



**ICMAI**  
THE INSTITUTE OF  
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## **DAILY NEWS DIGEST BY BFSI BOARD**

**24 June 2024**



## **ECONOMY**

**Rules eased for SEZs for disposal of waste metal:** The government has eased rules for units in Special Economic Zones (SEZs) involved in reconditioning, repair and re-engineering services allowing them to sell waste metal in the domestic market after paying import duty. SEZ Rules allow import of items for repair and refurbishments subject to the condition that all the units that enter the country get exported. The scrap and other metal waste that is generated in the process also has to be exported. The handling of waste was creating problems for units in SEZs involved in repair and refurbishment as the costs of finding a market for that waste metal and shipping it abroad was proving to be a big burden, a source said.

***(Financial Express)***

**Fintech sector will dominate future Unicorns at USD 58 billion: Hurun report :** India is home to 30 future Unicorns in the Fintech sector, with consumer lending emerging as the dominant subcategory, constituting more than half of the FinTech future Unicorns, ASK Private Wealth Hurun India Future Unicorn Index 2024 observed. The total worth of India's future unicorns will stand at USD 58 billion, an increase of 1.2 per cent as compared to last year. Fintech sector leads with the highest number of companies that can become Unicorns in future. The Fintech start-ups featured in this year's report have collectively raised an investment of USD 5.7 billion. FinTech holds a strong position, commanding a substantial share of the overall value of future Unicorns, with a total of US\$11.4 billion or 20 per cent of the total value. The report defines Unicorn startup which is in existence after 2000 with a valuation of USD 1 billion. Gazelles category startups are those that are likely to go Unicorn in the next three years while Cheetahs category startups could go Unicorn in the next five years.

***(Economic Times)***

**India plans to reduce wheat import duty from July in a bid to cool prices:** India is set to resume wheat imports by lowering the duty on inbound shipments while also imposing stock limits on



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the grain, three officials said, in a new attempt to tame prices and boost supplies. Additionally, the government is planning to kick off open market operations sales. India, the second-largest wheat producer worldwide, has a 44% duty on wheat imports, imposed six years ago, which effectively stopped shipments of the grain. Traders have been asking the government to relax import norms so that they can resume imports at a time international prices are low on account of a glut in Russian production.

*(Mint)*

## **BANKING & FINANCE**



**Canara Bank official X handle compromised; investigations underway:** Canara Bank, one of the country's prominent public sector banks, has issued a notice confirming the hacking of their official X handle. "Canara bank would like to inform to all concerned that the bank's official X (formerly Twitter) account has been compromised. All concerned teams are investigating the matter and working closely with X to regain access to Canara Bank X handle at the earliest". The bank has urged users not to post anything on their X page currently.

*(Business Line)*

**Bank of Baroda aims to double tech team headcount to 3,000 by end of FY26:** State-owned Bank of Baroda is aiming to double its in-house technology team headcount to 3,000 in the next two years, a top official has said. The new additions to the current team strength of 1,500 employees will be done both through the regular hiring processes and lateral hires of specialist talent, Debadatta Chand, its managing director and chief executive officer told PTI recently. "In the next two years, we will double the number of people in our IT team," Chand said after the announcement of its March quarter earnings. Recently, the Reserve Bank of India has taken stringent action on banks for shortfalls in technology architecture which impacted the ability to execute transactions.

*(Business Standard)*

**SBI plans to open 400 branches in FY25: Chairman Dinesh Khara:** As part of the network expansion plan, State Bank of India (SBI) is planning to open 400 branches across the country in the current financial year. The country's biggest lender opened 137 branches last fiscal. Of the total, 59 new rural branches were launched. "We will be identifying locations where the opportunity exists, and in those locations, we plan to open branches. Almost 400 branches we plan to add this year,"



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Chairman Mr. Dinesh Khara said. SBI has a network of 22,542 branches across the country as of March 2024.

*(Economic Times)*

## INDUSTRY OUTLOOK



**NSE's new theme indices offer fresh investment opportunities:** The National Stock Exchange's subsidiary, NSE Indices Limited, this week introduced a new thematic index - Nifty India Tourism Index. According to NSE, the index will aim to capture the performance of travel and tourism-related stocks within the Nifty 500 Index. "This new index underscores the Indian government's ongoing efforts to bolster tourism, which contributes significantly to the nation's economy, accounting for approximately \$199.6 billion to the GDP," NSE said, while launching the index.

*(Business Line)*

**Gautam Adani's executives took home a higher pay than India's second richest man:** Gautam Adani, one of India's wealthiest individuals, took home a salary in the fiscal year ending March 31, 2024 that was lower than the earnings of many executives working under him. Adani, 61, received a total remuneration of Rs 9.26 crore, less than most industry peers. Adani's earnings came from just two of the ten companies in his expansive ports-to-energy conglomerate. The annual reports of these ten listed entities revealed that he drew a Rs 2.46 crore salary from the group's flagship firm, Adani Enterprises Ltd (AEL), which included a Rs 2.19 crore salary and Rs 27 lakh in perquisites, allowances, and other benefits.

*(Business Today)*

**Adani Group plans to merge all cement assets under a single entity:** Adani Group's Ambuja Cements plans to consolidate all cement companies under a single entity in the medium term, according to brokerage firm Jefferies. The brokerage firm published its note last week, after Adani Group companies' investors' meeting in Ahmedabad on June 19. "The company plans to consolidate all cement companies under one head in the medium term. The merger cost is not a deterrent, but the company is working on identifying the best structure in the interest of minority and other stakeholders," the note added.

*(Business Today)*



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## REGULATION & DEVELOPMENT

**Sebi suspects front-running in Sandeep Tandon-owned Quant Mutual Fund:** The market regulator Sebi has conducted search and seizure operations on Sandeep Tandon-owned Quant Mutual Fund suspecting front-running, sources in the know said. The search and seizure operation was conducted across two locations – Mumbai and Hyderabad. Apart from the Quant Mutual Fund’s Mumbai HQ, the other search location was a suspected beneficial ownership connection in Hyderabad, one source confirmed. On Friday, Quant dealers and persons connected with the case were also questioned, sources confirmed. Quant Mutual Fund is founded by Sandeep Tandon. The fund got a mutual fund license from the Securities and Exchange Board of India (Sebi) in 2017. It has been the fastest growing mutual fund in the country, with assets growing from Rs 100-odd crore in 2019 to more than Rs 90,000 crore currently. It crossed assets of Rs 50,000 crore in January this year with a portfolio of 26 schemes and 54 lakh folios.

***(Moneycontrol)***

**GST Council recommends measures to ease compliance, no discussion on review of online gaming taxation:** The GST Council on Saturday recommended measures to ease compliances for GST assesseees, beside giving relief to working professionals and students living in accommodations outside the educational institutions. However, the issue of giving relief to online gaming companies, casinos and horse racing was not part of the agenda for Saturday’s meeting.

The Council recommended waiving interest and penalties for demand notices issued under Section 73 of the CGST Act (i.e. the cases not involving fraud, suppression or wilful misstatement, etc) for the fiscal years 2017-18, 2018-19 and 2019-20. “The condition here is that the full tax demanded is paid up to March 31, 2025,” In order to reduce government litigations, the Council recommended fixing a monetary limit for filing appeals by the tax department before the various appellate authorities. It will be ₹20 lakh for GST Appellate Tribunal, ₹1 crore for the High Court and ₹2 crore for the Supreme Court for filing of appeals by the department. “The Tax Authority would generally not go for an appeal if the monetary limit is less than the prescribed by the GST Council,” Revenue Secretary Sanjay Malhotra clarified. However, the assesseees are free to appeal. The Council recommended reducing the amount of pre-deposit for filing of appeals under GST to ease cash flow and working capital blockage for the taxpayers. The maximum amount for filing appeal with the appellate authority has been reduced to ₹40 crore from ₹50 crore. In case of Appellate Tribunal, the amount would be a maximum



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of ₹40 crore against ₹100 crore. The Council recommended to roll-out the biometric-based Aadhaar authentication of registration applicants on pan-India basis in a phased manner.

The Council also recommended to exempt the services provided by Indian Railways to general public, namely, sale of platform tickets, facility of retiring rooms/waiting rooms, cloak room services and battery-operated car services and to also exempt the Intra-Railway transactions. “These services were earlier exempted but brought under GST so that ITC can be availed. Now the old status has been restored,” Malhotra said.

***(Business Line)***



## FINANCIAL TERMINOLOGY

### FRONT-RUNNING

- ❖ Front-running refers to an illegal practice wherein fund managers/dealers/brokers aware of upcoming large trades put their own orders first so as to profit when the large order is executed and moves the stock. There are multiple ways of doing this depending who conducts the operation.
- ❖ One way is to purchase large blocks in their undercover personal accounts before they are moved to the fund account which results in higher acquisition prices for the publicly owned mutual fund. Usually, these transactions are difficult to trace as they are done through trading accounts that are obviously not in their own names.



### **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 : 83.5860  
INR / 1 GBP : 105.8087  
INR / 1 EUR : 89.5362  
INR /100 JPY: 52.5800

### **EQUITY MARKET**

Sensex: 77209.90 (-269.03)  
NIFTY: 23501.10 (-65.90)  
Bnk NIFTY: 51661.45 (-121.80)

### **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.**

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### **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)**
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### **TEAM BFSIB**

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