor confidence.

Full story: <https://timesofindia.indiatimes.com/city/bengaluru/karnataka-fdi-in-jan-mar-up-77-compared-to-same-quarter-last-year/articleshow/83326983.cms>

2. Curbs eased for liquor shops and key Govt. offices in Bengaluru

The state government on Friday announced more relaxations from June 14 in the 19 districts, including Bengaluru Urban, where Covid-19 positivity rate has fallen below 5%.

The relaxations will be in force till June 21 after which revised guidelines may be issued depending on the Covid-19 situation in these districts, the government reiterated.

While bars and pubs have been allowed to reopen only to sell liquor bottles as takeaway, standalone liquor shops have been allowed to open from 6 a.m to 2 p.m. Earlier, these shops were allowed to operate from 6 a.m to 10 a.m. Optical shops have been allowed to reopen between 6 a.m and 2 p.m.

The revised Unlock 1.0 guidelines announced by the state said regional transport offices (RTOs), tahsildar, taluk and all other offices of the revenue

department, housing, cooperation and Nabard have been allowed to function with 50% staff.

Full story: <https://timesofindia.indiatimes.com/city/bengaluru/curbs-eased-for-liquor-shops-and-key-govt-offices-in-bengaluru/articleshow/83451010.cms>

3. At G7, PM Modi seeks patent waiver on COVID-related technologies

Addressing the G7 summit on Saturday, Prime Minister Narendra Modi called for global unity, leadership, and solidarity to prevent future pandemics, and sought a "one earth, one health" approach to effectively deal with the coronavirus pandemic globally.

He sought the G7's support for the proposal moved at the WTO by India and South Africa for a TRIPS (Trade-Related Aspects of Intellectual Property Rights) waiver on Covid related technologies. Australia and several other countries came out in strong support of Modi's call to waive patents on coronavirus vaccines to boost their production. India and South Africa have come out with the proposal at the World Trade Organisation.

PM Modi also emphasised on the special responsibility of democratic and transparent societies to deal with the challenge, according to an official statement. The Prime Minister, speaking at the G7 outreach session titled 'Building Back Stronger-Health', also highlighted India's 'whole of society' approach to fight the pandemic, while synergising the efforts of all levels of the government, industry and civil society.

Full story: <https://www.theweek.in/news/india/2021/06/13/at-G7-pm-modi-seeks-patent-waiver-on-covid-related-technologies.html>

4. G7 rivals China with grand infrastructure plan

The Group of Seven richest democracies sought on Saturday to counter China's growing influence by offering developing nations an infrastructure plan that could rival President Xi Jinping's multi-trillion-dollar Belt and Road initiative.

The G7, whose leaders are meeting in South Western England, has been searching for a coherent response to the growing assertiveness of Xi after China's surging economic and military rise over the past 40 years.

U.S. President Joe Biden and other G7 leaders hope their plan, known as the Build Back Better World (B3W) initiative, will provide a transparent infrastructure partnership to help narrow the \$40 trillion needed by developing nations by 2035, the White House said.

Full story: <https://www.reuters.com/world/g7-counter-chinas-belt-road-with-infrastructure-project-senior-us-official-2021-06-12/>

5. China cautions G7: 'small' groups don't rule the world

China on Sunday pointedly cautioned Group of Seven leaders that the days when "small" groups of countries decided the fate of the world was long gone, hitting back at the richest democracies as they sought to act in concert to counter Beijing's might.

The re-emergence of China as a leading global power is considered to be one of the most significant geopolitical events of recent times, alongside the 1991 fall of the Soviet Union that ended the Cold War.

But the return of China as a global power has unnerved the United States: President Joe Biden casts China as the main strategic competitor and has vowed to confront China's "economic abuses" and push back against human rights violations.

Full story: <https://www.reuters.com/world/china/china-cautions-g7-small-groups-dont-rule-world-2021-06-13/>

6. Biden admin's spring agenda: Modernising H-1B visa program, revising wage methodology

When it comes to the proposed course of action as regards the H-1B program, the first ever bi-annual agenda to be rolled out by the Biden administration is a mixed bag.

The Department of Homeland Security (DHS), in its spring agenda released on Friday, proposes to revise the regulations relating to 'employer-employee

relationship'. It also intends to implement new requirements and guidelines for site visits including in connection with applications filed by employers sponsoring H-1B workers, where there is an indication of fraud.

According to immigration experts, it is unclear what a revision in regulations relating to 'employer-employee relationship' could entail. However, they point out that the draft proposals in this regard will be issued by December and it will undergo a proper process of rule-making, which includes inviting stakeholder comments and vetting the same, prior to finalisation. Thus, it is not likely to adversely impact genuine business needs.

The action plan also calls for a revision in the methodology for determining the prevailing wage levels for H-1B and green card holders.

Full story: <https://timesofindia.indiatimes.com/world/us/biden-admins-spring-agenda-modernising-h-1b-visa-program-revising-wage-methodology/articleshow/83464316.cms>

7. GST Council meet: Covid vaccines remain in 5% slab, tax on Remdesivir slashed

Finance Minister Nirmala Sitharaman announced on Saturday that Covid vaccines will continue to attract Goods and Services Tax at 5 per cent. However, medication to treat mucormycosis, widely known as black fungus, will not be taxed under the indirect tax regime. GST rate for Remdesivir has been reduced from earlier 12 per cent to 5 per cent.

The announcements came at the press conference following the 44th GST Council meeting on Saturday.

In its meeting, the council deliberated over recommendations from a Group of Ministers (GoM), formed in its previous meeting, regarding changes in GST rates for Covid-related items.

Based on the GoM's recommendations, tax on ambulances has been brought down from the highest slab of 28 per cent to 12 per cent. Tax rates for oxygen, oxygen generation devices and related medical devices has also been brought down.

Full story: <https://www.livemint.com/news/india/gst-council-meet-tax-on-covid-vaccines-retained-at-5-here-s-what-got-cheaper-11623492852927.html>

8. Finance ministry proposes 24/7 vaccination drive to revive economic growth

A finance ministry report on Wednesday called for stepping up the vaccination drive to cover a population of 70 crore by September, arguing that it is essential to get the growth momentum going.

“Herd immunity is accomplished when 80% of the population is immune or less susceptible to infection. The key to regain the momentum of economic recovery is attainment of herd immunity at the earliest possible,” the ministry’s latest monthly economic report said.

Noting that the second wave of Covid has affected the momentum of recovery, the report said manufacturing and construction are expected to see a softer economic shock in the current quarter. But it did acknowledge that downside risks have emerged as the economy was recovering from last year’s supply and demand shocks.

Full story: <https://www.msn.com/en-in/money/news/finance-ministry-proposes-24-7-vax-drive-to-revive-eco-growth/ar-AAKSJPY?fdhead=HPOLYSTRATF%3Focid>

9. Antitrust case: Karnataka HC paves way for CCI investigation against Amazon, Flipkart

The Karnataka High Court on Friday dismissed the petitions of e-commerce giants Amazon and Flipkart against a probe by the Competition Commission of India (CCI) for alleged violation of competition laws. The verdict will have repercussions for the entire e-commerce industry, with large players likely to face a closer scrutiny from the government, according to legal experts.

The order was pronounced by Justice P S Dinesh Kumar, who dismissed the pleas filed by Amazon Seller Services Pvt Ltd and Flipkart Internet Pvt Ltd. The case had been going on for more than a year now.

Last year, the CCI announced a probe into Amazon and Flipkart following a complaint filed by the Delhi Vyapar Mahasangh (DVM), which represents small and medium business owners in Delhi, accusing the two e-commerce giants of favouring some preferred sellers, hurting small businesses. The two companies had managed to get a stay until now.

Full story: https://www.business-standard.com/article/companies/antitrust-case-hc-paves-way-for-cci-investigation-against-amazon-flipkart-121061200066_1.html

10. India's forex kitty crosses \$600 billion for the first time

India's foreign exchange reserves have crossed the \$600 billion mark for the first time. The reserves kitty rose by \$6.842 billion to \$605.008 billion in the week of June 4, latest data from the Reserve Bank of India showed on Friday.

The increase in foreign kitty in the reporting week was mainly on the back of a rise in the value of foreign currency assets (FCA) held by the central bank even as the value of gold reserves held by RBI fell.

The central bank's foreign currency assets (FCA), which constitutes a major component of the overall reserves, rose by \$7.362 billion to \$560.890 billion, the data showed.

Full story: <https://economictimes.indiatimes.com/markets/forex/forex-reserves-cross-600-billion-mark-for-first-time/articleshow/83433204.cms>

11. Low base of 2020 fuels 134% jump in Apr factory output

India's factory output grew 134% in April, lifted by an extraordinary base effect as industrial activity ground to a halt the same month a year earlier due to the national lockdown to limit the spread of covid-19.

In April 2020, the Index of Industrial Production (IIP) had contracted 55.5%. The favourable base may bump up IIP till August this year.

Most economists suggested looking through the exaggerated growth number, which presents a false sense of normalcy even as the rampaging second wave of the pandemic in April forced many states to impose lockdowns, hurting industrial activity.

On a sequential basis, IIP shrank 13% in April against a 12.3% growth in March, reflecting the hit to production activity.

Full story: <https://www.livemint.com/economy/india-april-iip-surges-1344-11623414298256.html>

12. Private equity investments hit record \$62.2 billion in 2020: Bain-IVCA Report

The total value of private equity investments in India hit a record \$62.2 billion in 2020 led by the Jio Platforms and Reliance Retail deals.

At \$26.5 billion, the investments jointly bagged by the two Reliance entities comprised about 40% of the total deal value, according to India Private Equity Report 2021 launched by Bain & Company and Indian Private Equity & Venture Capital Association (IVCA).

Excluding Jio Platforms and Reliance Retail, the total deal value was, however, down by 20% as the volume of large deals, totalling over \$100 million dipped by around 25%.

Total growth stage VC (venture capital) investments in India managed to touch \$10 billion in 2020 defying a pandemic year; recording only a marginal decline from \$11.1 billion in investments garnered by companies in 2019. Most of the investments were led by the edtech, foodtech and enterprise SaaS.

Full story: <https://www.financialexpress.com/market/private-equity-investments-hit-record-62-2-billion-in-2020-bain-ivca-report/2268437/>

13. Can't tax Swiss a/c in India if there's no info, says ITAT

Steps taken by an income tax (I-T) officer to bring to tax the maximum outstanding balance allegedly lying in a Swiss bank account has not found favour with the Delhi bench of the Income Tax Appellate Tribunal (ITAT).

The late Bhushan Lal Sawhney (now represented by his wife), challenged the additions made to his income on two grounds. One, that the assessment order pertaining to the six years from financial year 2005-06 to 2010-11 was

time-barred. Second, no incriminating evidence was recovered during a search that had also been conducted on the individual taxpayer.

Thus, the additions made on account of unexplained deposits in the Swiss bank account and interest earned thereon were unjustified. Based on the facts of the case, and as the Swiss authorities did not part with information pertaining to these years, the ITAT decided in his favour.

Full story: <https://timesofindia.indiatimes.com/business/india-business/cant-tax-swiss-a/c-in-india-if-theres-no-info-says-itat/articleshow/83383500.cms>

14. India projected to grow at 8.3% in 2021, second wave undermining rebound: World Bank

The World Bank on Tuesday projected India's economy to grow at 8.3 per cent in 2021 and 7.5 per cent in 2022, even as its recovery is being hampered by an unprecedented second wave of the COVID-19, the largest outbreak in the world since the beginning of the deadly pandemic.

The Washington-based global lender, in its latest issue of Global Economic Prospects released here, noted that in India, an enormous second COVID-19 wave is undermining the sharper-than-expected rebound in activity seen during the second half of Fiscal Year 2020/21, especially in services.

"India's recovery is being hampered by the largest outbreak of any country since the beginning of the pandemic," the World Bank said. In 2020, India's economy is estimated to have contracted by 7.3 per cent while in 2019, it registered a growth rate of four per cent, the World Bank said, adding that in 2023, India is expected to grow at 6.5 per cent.

In its report, the Bank said that the global economy is set to expand by 5.6 per cent in 2021 - its strongest post-recession pace in 80 years. "For India, GDP in fiscal year 2021/22 starting from April 2021 is expected to expand 8.3 per cent," it said.

Full story: <https://www.news18.com/news/business/india-projected-to-grow-at-8-3-in-2021-second-wave-undermining-rebound-world-bank-3824084.html>

15. SEBI bars Franklin Templeton from launching new debt schemes for 2 years, fines Rs. 5 crore

Market regulator SEBI has barred Franklin Templeton Asset Management (India) from launching new debt schemes for two years. In an order on Monday, the market watchdog also imposed a ₹5 crore penalty on the asset management company, which is to be paid within 45 days.

The fund house has been ordered to refund the investment management and advisory fees collected from June 4, 2018, till April 23, 2020, with respect to the six wound-up debt schemes along with simple interest at the rate of 12 per annum. The amount, which stands at over ₹512 crore, is to be paid within 21 days from today and will be utilised towards repaying unitholders.

Full story: <https://www.livemint.com/mutual-fund/mf-news/franklin-templeton-faces-2-yr-ban-on-new-debt-schemes-rs-5-cr-fine-11623076324567.html>

16. Google to change global advertising practices in landmark antitrust deal

Google said it would make changes to its global advertising business to ensure it did not abuse its dominance, bowing to antitrust pressure for the first time in a landmark settlement with French authorities.

The deal with the French competition watchdog could help rebalance the power over advertising in favour of publishers, which held sway over the business in the pre-internet era but lost control with the rapid rise of Google and Facebook.

The settlement, announced on Monday and included a fine on of 220 million euros (\$268 million), was the first time the U.S. tech giant had agreed to make changes to its ads business, which brings in the bulk of its revenue.

Full story: <https://www.reuters.com/technology/french-watchdog-fines-google-220-mln-euros-abuse-market-power-ad-business-2021-06-07/>

17. India a natural ally of G7 nations, says Modi, calls for 'democratic values' in cyberspace

Prime Minister Narendra Modi on Sunday said India was a natural ally of G7 countries in defending “shared values” from authoritarianism, terrorism and violent extremism, disinformation and economic coercion, PTI reported.

Modi was speaking virtually at a session titled “Building Back Together – Open Societies and Economies”, at the G7 summit. The Group of 7 summit, which brings together the heads of France, Britain, Canada, Germany, Italy, Japan and the United States, was held at Carbis Bay in Cornwall. India was one of the guest countries.

Invited as a lead speaker to the session on open societies and economies, Modi stressed on the need to ensure that cyberspace remains an avenue for advancing democratic values and not for subverting it, the prime minister’s office said.

Full story: <https://scroll.in/latest/997441/india-a-natural-ally-of-g7-nations-says-modi-calls-for-democratic-values-in-cyberspace>

18. At G7 Summit, PM Modi calls for collective action on climate change

The planet's atmosphere, biodiversity and oceans cannot be protected by countries acting in silos, Prime Minister Narendra Modi said on Sunday while speaking virtually at the G7 Summit. Stressing that India is the only G-20 country on track to meet its Paris commitments, Modi called for collective action on climate change.

The Prime Minister mentioned the commitment by Indian Railways to achieve Net Zero Emissions by 2030, and also took note of the increasing effectiveness of the two major global initiatives nurtured by India—the CDRI and the International Solar Alliance.

“The Prime Minister stressed that developing countries need better access to climate finance, and called for a holistic approach towards climate change that covers all dimensions of the problem- mitigation, adaptation, technology transfer, climate financing, equity, climate justice and lifestyle change,” said a PMO statement.

Full story: <https://www.theweek.in/news/biz-tech/2021/06/13/at-g7-summit-pm-modi-calls-for-collective-action-on-climate-change.html>

19. Regulator in talks with Govt. for NPS overhaul

The pension regulator is in talks with the government for an overhaul of the National Pension System (NPS) — including changes to the tax regime, allowing insurance agents to hawk the scheme and launching systematic withdrawal plans as well as annuities indexed to inflation to offer higher returns — PFRDA chairman Supratim Bandyopadhyay told TOI in an interview.

While implementation of some of the changes has already begun, others such as allowing investors to park their entire corpus into systematic withdrawal plans (SWPs) will require amendments to the law. Currently, NPS subscribers can withdraw up to 60% of the corpus at the time of their retirement and the remaining has to be used to purchase annuities that will fetch them income for the rest of their lives.

Full story: <https://timesofindia.indiatimes.com/business/india-business/regulator-in-talks-with-govt-for-nps-overhaul/articleshow/83498505.cms>

20. Users stuck as glitches plague new I-T portal

The new income-tax (I-T) portal launched on June 7, which promised to be a gamechanger, continues to be plagued by glitches. Taxpayers and tax professionals find that they are unable to log in, or if at all they do manage to log in, they are unable to carry out transactions—be it uploading a relevant form or replying to a notice from the I-T department.

A day after the launch, finance minister Nirmala Sitharaman took cognisance of the various grievances pouring out on social media and passed on the message to Infosys, the tech service provider. However, as of now, taxpayers find themselves in troubled waters.

One of the most common and immediate complaints is that overseas remittances are held up because Forms 15CA and 15CB cannot be uploaded.

The former is a declaration made by the remitter that tax has been deducted at source on payments made to the non-resident.

Full story: <https://timesofindia.indiatimes.com/business/india-business/users-stuck-as-glitches-plague-new-i-t-portal/articleshow/83495736.cms>

21. IPO pie set to grow bigger as over a dozen financial services players line up Rs 55,000 crore issues

With payments major Paytm's board reportedly approving a bumper share sale plan running north of Rs 22,000 crore, the IPO market is set for a big days as over a dozen financial services players, including fintechs, are set to mop up over Rs 55,000 crore this fiscal from the market, according to investment bankers.

With more than a dozen insurance, asset management, commercial banking, non-banks, microfinance, housing finance and payment bank players already filing draft documents with the market regulator Sebi for public offerings, the financial services sector is set to dominate the primary issues or initial public offerings (IPOs) over the coming months.

Full story: <https://www.moneycontrol.com/news/business/ipo/ipo-pie-set-to-grow-bigger-as-over-a-dozen-financial-services-players-line-up-rs-55000-crore-issues-7028891.html>

22. Amid COVID-19 second wave, direct tax collection in FY22 so far jumps 85%: Report

Even during the second wave of COVID-19, direct tax collection has nearly doubled in FY22 so far, compared with the same period in the previous fiscal year.

Direct tax collection, net of refunds, was Rs 1.62 lakh crore up to June 11, 2021, 85 percent higher than Rs 87,700 crore collected during the same period in FY21, Business Standard reported.

The direct tax collection so far in 2021-22 is also 33 percent higher than the collection in the same duration in the fiscal year 2019-20, the report said.

Collection this year is closer to the realisation recorded after the first advance tax installment (June 15) in FY21, which was Rs 1.68 lakh crore.

Full story: <https://www.moneycontrol.com/news/business/economy/amid-covid-19-second-wave-direct-tax-collection-in-fy22-so-far-jumps-85-report-7029511.html>

23. Oil holds near multi-year highs amid demand recovery

Oil prices held near multi-year highs on Monday, underpinned by an improved outlook for demand as increased COVID-19 vaccinations help lift travel curbs.

Brent crude was up 14 cents, or 0.2%, at \$72.83 by 0123 GMT. It rose 1.1% last week and hit the highest since May 2019 of \$73.09 on Friday.

U.S. West Texas Intermediate was also up 14 cents, or 0.2%, at \$71.05 a barrel, after reaching the highest since October 2018 at \$71.24 on Friday and rising 1.9% on the week.

Full story: <https://www.moneycontrol.com/news/business/markets/oil-holds-near-multi-year-highs-amid-demand-recovery-7029551.html>

24. India's first medical drone delivery trials from June 18

India's first official beyond visual line of sight (BVLOS) medical drone delivery experiment is scheduled to begin this week in Gauribidanur, some 80km from Bengaluru.

While the consortium of firms led by Bengaluru's Throttle Aerospace Systems (TAS) had got Directorate General of Civil Aviation (DGCA) approval for object delivery experiments as early as March 2020, the pandemic had led to delays in some other permissions from agencies.

Having now secured all clearances, the firm will carry out the first set of trials for 30-45 days, beginning June 18. Noted cardiac surgeon Dr Devi Shetty has backed the trials and Narayana Health will be partnering with the consortium, providing medicines that will be used for transport during the trials.

Full story:
<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/indias-first-medical-drone-delivery-trials-from-june-18/articleshow/83478040.cms>

25. No big labour crunch at auto, consumer goods companies in second wave

Large consumer goods and auto manufacturers said the second Covid wave has not impacted the availability of migrant workers as much as last year, with most returning as lockdowns were lifted in their native districts, helping companies scale up faster this time around.

Now that markets are opening up and pent-up demand is buoyant in some categories, the availability of casual workers will help them expand production capacities, the companies said. Most restarted or raised output earlier this month after voluntarily closing or cutting production for over a fortnight due to lack of demand and fewer workers. Last year's nationwide lockdown had forced migrant workers to go back home, many on foot, after losing their livelihoods. That led to a shortage of workers as the curbs were lifted.

Full story: <https://economictimes.indiatimes.com/news/india/no-big-labour-crunch-at-auto-consumer-goods-companies-in-second-wave/articleshow/83499374.cms>

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