



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

June 24, 2022

- **ADANI PLEDGES ₹60,000 CRORE FOR SOCIAL CAUSES:** Gautam Adani, Asia's richest person, and his family have pledged to donate ₹60,000 crore (\$7.7 billion) to a slew of social causes, to mark his 60th birthday. The donation will be managed by the Adani Foundation for bolstering health care, education and skill development.
<https://www.hindustantimes.com/business/gautam-adani-and-family-pledge-rs-60-000-crore-for-social-causes-101655998214921.html>
- **PROPOSAL FOR GST ON CRYPTO RELATED ACTIVITIES MAY BE DEFERRED:** The GST Council is likely to defer the issue of taxability on activities related with virtual digital assets (VDAs) or cryptocurrency. The meeting is scheduled to take place next week in Chandigarh.
<https://www.thehindubusinessline.com/money-and-banking/cryptocurrency/relief-for-the-moment-proposal-for-gst-on-crypto-related-activities-may-be-deferred/article65557995.ece>
- **BANK UNIONS DROP ALL-INDIA STRIKE PLANS FOR JUNE 27:** In a significant move, bank unions on Thursday agreed to drop their earlier announced all-India strike call for June 27. The decision came during a conciliatory meeting held in the Capital under the chairmanship of the Chief Labour Commissioner S C Joshi, on Thursday.
<https://www.thehindubusinessline.com/money-and-banking/bank-unions-drop-all-india-strike-plans-for-june-27/article65557346.ece>
- **PM LAUNCHES NIRYAT INFORMATION PORTAL TO SUPPORT IMPORTERS, EXPORTERS:** The National Import-Export for Yearly Analysis of Trade (NIRYAT) portal where importers and exporters can get all necessary information related to foreign trade will provide real time data to stakeholders, Prime Minister Narendra Modi has said. 'Soon district level data will also be available in the portal to develop them as centres of export'.
<https://www.thehindubusinessline.com/economy/pm-launches-niryat-information-portal-to-support-importers-exporters/article65557757.ece>
- **INDIAN TV AD MARKET TO BE FIFTH-LARGEST BY 2026; CINEMA TO SURGE 38.3%: PwC:** India is expected to become the fifth-largest TV advertising market globally by 2026, while the cinema industry is expected to clock 38.3 per cent growth during 2022-26 after the hit from the pandemic. As per PwC's latest global Entertainment and Media Outlook 2022-26, the Indian media and entertainment sector overall is expected to reach ₹4.3 lakh crore by 2026, clocking 8.8 per cent CAGR.
<https://www.thehindubusinessline.com/companies/indian-tv-ad-market-to-be-fifth-largest-by-2026-cinema-to-surge-383-pwc/article65556739.ece>
- **SACKED FUND MANAGER VIRESH JOSHI SUES AXIS MUTUAL FUND, SEEKS ₹54 CRORE:** Viresh Joshi, Axis mutual fund's former dealer and fund manager has sued Axis mutual fund on the charges of wrongful termination. Joshi was sacked by the fund house on 18 May alleging violations of ethics and code of conduct, Mint had reported on 16 June.
<https://www.livemint.com/news/india/sacked-fund-manager-viresh-joshi-sues-axis-mutual-fund-seeks-54-crore-11655991720394.html>



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- **WHAT'S THE TWIN DEFICIT PROBLEM?** Ever since the finance ministry's monthly economic report warned earlier this week about India facing a looming twin deficit problem, there has been much commentary on this double-barreled threat, accompanied, thankfully, by some sensible explication of the problem. Here is what it is all about. The twin deficits in question are the fiscal deficit and the current account deficit. Both have a tendency to increase to levels considered risky for maintenance of macroeconomic stability, and especially the rupee-dollar exchange rate, whenever there are external shocks. The finance ministry report has red-flagged how both have risen at the same time, as the tax cuts it announced as relief on soaring fuel prices, and the likelihood of the fertilizer subsidy bill growing bigger than budgeted owing to the sharp increase in international prices after Russia invaded Ukraine, will make it tougher for it to keep the fiscal deficit under the target level, which in turn, it said, may cause the current account deficit too to widen, creating a cycle of wider deficits and weaker rupee.
https://www.business-standard.com/podcast/finance/what-is-a-twin-deficit-problem-122062300077_1.html
- **WORLD BANK PROVIDES \$245 MN TO HELP INDIAN RAILWAYS CARRY MORE FREIGHT, REDUCE GREENHOUSE GAS EMISSIONS:** World Bank Provides \$245 Mln to help Indian Railways Carry More Freight, Reduce GHG Emissions. The Rail Logistics project will help India shift more traffic from road to rail, making transport—both freight and passenger—more efficient and, reduce millions of tons of greenhouse gas emissions (GHG) each year. The project will also incentivize more private sector investment in the railway sector, the bank said in a statement. Indian Railways (IR) is the fourth-largest rail network in the world having transported 1.2 billion tonne of freight in the fiscal year ending March 2020. Yet, 71 percent of India's freight is transported by road, and only 17 percent by rail.
<https://www.livemint.com/industry/infrastructure/world-bank-provides-245-mn-to-help-indian-railways-carry-more-freight-reduce-greenhouse-gas-emissions-11655994106778.html>
- **HERO MOTOCORP TO HIKE MOTORCYCLE, SCOOTER PRICES:** Two-wheeler maker Hero MotoCorp said it will hike prices of motorcycles and scooters by up to Rs 3,000 from July 1 to partially offset steadily growing overall cost inflation.
<https://www.moneycontrol.com/news/business/hero-motocorp-to-hike-motorcycle-scooter-prices-by-up-to-rs-3000-from-july-1-8729741.html>
- **AIR INDIA OFFERS TO RE-HIRE PILOTS POST RETIREMENT FOR FIVE YEARS:** Tata Group-owned Air India has offered to re-hire pilots post their retirement for a five-year period as the airline looks for stability in operations amid talk of acquiring 300 single-aisle planes, according to internal communication.
<https://economictimes.indiatimes.com/industry/transportation/airlines/-aviation/air-india-offers-to-re-hire-pilots-post-retirement-for-5-yrs/articleshow/92426725.cms>
- **AI ADOPTION TO ADD \$500 BILLION TO INDIA'S GDP BY 2025: NASSCOM REPORT:** The adoption of artificial intelligence (AI) and data utilisation strategy can add \$500 billion to India's GDP by 2025, a new Nasscom report showed on Thursday. The AI adoption in four key sectors -- BFSI, consumer packaged goods (CPG) and retail, healthcare, and industrials/automotive -- can contribute 60 per cent of the total \$ 500 billion opportunity, according to "AI Adoption Index" Nasscom, EY and Microsoft, EXL and Capgemini. Though the current rate of AI investments in India is growing at a compound annual growth rate (CAGR) of 30.8 per cent and poised to reach \$881 million by 2023, it will still represent just 2.5 per cent of the total global AI investments of \$340 billion.
https://www.business-standard.com/article/economy-policy/ai-adoption-to-add-500-billion-to-india-s-gdp-by-2025-nasscom-report-122062300493_1.html



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- **RBI PROPOSES NORMS FOR OUTSOURCING OF IT SERVICES BY BANKS, NBFCs:** The Reserve Bank on Thursday proposed norms for the outsourcing of IT services to ring-fence banks and other regulated entities from financial, operational and reputational risks.
https://www.business-standard.com/article/finance/rbi-proposes-norms-for-outsourcing-of-it-services-by-banks-nbfc-122062301114_1.html
- Regulated entities (REs) will not require prior approval from the central bank for the outsourcing of IT and IT-enabled services, according to RBI's draft Master Direction on Outsourcing of Information Technology (IT) Services. Banks, payment banks, cooperative banks, credit information companies, NBFCs and other regulated entities, would be required to put in place a comprehensive board-approved IT outsourcing policy. (The guidelines are at draft stage.)
<https://www.businessworld.in/article/RBI-Proposes-Norms-For-Outsourcing-Of-IT-Services/24-06-2022-433866/>
- **FALL IN ONSHORE FORWARD PREMIUMS COULD PUSH INDIAN RUPEE EVEN LOWER:** A shortage of cash dollars and forward market intervention by the Reserve Bank of India which has pushed onshore 1-year forward premiums to their lowest levels in more than a decade could pressure the rupee to new lows, traders and analysts said. The one-year annualised forward premium stood at 2.91% at 0830 GMT, compared to its close of 2.82% on Wednesday. It had touched a low of 2.80% in the previous session, its lowest level since Nov. 25, 2011. The smaller forward premia is likely to make carry trades less attractive for overseas investors and an unwinding of these carry trades would put further downward pressure on the spot rupee, pushing it towards 79-80 levels, traders warned. "RBI is doing a lot of buy/sell swaps to prevent showing a fall in spot foreign exchange reserves I guess. This is amplifying the signal from the interest rate spread between India and the U.S.," said Vivek Kumar, economist at QuantEco Research. The RBI until last year was buying forward dollars to prevent an infusion of rupee liquidity into the spot market when it intervened to curb excessive appreciation in the rupee.
https://www.business-standard.com/article/finance/fall-in-onshore-forward-premiums-could-push-indian-rupee-even-lower-122062300581_1.html
- **GOVERNMENT TO MOVE NDPS FROM FINANCE MINISTRY TO MINISTRY OF HOME AFFAIRS:** The government is considering transferring the administration of the Narcotic Drugs and Psychotropic Substances Act, 1985 and Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988 from the finance ministry to Ministry of Home Affairs to bring all issues related to narcotics under one department, sources said. Currently, while the home ministry governs the Narcotics Control Bureau, the Department of Revenue (DoR) in the finance ministry administers the Narcotics Control Bureau, the Department of Revenue (DoR) in the finance ministry administers the Narcotic Drugs and Psychotropic Substance (NDPS) Act of 1985 and the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act of 1988.
<https://economictimes.indiatimes.com/news/economy/policy/government-to-move-ndps-from-finance-ministry-to-ministry-of-home-affairs/articleshow/92412867.cms>
- **FOREX/EQUITY MARKET:** The rupee on Thursday closed at its all-time low of 78.32 against the US dollar as strong American currency and persistent foreign fund outflows weighed on investor sentiments. Equities turned extremely volatile on the day of the weekly F&O expiry with the Nifty50 gyrating between 15,368 and 15,628. It, eventually, closed at 15,557, up 143 points or 0.93 per cent. On the BSE, the 30-pack Sensex index hit a high of 52,517 and a low of 51,633 during the day. The index closed 443 points, or 0.86 per cent, higher at 52,266.
https://www.business-standard.com/article/finance/rupee-settles-at-all-time-low-of-78-32-against-dollar-on-heavy-fpi-outflow-122062300715_1.html



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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 : 78.2662
INR / 1 GBP : 95.8453
INR / 1 EUR : 82.6872
INR / 100 JPY: 57.6300

EQUITY MARKET

Sensex: 52265.72 (+ 443.19)
NIFTY: 15556.70 (+143.40)

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