



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

DAILY NEWS DIGEST BY BFSI BOARD

12 September 2024



ECONOMY

Core US inflation picks up, damping odds of outside Fed cut: Underlying US inflation unexpectedly picked up in August on higher prices for housing and travel, undercutting the chances of an outside Federal Reserve interest-rate cut next week. The so-called core consumer price index — which excludes food and energy costs — increased 0.3% from July, the most in four months, and 3.2% from a year ago, Bureau of Labor Statistics figures showed Wednesday. The three-month annualized rate advanced 2.1%, picking up from 1.6% in July, according to Bloomberg calculations.

(Moneycontrol)

PM Modi sets \$500-billion target for India's electronics sector by 2030: Prime Minister Narendra Modi has set a goal to grow the country's electronics sector to \$500 billion by the end of the decade. Speaking at the Semicon India 2024 inauguration in Greater Noida, Modi emphasized India's strengths in areas like semiconductors. Currently, the nation's electronics market is valued at approximately \$155 billion. India is actively courting semiconductor makers. The government has so far approved over \$15 billion in semiconductor investments, including Tata Group's plans to build the country's first major chip plant and US-based Micron Technology Inc.'s proposed \$2.75 billion assembly facility in Gujarat. Additionally, Israel's Tower Semiconductor Ltd. is exploring a \$10-billion partnership with billionaire Gautam Adani to establish a fabrication plant in western India. A formal proposal is yet to be submitted with the Indian government.

(Moneycontrol)

Sebi tweaks margin trading facilities' framework to ease collateral burden: To promote ease of doing business, markets regulator Sebi on Wednesday allowed securities funded through cash collateral to be considered as maintenance margin for margin trading facility (MTF). The move will also help alleviate the burden of additional collateral towards the maintenance margin for the margin trading facility. The development took place after the Securities and Exchange Board of India (Sebi) received representations from market participants through the Industry Standards Forum (ISF) to



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

relax the requirement pertaining to the margin trading facility. In a circular, Sebi said stocks or units of equity exchange-traded fund (ETFs) deposited as collateral with the brokers and those purchased using margin trading must be kept separate. There should be no mixing of these two types for calculating the funding amount.

(Business Standard)

BANKING & FINANCE



Bank of Baroda approves resolution of Supertech's Dehradun project: Bank of Baroda, one of the lender in Supertech Group has approved and sanctioned the resolution plan for company's Dehradun project paving way for delivery of over 600 homebuyers. The company had submitted a project-wise resolution plan in National Company Law Appellate Tribunal (NCLAT) and this is the first project which has got approval from the lender.

(Economic Times)

Reserve Bank of India to stick to higher digital deposit buffer proposal: Report: Reserve Bank of India will stick to its plan to ask lenders to set aside more funds for digitally linked deposits, despite the industry's plea for a lower buffer to avoid a hit to their liquidity, three sources familiar with the matter told Reuters. In July, the Reserve Bank of India (RBI) proposed that banks set aside an additional 5% 'run-off factor' on digitally accessible retail deposits to better manage risks in case of quick and heavy withdrawals via internet or mobile banking. The norms, due to be enforced next April, are expected to weigh on banks' liquidity coverage ratios (LCR) -- the amount of highly liquid assets available to meet short-term obligations -- and was a key reason for the Indian Banks' Association (IBA) urging that the run-off be cut to 2% or 3%, the sources said.

(Economic Times)

Industry credit expected to grow over 12%: FICCI-IBA survey: A survey conducted by industry body FICCI and Indian Banks' Association (IBA) suggested that the outlook for non-food industry credit growth over the next six months is optimistic with 62 per cent of the participating banks expecting non-food industry credit growth to be above 12 per cent. The nineteenth round of the FICCI-IBA survey was carried out for the period January to June 2024. A total of 22 banks including public sector, private sector and foreign banks participated in the survey. These banks together



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



www.icmai.in

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

represent about 67 per cent of the banking industry, as classified by asset size. The Indian economy and the banking sector remain robust and resilient, the survey found. With improved balance sheets, banks are supporting economic activity through sustained credit expansion. However, credit growth is outpacing deposit growth, which could lead to liquidity challenges for the banking system.

(Economic Times)

INDUSTRY OUTLOOK



Tata Steel reaches deal with UK govt over £500 million grant funding: Tata Steel said on September 11 that company has reached deal with the UK government over the previously agreed £500-million grant funding for the steel maker's green steel project in Port Talbot. The project worth £1.25 billion is expected to be operational within three years, the steelmaker said adding that it is expected to preserve 5,000 jobs. The deal follows months of negotiations with the newly-formed Labour administration. While the initial agreement was drafted by the previous Conservative government, it has undergone further revisions under the new administration, which has insisted on improved support for workers facing redundancy.

(Moneycontrol)

Cabinate approves for modernization of weather predictions with Mission Mausam: Apple's export of iPhones from India touched the \$5-billion mark for the. Finally, the Cabinet gave the go-ahead for the ₹2,000 crore Mission Mausam initiative, aimed at improving weather forecasting accuracy using advanced technologies. The plan includes new radars, satellites, AI-driven data models, and next-generation systems to provide real-time, precise weather updates, particularly for agricultural needs.

(Business Today)

Public sector capex falls 14% amid sluggish investments by Railways, NHAI: Capital expenditure by central public sector enterprises (CPSEs) and other government undertakings fell 14% on year in the first five months of the current financial year, dragged down by slower pace of investment by railways and the National Highways Authority of India. Railways and NHAI's investments are largely funded through budget. Both entities accounted for 55% of the CPSEs' capex target for FY25. The CPSEs, having annual capex target of Rs 100 crore and above have set a combined target of investing Rs 7.8 trillion in FY25. The CPSEs have invested Rs 2.68 lakh crore in April-August of FY25 compared with Rs 3.1 lakh crore in the year-ago period.

(Financial Express)



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

www.icmai.in



REGULATION & DEVELOPMENT

Cabinet approves free health insurance for 70 plus senior citizens under Ayushman Bharat: In a major move aimed at providing health security to senior citizens, the Union Cabinet on Wednesday approved free health insurance coverage of up to Rs 5 lakh per year for all citizens aged 70 years and above under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PM-JAY). This decision will benefit approximately 4.5 crore families, covering an estimated 6 crore senior citizens across the country. The newly-introduced provision will be implemented in a demand-based manner, with an initial outlay of Rs 3,437 crore. However, this amount is subject to increase depending on the uptake of the scheme, Information and Broadcasting Minister Ashwini Vaishnaw said during the Cabinet briefing. He also mentioned that the Health Ministry would soon announce the rollout details for the program.

(Moneycontrol)

Cabinet approves PM E-Drive scheme with Rs 10,900 crore outlay: The Union Cabinet, on September 11, approved the PM E-Drive Scheme with an outlay of Rs 10,900 crore for two years with an aim to boost adoption of electric vehicles (EVs) in India. The new scheme offers subsidies worth Rs 3,679 crore to incentivise adoption of battery-driven two and three-wheelers, ambulances, trucks and other emerging electric vehicles (EVs). Under the PM Electric Drive Revolution In Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, 100 percent support will be given for charging infrastructure at 88,500 sites, Information and Broadcasting Minister Ashwini Vaishnaw said in a media briefing. This investment is over and above the PLI schemes for auto and auto component sectors, the minister said. The major components of the scheme are as under: Subsidies/Demand incentives worth Rs 3,679 crore have been provided to incentivize e-2Ws, e-3Ws, e-ambulances, e-trucks and other emerging EVs. The scheme will support 24.79 lakh e-2Ws, 3.16 lakh e-3Ws, and 14,028 e-buses," as per government statement on the decision. Furthermore, Rs 4,391 crore has also been provided for procurement of 14,028 e-buses by state transport undertakings and public transport agencies. Under this scheme, there is also PM-eBus Sewa Payment Security Mechanism of Rs 3,435 crore for the battery-run bus market. Another Rs 500 crore has been earmarked for the deployment of e-ambulances. A sum of Rs 500 crore has been provided for incentivising adoption of e-trucks.

(Moneycontrol)



ICMAI
THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA
(Statutory Body under an Act of Parliament)



Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax :+91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723

www.icmai.in

Cabinet approves 4th phase of PM Gram Sadak Yojana at a cost of Rs 70,125 cr: The Union Cabinet on September 11 approved the proposal to implement the fourth phase of the Pradhan Mantri Gram Sadak Yojana to be implemented from 2024-25 to 2028-29 at a cost of Rs 70,125 crore. As part of the scheme, the government will provide financial assistance for the construction of 62,500 kms road for providing new connectivity to 25,000 unconnected habitations and construction/upgradation of bridges on the new connectivity roads, according to a press release. The fourth phase of the scheme will generate 40 crore human days of employment, Minister of Railways, Information and Broadcasting and Electronics and Information Technology Ashwini Vaishnaw said.

(Moneycontrol)



FINANCIAL TERMINOLOGY

UNEARNED INCOME

- ❖ The term unearned income refers to any income that is not acquired through work. Put simply, unearned income is any money you earn by doing nothing. This is in contrast to earned income, which is any compensation received for performing a service like work.
- ❖ There are many types of unearned or passive income, including interest from savings accounts, bond interest, alimony, and dividends from stocks.
- ❖ Unearned income, which can serve as a supplement to earned income before retirement, is often the only source of income in post-retirement years.



RBI KEY RATES

Repo Rate: 6.50%
SDF: 6.25%
MSF & Bank Rate: 6.75%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 83.9508
INR / 1 GBP : 109.8474
INR / 1 EUR : 92.7058
INR /100 JPY: 59.3800

EQUITY MARKET

Sensex: 81523.16 (-398.13)
NIFTY: 24918.45 (-122.65)
Bnk NIFTY: 51010.00 (-262.30)

Courses conducted by BFSI Board

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

**For details please visit
BFSIB portal of the ICMAI**

Publications by BFSI Board

- ❖ **Aide Memoire on Infrastructure Financing.**
 - ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
 - ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
 - ❖ **BFSI Chronicle (quarterly issue of BFSIB)**
 - ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2nd Edition)**
- To purchase please visit
BFSIB portal of ICMAI

TEAM BFSIB

**Banking, Financial Services & Insurance Board
The Institute of Cost Accountants of India (ICMAI)**

Disclaimer: Information published in the Daily News Digest are taken from publicly available sources and believed to be accurate. BFSI Board of ICMAI takes no responsibility for the accuracy and reliability of information published in the Daily News Digest. No part of this Daily News Digest may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise without the permission of BFSIB of ICMAI. For Restricted Circulation only. A Compilation of News in this regard from Secondary Sources.