



1. Govt may amend DICGC Act in monsoon session to provide timely service to ailing bank depositors

In a bid to ensure timely support to depositors of stressed banks, the government may bring amendment to DICGC Act in the monsoon session with the objective to provide account holders easy and time-bound access to funds to the extent of the deposit insurance cover. Last year, the government raised insurance cover on deposit five-folds to Rs 5 lakh with a view to provide support to depositors of ailing lenders like Punjab and Maharashtra Co-operative (PMC) Bank.

The amendment to the Deposit Insurance and Credit Guarantee Corporation (DICGC) Act, 1961 is the budget announcement made by the Finance Minister and the Bill is almost ready, sources said.

Full story: <https://economictimes.indiatimes.com/industry/banking/finance/banking/govt-may-amend-dicgc-act-in-monsoon-session-to-provide-timely-service-to-ailing-banks-depositors/articleshow/82677021.cms>

2. India's once-in-a-century budget runs into trouble as virus strikes back

India's annual budget in February was lauded by many and raised hopes it would drive a sharp economic revival, but there are now fears that its promise may fall flat as it did not account for a crippling second wave of COVID-19 infections.

The budget aimed to revive Asia's third-largest economy via investing in infrastructure and health care, while relying on an aggressive privatisation strategy and robust tax collections on the back of projected growth of 10.5% - to fund its spending in the fiscal year.

Full story: <https://economictimes.indiatimes.com/news/economy/finance/indias-once-in-a-century-budget-runs-into-trouble-as-virus-strikes-back/articleshow/82678553.cms>

3. CBIC starts special drive to clear pending GST refund claims by month-end

The Central Board of Indirect Taxes and Customs (CBIC) has launched a special drive to clear all pending GST refunds by month-end. The 15-day Goods and Services Tax (GST) refund drive is on the lines of an ongoing similar drive organised by the CBIC for refund of customs and duty drawback claims.

In an instruction to all Principal Commissioners of Central Tax formations, the CBIC said there is a need to focus on timely disposal of all pending GST refund claims in order to provide immediate relief to business entities, especially MSMEs, in the difficult times of second wave of the COVID-19 pandemic.

Full story: <https://economictimes.indiatimes.com/news/economy/finance/cbic-starts-special-drive-to-clear-pending-gst-refund-claims-by-month-end/articleshow/82675495.cms>

4. India changes pulses imports from restricted to open category after 3 years

After a gap of three years, India, the largest pulses producer and consumer of pulses in the world, has opened up import of tur, moong and urad as the Union ministry of commerce changed these three pulses from restricted to open category. Traders and importers have welcomed the move, however millers and farmers are surprised by the decision as it may suppress the prices.

Full story: <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-changes-pulses-imports-from-restricted-to-open-category-after-3-years/articleshow/82660699.cms>

5. Number of independent directors on decline; PSUs mainly responsible for reduction: Report

The total number of independent directors (IDs) has decreased in 2020 as compared to 2019 and 2018, and the reduction is mainly on account non-appointment of directors on boards of state-owned entities, according to a report.

The total number of IDs reduced to 2,249 in 2020 as against 2,396 in 2019 and 2,494 in the previous year, said the report by Institutional Investor Advisory Services India Limited (IiAS) based on the study of the board composition of NIFTY 500 companies as on December 31, 2020.

Full story: <https://economictimes.indiatimes.com/news/company/corporate-trends/number-of-independent-directors-on-decline-psus-mainly-responsible-for-reduction-report/articleshow/82629611.cms>

6. Inflation kicks off race for EU's first rate hike this year

Hungary's inflation was the fastest in Europe and the highest since 2012, though core inflation, which strips out volatile food and energy prices, rose only 3% in April, the lowest in two years. Policy makers have been in wait-and-see mode, forecasting that the acceleration in price growth will temporarily peak at around April's levels before slowing to within the 2%-4% tolerance range in the summer.

Money-market traders boosted bets for a rate increase and now expect an almost 20 basis-point hike via the central bank's most-influential one-week deposit rate in the next three months. The yield on the benchmark 10-year government bond rose and the forint weakened 0.2% to 358.6 per euro, still far from the 370 level strategists have cited as a potential trigger for monetary intervention.

Full story: <https://www.bloombergquint.com/business/inflation-kicks-off-race-for-eu-s-first-rate-hike-this-year>

7. COVID probably India's greatest challenge since independence: Raghuram Rajan

COVID-19 pandemic is probably India's greatest challenge since independence, former RBI Governor Raghuram Rajan said on May 15 and added that in many places the government was not present to help the people for various reasons.

Addressing a virtual event organised by University of Chicago Center in Delhi, Rajan said India needs a quick bankruptcy process for the MSME sector. "This is a tragic time in India given the pandemic. COVID-19 pandemic is probably India's greatest challenge since independence," he said.

Full story: <https://www.livemint.com/news/india/covid-probably-india-s-greatest-challenge-since-independence-raghuram-rajan-11621099493291.html>

8. Govt to set up 20 technology and R&D infrastructure centres for shared usage

The Union government is looking to establish 20 technology and research and development infrastructure centres that will be shared among academicians, labs, startups, and industries.

These centres—Sophisticated Analytical and Technical Help Institutes (SATHI)—will be professionally managed and will have “strong science and technology infrastructure”, financially supported by the department of science. They are most likely to be housed in top tech and engineering schools such as Indian Institutes of Technology (IITs).

Full story: <https://www.livemint.com/news/india/govt-to-set-up-20-technology-and-r-d-infrastructure-centres-for-shared-usage-11621057914682.html>

9. India's Oil demand shrinks further as coronavirus crisis persists

India's oil demand worsened in the first half of May as large parts of the nation remained under local lockdowns to battle the world's worst outbreak of Covid-19.

Sales of road transport fuels during May 1-15 dropped by a fifth from the previous month and about 28 per cent from the same period in 2019, according to people familiar with preliminary data from the country's three biggest retailers.

Average daily sales of gasoline -- used in cars and motorcycles -- fell to about 53,300 tons, the lowest in a year. Sale of diesel -- the country's most-used fuel and a proxy for economic health -- dropped to a seven-month low of 147,300 tons a day during May 1-15.

Full story: https://www.business-standard.com/article/economy-policy/india-s-oil-demand-shrinks-further-as-the-coronavirus-crisis-persists-121051600558_1.html

10. Hotel industry says it lost Rs 1.3 trillion revenue in FY21, seeks help

The Indian hotel industry has taken a hit of over Rs 1.30 lakh crore in revenue for the fiscal year 2020-21 due to the impact of the COVID-19 pandemic, the Federation of Hotel & Restaurant Associations of India (FHRAI) said on May 16.

The apex industry body said it has submitted representation to the Prime Minister and a few other union ministers urging immediate support from the government to save the hospitality sector from imminent collapse and has requested for several fiscal measures for this.

Full story: https://www.business-standard.com/article/economy-policy/fhrai-says-indian-hotel-industry-revenue-hit-in-fy-21-seek-govt-support-121051600214_1.html

11. India's forex reserves up by \$1.444 billion to \$589.465 billion

The country's foreign exchange reserves increased by \$1.444 billion to \$589.465 billion in the week ended May 7, 2021, RBI data showed.

In the previous week ended April 30, 2021, the reserves had risen by \$3.913 billion to \$588.02 billion. The reserves had touched a lifetime high of \$590.185 billion in the week ended January 29, 2021.

During the reporting week ended May 7, 2021, the increase in reserves was on account of a rise in foreign currency assets (FCA), a major component of the overall reserves.

Full story: <https://www.moneycontrol.com/news/business/economy/indias-forex-reserves-up-by-1-444-billion-to-589-465-billion-6895271.html>

12. GST meet to consider relief for Covid essentials

With the growing clamour from the States for additional money to manage Covid-relief efforts, the GST Council is likely to take a decision on the matter during its 43rd meeting

on May 28. The Council is also expected to consider the request for amendments in the Finance Act, compensation mechanisms for States and modifying the inverted duty structure.

The meeting comes after a long hiatus. The Council last met in October 2020.

A senior Government official said the agenda hasn't been finalised yet, the discussions would likely focus on four-to-five key issues. "The Centre has received representations from States such as Punjab, and even from India Inc for various Covid relief measures. The meeting is expected to discuss them in detail," the official said.

Full story: <https://www.thehindubusinessline.com/economy/gst-council-meet-to-consider-relief-for-covid-essentials/article34573571.ece>

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