



**THE INSTITUTE OF
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DAILY NEWS DIGEST BY BFSI BOARD, ICAI

June 22, 2022

- **RBI POSTPONES IMPLEMENTATION OF CERTAIN NORMS RELATED TO CARDS BY 3 MONTHS:** The Reserve Bank on Tuesday gave three more months to banks and NBFCs issuing credit and debit cards to comply with certain norms including activation of cards without consent of customers. Banks and non-banking financial companies (NBFCs) were to implement the Master Direction on 'Credit Card and Debit Card – Issuance and Conduct Directions, 2022' from July 1 which has been extended till October 01 2022. The major points for compliance whose timeline has been extended relates to; Card-issuers shall seek One Time Password (OTP) based consent from the cardholder for activating a credit card, if the same has not been activated by the customer for more than 30 days from the date of issuance. If no consent is received for activating the card, card-issuers shall close the credit card account without any cost to the customer within seven working days from date of seeking confirmation from the customer. Card-issuers shall ensure that the credit limit as sanctioned and advised to the cardholder is not breached at any point in time without seeking explicit consent from the cardholder. No capitalization of unpaid charges/levies/taxes for charging/ compounding of interest.
<https://timesofindia.indiatimes.com/business/india-business/rbi-postpones-implementation-of-certain-norms-related-to-cards-by-3-months/articleshow/92366424.cms>
- **ELON MUSK'S \$44 BN DEAL GETS UNANIMOUS ENDORSEMENT FROM TWITTER BOARD:** Twitter's board has recommended unanimously that shareholders approve the proposed \$44 billion sale of the company to billionaire and Tesla CEO Elon Musk, according to a regulatory filing Tuesday.
<https://www.livemint.com/news/world/elon-musk-s-44-billion-twitter-deal-gets-unanimous-board-endorsement-read-here-11655858066899.html>
- **YES BANK LAUNCHES FD LINKED TO REPO RATE, WITH MARK-UP OF 1.1-1.6%:** Private sector lender Yes Bank has introduced a new fixed deposit product which is linked to the repo rate. The bank will offer 6 per cent interest rate (repo rate + 1.10 per cent mark up) for deposits of one year to less than 18 months and 6.5 per cent (repo rate + 1.60 per cent) for 18 months to 3 years.
https://www.business-standard.com/article/finance/yes-bank-launches-fd-linked-to-repo-rate-with-mark-up-of-1-1-1-6-122062100850_1.html
- **INDIA FACING TWIN DEFICIT PROBLEM DUE TO COMMODITY PRICES, SUBSIDY: FinMin:** The finance ministry on Monday cautioned the re-emergence of the twin deficit problem in the economy, with higher commodity prices and rising subsidy burden leading to an increase in both fiscal deficit and current account deficit. It's also the first time the government has explicitly talked about the possibility of fiscal slippage in the current fiscal year. "As government revenues take a hit following cuts in excise duties on diesel and petrol, upside risk to the budgeted level of gross fiscal deficit has emerged. An increase in the fiscal deficit may cause the current account deficit to widen, compounding the effects of costlier imports, and weaken the value of the rupee, thereby further aggravating external imbalances, creating the risk (admittedly low, at this time) of a cycle of wider deficits and a weaker currency," the finance ministry said in its latest Monthly Economic Review. The ministry had earlier hinted that India's fertiliser subsidy bill for FY23 could rise to around Rs 2.5 trillion against the Budget Estimate of Rs 1.05 trillion because of a global supply shortage amid the war in Ukraine. Apart from the already announced Rs 1.10-trillion increase in fertiliser subsidy, the Narendra Modi government's decision to extend the PM Garib Kalyan Anna Yojana (PMGKAY) until September shall increase the food subsidy outlay for FY23 to Rs 2.87 trillion, from the Budget Estimate of Rs 2.07 trillion.



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https://www.business-standard.com/article/economy-policy/india-facing-twin-deficit-problem-due-to-commodity-prices-subsidy-finmin-122062001009_1.html

- **BANK BRANCHES SET TO BE NEXT BATTLEGROUND FOR LIFE INSURERS:** India's banks double up as direct sales agents of a host of financial products, and life insurance needs their support more than any other. With the country's largest life insurer Life Insurance Corporation of India becoming serious about bancassurance, the biggest growth-driving distribution channel is also set to become an area of intense competition. In media interactions, LIC chairman MR Kumar has stressed that he would focus on bancassurance tie-ups and improve the contribution of the channel to overall growth. The share of bancassurance must go up to 8-10 percent from the current 3 percent. Bancassurance remains the biggest contributor to growth but its share in the overall business has come down. As the adjoining chart shows, private life insurers HDFC Life Insurance Company, ICICI Prudential Life Insurance Company and SBI Life Insurance Company all depend heavily on bank branches of their parent companies for growth. But the share of the channel in retail premium has declined over time. In FY18, about 65 percent of SBI Life's premiums used to come from policies sold by branches of parent State Bank of India. This has fallen to 63 percent in FY22. For ICICI Prudential Life, the share of parent ICICI Bank's branches in overall premiums has fallen to 39 percent in FY22 from 52 percent in FY18. Analysts said banks will remain the bedrock of business for life insurers. "The fall in banca's share is mostly because some of these life insurers were looking to diversify their channels. These entities were looking to decrease their reliance on bancassurance for diversification purposes," said Sahil Idani, assistant vice president at ICRA Ltd.
<https://www.moneycontrol.com/news/business/earnings/bank-branches-set-to-be-next-battleground-for-life-insurers-8718771.html>
- **INDIA'S TRAVEL AND TOURISM TO POST ANNUAL GROWTH RATE OF OVER 10 PERCENT IN 2019-28, SAYS IBEF REPORT:** The pandemic dented travel and tourism globally, causing the industry a loss of almost \$4.5 trillion. Domestic visitor spending decreased by 45 percent, while international visitor spending declined by 69.4 percent compared to 2019, according to an estimate by the World Travel & Tourism Council. The travel and tourism industry's direct contribution to India's Gross Domestic Product (GDP) is expected to post an annual growth rate of 10.35 percent between 2019 and 2028, according to a report by the Indian Brand Equity Foundation, an Indian government trust. In 2020, the travel and tourism industry's contribution to GDP was \$121.9 billion; the figure is expected to reach \$512 billion by 2028, said the report, which comes at a time the sector is bouncing back from a pandemic-induced downturn.
<https://www.moneycontrol.com/news/trends/travel-trends/indias-travel-and-tourism-to-post-annual-growth-rate-of-over-10-in-2019-28-says-ibef-report-8717651.html>
- **KELLOGG COMPANY SPLITS INTO 3 INDEPENDENT BUSINESSES:** Kellogg Company, the maker of popular cereals brands such as Kellogg's, Frosted Flakes, and Froot Loops, has announced the splitting of its business into three independent companies, by spinning off its US, Canadian, and Caribbean cereal and plant-based businesses. The remaining businesses will focus on global snacking, international cereal and noodles, and North American frozen breakfasts, the company. The three companies (temporary names) would be 'Global Snacking Co', 'North America Cereal Co', and 'North America Cereal Co'. Global Snacking Co with about \$11.4 billion in net sales, the company said, will operate in global snacking, international cereal and noodles, and North American frozen breakfast.
<https://www.moneycontrol.com/news/business/companies/kellogg-company-splits-into-3-independent-businesses-8718521.html>
- **DELHI TO SHUT DOWN ALL UNITS DEALING IN SINGLE-USE PLASTIC ITEMS FROM JUL 1:** To ensure compliance with the ban on 19 identified single-use plastic in the national capital, the Delhi Environment Department will also run a campaign starting July 1 and will close down all manufacturers, suppliers, stockists, dealers, and sellers



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found violating the orders. The Union government is banning single-use plastic from July 1st, 2022. Manufacturing, importing, stocking, distribution, sale and use of single-use plastic, including polystyrene and expanded polystyrene commodities will be banned effectively from July 1, 2022 across the country.

<https://www.livemint.com/news/india/delhi-to-shut-down-all-units-dealing-in-single-use-plastic-items-from-jul-1-11655816075219.html>

- **TATA STEEL BUYS COAL FROM RUSSIA WEEKS AFTER VOWING TO CUT TIES:** India's top steelmaker Tata Steel imported about 75,000 tonnes of coal from Russia in the second half of May, two trade sources and one government source said, weeks after pledging to stop doing business with Russia. Tata Steel had said in April all its manufacturing sites in India, the UK and the Netherlands had sourced alternative supplies of raw materials to end its dependence on Russia, adding it was taking "a conscious decision to stop doing business with Russia. "Still, in May, Tata Steel shipped about 75,000 tonnes of PCI coal, used in steelmaking, from Russia's Vanino port, out of which 42,000 tonnes were offloaded in a port in Paradip on May 18 and 32,500 tonnes in Haldia, said the two trade sources who wished to remain anonymous as they were not authorized to speak on the matter.
https://www.business-standard.com/article/companies/tata-steel-buys-coal-from-russia-weeks-after-vowing-to-cut-ties-report-122062000969_1.html
- **SMEs ASK MEITY FOR 300 DAYS TO COMPLY WITH CERT-IN CYBERSECURITY NORMS:** On an inkling that the Ministry of Electronics and Information Technology (MeitY) may give small and medium enterprises (SMEs) some support in complying with the new cybersecurity rules, SMEs have sought 300 days to comply with the new norms. The directions come into force on June 28. The new cybersecurity directions, released on April 28 by the Indian Computer Emergency Response Team (CERT-In), brings in additional compliance requirements for all body corporates whose users are in India. These requirements have been termed as cumbersome and which will make it difficult for companies to do business in India. The requirements also led VPNs such as ExpressVPN, Surfshark and NordVPN to pull their servers from the country. In a meeting held on June 10, it was pointed out to the ministry that SMEs will face additional burden in complying with the directions, and the ministry had said that it will consider 'support' to such companies. At the meeting, the ministry had also asked for suggestions for a reasonable time frame for SMEs to comply with CERT-In's directions. Based on these instructions, Rootconf, a community on cloud, infrastructure, security and site reliability, held a meeting with SME representatives on June 14. "SME representatives said that 300 days from 28 June 2022 is a reasonable time frame for complying with CERT-In's directions,"
<https://www.moneycontrol.com/news/business/smes-ask-meity-for-300-days-to-comply-with-cert-in-cybersecurity-norms-8719141.html>
- **GOVT DEPARTMENT TO COLLABORATE WITH SBI FOR CREATION OF INTEGRATED PENSION PORTAL:** The Centre's Department of Pension & Pensioners' Welfare (DoPPW) will collaborate with the State Bank of India (SBI) to create an integrated pension portal to enhance ease of living of pensioners, according to an official statement on Tuesday. Special sessions were organised on income tax matters related to pensioners as well as digital means of submitting annual life certificates, said the statement by the Ministry of Personnel, Public Grievances and Pensions. It was decided that immediate efforts are needed for the creation of an integrated pension portal by linking the existing portals of the DoPPW and the SBI to provide seamless services to pensioners, it said. Face authentication technology for digital life certificate may be advertised extensively by banks, the statement said. Digital life certificate and face authentication technology would be a game changer for pensioners and banks in the submission of life certificates, it said.
<https://economictimes.indiatimes.com/news/economy/policy/government-department-to-collaborate-with-sbi-for-creation-of-integrated-pension-portal/articleshow/92356975.cms?from=mdr>



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- **RATION CARD PORTABILITY IMPLEMENTED ACROSS INDIA WITH ASSAM BEING LAST TO OPERATIONALIZE:** Assam has finally operationalised the ration card portability service and with this, the Centre's 'One Nation, One Ration Card' programme is implemented across the country, the food ministry said on Tuesday. Under the ONORC (One Nation, One Ration Card), beneficiaries covered under the National Food Security Act, 2013 (NFSA) can get their quota of subsidised foodgrains from any electronic point of sale device (ePoS)-enabled fair price shops of their choice by using their existing ration cards with biometric authentication. Assam has become the 36th state/UT to implement ONORC," the ministry said in a statement.
<https://economictimes.indiatimes.com/news/india/ration-card-portability-implemented-across-india-with-assam-being-last-to-operationalise/articleshow/92367534.cms>
- **JAIN IRRIGATION TO MERGE GLOBAL IRRIGATION BIZ WITH RIVULIS:** The International Irrigation Business (IIB) of Jain Irrigation NSE 20.00 % will now be merged with Rivulis and create a global irrigation and climate leader, being the second largest in the world with around USD 750 million in revenues, Jain Irrigation said in a regulatory filing.
<https://www.financialexpress.com/industry/jain-irrigation-to-merge-its-global-business-with-rivulis-in-rs-4200-crore-deal/2568592/>
- **FOREX-EQUITY MARKET:** The rupee fell 15 paise to 78.13 against the US dollar on Tuesday, snapping a three-day winning streak, as ongoing foreign fund outflows and a rise in crude oil prices impacted on investor mood. On the domestic equity market front, the BSE Sensex ended 934.23 points or 1.81 per cent up at 52,532.07, while the broader NSE Nifty jumped 288.65 points or 1.88 per cent to 15,638.80. Foreign institutional investors remained net sellers in the capital market on Tuesday as they offloaded shares worth Rs 2,701.21 crore, as per stock exchange data. "Dollar retraced from higher levels ahead of Fed Chairman testimony that is scheduled tomorrow," said Gaurang Somaiya, Forex & Bullion Analyst, Motilal Oswal Financial Services.
<https://www.moneycontrol.com/news/business/economy/rupee-drops-15-paise-to-78-13-against-us-dollar-8719231.html>

RBI KEY RATES

Repo Rate: 4.90%
SDF: 4.65%
MSF & Bank Rate: 5.15%
Fixed Reverse Repo Rate: 3.35%
CRR: 4.50%
SLR: 18.00%

FOREX RATES (AS PER FBIL 1.30 PM)

INR / 1 USD : 78.0861
INR / 1 GBP : 95.6784
INR / 1 EUR : 82.1289
INR / 100 JPY: 57.8000

STOCK/COMMODITY

Sensex: 52,532.07 (+934.23)
NIFTY: 15,638.80 (+288.65)
Gold (10 gm): 50,852 (+104)



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