



**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](http://www.icmai.in)

## **DAILY NEWS DIGEST BY BFSI BOARD**

**21 August 2024**



### **ECONOMY**

**Local manufacturing can offer Rs 25,000 crore annual opportunity to construction equipment vendors by FY2030:** Rising component localisation might offer approximately Rs 25,000 crore annual opportunity to construction equipment vendors by FY2030, stated a report by ICRA. This, it added, will be led by components such as undercarriages and precision hydraulics. Overall, per ICRA, localisation levels are expected to report a jump from 50 per cent to over 70 per cent in the next 5-7 years. The Indian mining and construction equipment (MCE) industry is the third largest in the world in terms of volumes sold. However, it imports nearly 50 per cent of its component requirement (by value) from suppliers based out of China, Japan, and South Korea, among others. Components like hydraulics, undercarriages, and high-tech electronics like electronic control units (ECUs), sensors, telematics, etc. are generally imported. In addition, certain high tonnage fully built machinery and some steel alloy grades are also imported. ICRA said that the imported components are either technology-intensive parts or require large scale manufacturing to attain economic viability.

***(Financial Express)***

**Krishnamurthy Subramanian of IMF estimates India to be a \$55 trillion economy by 2047:** By 2047, when India celebrates its 100th year of independence, the country could potentially become a \$55 trillion economy, said Krishnamurthy Subramanian, executive director, the International Monetary Fund at the BT India@100 event, which was held at Bharat Mandapam in Delhi. He drew comparisons with Japan and China to support his argument. For example, from 1970 to 1995, Japan's economy grew nearly 25 times, despite facing significant challenges like the Vietnam War, oil shocks, and hyperinflation. Similarly, China saw its economy expand 22 times between 1996 and 2021. Subramanian believes India can achieve a 15-fold increase from the \$3.3 trillion economy to \$55 trillion, albeit with more modest expectations compared to Japan and China.

***(Business Today)***



**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](http://www.icmai.in)

**Wealthy Indians' plan to invest abroad via GIFT city hits roadblock:** Regulators have stopped allowing local family offices to set up investment funds in its new finance hub, as they are concerned these arrangements may be used to evade taxes and capital controls, according to people familiar with the matter. The regulator for Gujarat International Finance -Tec--City is halting approvals for family investment funds after feedback from the central bank, the people said, declining to be identified discussing private matters. The Reserve Bank of India is worried that loosening capital controls for such instruments could result in loopholes that may be exploited for money laundering, they said. The move could deal a blow to GIFT City's ambitions to be a one-stop shop used by wealthy individuals for overseas investments. The finance hub, in Prime Minister Narendra Modi's home state of Gujarat, was set up to be a free-market pilot, unhindered by local rules on taxes and capital flows. In January, the special economic zone gave its first in-principle approval to billionaire Azim Premji's family office to invest its capital overseas, raising the hopes of dozens of applications that were in the works

***(Business Standard)***

**Rupee worst performer among Asian peers over August despite mild rise:** The Indian rupee rose slightly on Tuesday but continued to underperform its Asian peers which have rallied to multi-month highs in anticipation of a US rate cut next month. The rupee is the worst performing Asian currency so far this month, down 0.2 per cent against the dollar, while its peers have risen as much as 4 per cent.

***(Business Standard)***

**BANKING &  
FINANCE**



**RBI's Shaktikanta Das receives 'A+' rating for second year in global finance central banker report cards 2024:** The Reserve Bank of India (RBI) Governor Shaktikanta Das received an 'A+' rating for the 2nd consecutive year in the Global Finance Central Banker Report Cards 2024, according to a Global Finance Magazine press release on Monday, August 19. The Indian banking regulator posted on the social media platform X quoting the Global Finance Magazine report on Tuesday, August 20. The Global Finance Magazine released the names of the central bank governors around the world who have earned "A+", "A", or "A-" in its Central Banker Report Cards for the year 2024. The Global Finance report has been grading the central bank governors "A+" to "F" for their



**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](http://www.icmai.in)

success in areas of inflation control, goals for economic growth of the country, stability of the nation's currency, and interest rate management since 1994, according to the official release. The report is released annually and grades central bank governors of close to 100 countries, territories and districts, as per the report.

***(Mint)***

**RBI asks banks to monitor credit-deposit gap to avoid liquidity issues:** Indian banks need to carefully monitor the gap between credit and deposit growth to avoid a potential structural liquidity issue, the governor of the Reserve Bank of India (RBI) said on Tuesday. "Young Indians are aspirational. They get attracted to different markets. There is nothing wrong in it, it's a natural process and a positive development," Shaktikanta Das told local television channel NDTV Profit in an interview. Indian banks' loans rose 13.7% as of July 26 from a year earlier, while deposits grew 10.6%, latest provisional data from the RBI showed. Healthy economic growth and rising urban consumption has boosted loan demand but deposit growth has lagged. Banks must garner more deposits through innovative products and service offerings, Governor Das said. While credit growth and disbursement has become fast paced due to technology, deposit mobilisation, done largely through physical channels, was lagging, he said.

***(Business Standard)***

**Account aggregator ecosystem clocks 100 million consents on framework:** The account aggregator (AA) ecosystem has surpassed 100 million consents on the AA framework with about 80-90 million Indians using the system in the country, said DigiSahamati Foundation (Sahamati) the industry alliance for AA. The number of financial information providers (FIPs) and financial information users (FIUs) has increased to 155 and 475 respectively as of August 2024. In India, AAs act as consent managers that operate independent of FIUs which allows users and businesses to consensually share their financial data and manage consents at one place.

***(Business Standard)***

**BharatPe launches secured loans for merchants, expands credit offerings:** Fintech firm BharatPe, on Tuesday, announced the launch of secured credit products such as two-wheeler loans and loans against mutual funds (LAMF) for its merchants in partnership with lenders such as OTO Capital and Volt Money. Merchants on the fintech platform can avail of two-wheeler loans up to Rs 2.5 lakh from OTO Capital, with a repayment period ranging between 12 and 48 months. The partnership with Volt Money will enable BharatPe to offer LAMF of up to Rs 1 crore, the company said. In 2022, the company entered the gold loans segment for its merchants by partnering with non-banking financial companies (NBFCs). The company had said it would offer loans up to Rs 20 lakh against a gold pledge.

***(Business Standard)***



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



[www.icmai.in](http://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

## INDUSTRY OUTLOOK



**British govt allocates funds to support Tata Steel's decarbonisation:** The British government said it has begun supporting those affected by Tata Steel UK's decarbonisation process with the release of an initial GBP 13.5 million of funding, also available to affected workers for them to retrain or acquire new skills for the employment market. In a statement from the Wales Office on Monday, the government said the funding from the Tata Steel/Port Talbot Transition Board fund will support local businesses which are heavily reliant on Tata Steel as their primary customer, allowing them to turn towards new markets and customers where necessary.

*(Business Standard)*

**Aditya Birla Finance and AU Small Finance Bank partner to launch a co-branded credit card:** Kolkata: Aditya Birla Finance and AU Small Finance Bank have partnered to launch a co-branded credit card even as the Reserve Bank of India tightened the co-branded card rules. The banking regulator earlier in the year said that branding partners for credit cards cannot access customer data or engage in any transaction after the card is initially issued. The RBI rule is focused on increased scrutiny especially on the partnerships between banks and fintechs firms.

*(Economic Times)*

**L&T Finance partners with Cred to offer fast, unsecured personal loans:** L&T Finance has partnered with Cred to offer unsecured personal loans to Cred members who have high credit score and positive repayment history. L&T Finance (LTF) will be offering these loans with its co-lending partner Newtap Finance, a non bank finance company that specialises in digital lending and risk assessment.

*(Economic Times)*





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

[www.icmai.in](http://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



Fax



## REGULATION & DEVELOPMENT

**Government asks UPSC to cancel advertisement for lateral entry into civil services:** Amid backlash from NDA allies and the Opposition, the Government on Tuesday asked the Union Public Service Commission (UPSC) to cancel the advertisement for lateral entry of outsider specialists as officers in the government. In a letter to Union Public Service Commission (UPSC) Chairperson, Preeti Sudan, Union Minister of State for Personnel Jitendra Singh emphasised that the constitutional mandate towards social justice has to be upheld so that deserving candidates from marginalised communities get their rightful representation in the government services. The UPSC has already taken back the advertisement.

***(Business Line)***

**Sebi proposes permitting rights issues without merchant bankers and allotment shares to specific investors:** In an effort to streamline the timeline for rights issues and make the process more market-friendly, the Securities and Exchange Board of India (Sebi) has suggested eliminating the need to file a draft document for a rights issue. Additionally, Sebi is considering allowing companies to carry out the issuance without the involvement of a merchant banker. The capital market regulator has also proposed offering more flexibility in the allotment process to a select group of investors in a rights issue. In a consultation paper released on Tuesday titled 'Faster Rights Issue With Flexibility of Allotment to Selective Investors,' SEBI is considering eliminating the current requirement of filing a Draft Letter of Offer (DLof) with the regulator for obtaining observations.

***(Mint)***

**GST intelligence detects tax evasion of Rs 1.2 trillion so far since 2020:** The Directorate General of GST Intelligence (DGGI) has detected tax evasion of Rs 1.2 trillion, primarily involving the use of fake input tax credit, from 2020 to date, with a special emphasis on identifying and apprehending the masterminds and disrupting syndicates operating across the country, the finance ministry said in a release on Tuesday. According to the release, the Goods and Services Tax (GST) intelligence department has identified about 59,000 potential fake firms for verification and further enquiry, while 170 individuals involved in fraud have been apprehended, as informed during the National Conference of enforcement chiefs of GST.

***(Business Standard)***



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

[www.icmai.in](http://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



Fax



## FINANCIAL TERMINOLOGY

### HORIZONTAL ACQUISITION

- ❖ A horizontal acquisition is when one company acquires another company in the same industry and works at the same production stage. The new combined entity may be in a better competitive position due to increased market share or scalability than the standalone companies combined to form it.
- ❖ During a horizontal acquisition, a company can expand its production of products, but it doesn't mean a pivot for the company. Horizontal acquisitions expand the capacity of the acquirer, but the basic business operations remain the same, unlike an acquisition that creates a wholly different company.
- ❖ An example of a horizontal acquisition would be a candy company that purchasing another candy company with different products but a similar production schedule.
- ❖ The key difference between a horizontal acquisition and a virtual acquisition is that in the latter, the companies would be in the same industry but would have completely different production cycles.



### 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 : 83.7804  
INR / 1 GBP : 108.8821  
INR / 1 EUR : 92.8225  
INR /100 JPY: 57.9700

### EQUITY MARKET

Sensex: 80802.86 (+378.18)  
NIFTY: 24698.85 (+126.20)  
Bnk NIFTY: 50803.15 (+434.80)

### 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.

For details please visit  
BFSIB portal of the ICMAI  
website

### 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 2<sup>nd</sup> 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.