

NEWSLETTER

Volume No: 26 | February 2024

From Editor's Desk

The month of February starts with customary Budget presentation by government of India. This year, it was an interim budget (Vote on account) due to impending general elections. Amongst the noticeable features of this budget was the fiscal consolidation path announced by government of India. The government has set the fiscal deficit targets at 5.8%, 5.1% and 4.5% for FY 24, FY 25 and FY 26. Government also announced its borrowing plan which was lower than general expectations. Both these developments lead to a marginal dip in prevailing government yields. Budget was followed by RBI's monetary policy announcement on February 8th wherein it maintained status quo on interest rates which was largely in line with expectations, and that continued to support the range-bound movement of yields.

Macroeconomic support to the country has also come from the higher-than-expected collection in taxes. Direct tax collection (net of refunds), till February 10th is at Rs 15.6 lac crore which is 20% higher than the collection in same period last year. Further, this is 80% of the revised estimate for FY24. RBI's GDP growth projection at 7% for India in FY 25 will keep Indian economy as world's highest growing economy. Any growing economy will have to be agile and adaptable to multiple hiccups on the way.

On the regulatory side, RBI took a strong action against Paytm Payments Bank for its irregularities. Despite request by the Paytm management and some other new-age company founders, regulator has not budged from its hard stance, reflecting the seriousness of the situation. The government of India has tried to create a strong support system for start-ups eco-system over the last few years. Such actions show that there will not be any compromise on irregularities in the name of start-ups. Unfortunately, there have been multiple unwanted incidences in recent past at start-ups like BharatPe, GoMechanic, BYJU's and now Paytm. On the positive note, RBI has issued draft guidelines for setting up of SRO for fintech sector in January 2024.

India: Macro-finance Data

				% Change in last 1 year	% Change in last 3 years
As On	31-01-2024	31-01-2023	29-01-2021		
Nifty	21725.7	17662.15	13634.6	23	59.3
Sensex	71752.11	59549.9	46285.77	20.5	55
Nifty P/E	20.29	21.26	27.18		
Sensex P/E	20.52	19.22	28.22		
RBI Rate (%)	6.5	6.25	4		
10 Yr G Sec (Gol) %	7.14	7.34	5.9		
INR USD	83.04	81.92	72.95	-1.36	-13.82
GST Collection (Rs lakh crore)	1.72	1.55	1.15	10.96	49.56
GDP growth rate %	7.64	4.46	1.59		
Export growth rate %, yoy	0.96	-6.58	0.4		
Import growth rate %, yoy	-4.84	-3.63	8.44		
CPI (Consumer Price Index) %	5.69	6.52	4.59		
WPI (Wholesale Price Index) %	0.73	4.8	1.95		
BSE Mkt Cap Rs Lac Cr	379	270	186	40	103.7
NSE Mkt Cap Rs Lac Cr	376	268	184	40	104.3

Source: Bloomberg

Win attractive prizes by answering simple Quiz.

Details in inside pages....

Congratulation to the Lucky Winners of NISM Newsletter Quiz January 2024:

- Vijay Shivdas Bilsore
- Nalam Prasad
- Benedict John

Highlights of Interim budget FY 2025

- India's real [GDP](#) projected to grow at 7.3% in FY 2023-24
- Fiscal deficit in 2024-25 is estimated to be 5.1% of GDP
- Capital expenditure outlay for the next year is being increased by 11.1% to Rs 11,11,111 crore, which would be 3.4% of GDP
- No change proposed in tax rates in the interim budget
- The gross and net market borrowings through dated securities during 2024-25 are estimated at Rs 14.13 and 11.75 lakh crore respectively and both will be less than that in 2023-24

1. RBI keeps the short-term lending rate unchanged

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The RBI Monetary Policy Committee (MPC) has kept repo rates unchanged at 6.5 percent. It has also decided to remain focused on the withdrawal of the accommodative stance. This is the sixth consecutive unchanged decision and comes after the Interim Budget was announced on February 1, 2024.

2. India's January 2024 services PMI hits 6-month high

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India's services sector performed exceptionally well in January 2024, as purchasing managers' index (PMI) surged to six-month high at 61.8 against 59 in December 2023. Job opportunities, too, recorded a rise last month. The Consumer Price Index (CPI) inflation print in December 2023 was 5.69 percent.

3. India's manufacturing PMI hits 4 month high at 56.5 on robust demand

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India's manufacturing industry improved substantially at the start of 2024 with factory activity expanding at its fastest pace in four months in January on robust growth. India Manufacturing Purchasing Managers' Index, compiled by S&P Global, rose to 56.5 in January from December's 18-month low of 54.9.

4. India's January CPI inflation eases to 5.10%, core inflation drops to 3.6%

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India's headline retail inflation rate decelerated to a three-month low of 5.10 percent in January due to easing food prices. At 5.10 percent, the latest CPI inflation figure is as per expectations.

5. January records 2nd highest monthly GST revenue at ₹1.72 lk cr

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Goods and Services Tax (GST) revenues surpassed ₹1.72 lakh crore in January, the second highest monthly collection and the third over the ₹1.70 lakh crore threshold, with experts attributing the high number to the resilience of the Indian economy and better tax compliance.

6. UPI transactions touch new record of ₹18.4 lk cr

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Transactions worth ₹18.41-lakh crore were processed during January, nearly 1 per cent higher than the previous record of ₹18.23-lakh crore in December 2023. The value of transactions was 42 per cent higher on year

7. Direct Tax collection touches 80% of FY24, hits Rs. 15.60 lk cr

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Net direct tax collection grew 20% year-on-year to Rs 15.60 lakh crore so far in the current financial year, which is 80% of revised Budget estimates for the full financial year. The provisional figures of direct tax collections continue to register steady growth. Direct tax collections up to 10th February, 2024 show that gross collections are at Rs 18.38 lakh crore, which is 17.30% higher than the gross collections for the corresponding period of last year

CORPORATE WORLD

1. Import duty on gold, silver findings and precious metal coins increased to 15%

Indian government has increased import duty on gold and silver findings and coins of precious metals to 15 percent from 11 percent, starting from January 22, 2024. Gold and silver findings are used to produce jewellery.

[Read more](#)

2. Suryoday Yojana sends solar stocks on rally

Solar sector stocks went up after declaration of PM Suryoday Yojana. The government will bear the entire cost of installing solar rooftop systems as part of the Pradhanmantri Suryodaya Yojana, which will offer up to 300 kilowatts of power monthly to one crore low-income households.

[Read more](#)

3. RBI bars Paytm Payments Bank from offering services effective March 2024

Reserve Bank of India has imposed restrictions on Paytm Payments Bank and barred the entity from offering incremental banking services effective March 2024, due to concerns regarding breach of and compliance with regulatory norms.

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REGULATORY DEVELOPMENTS

1. SEBI streamlines reporting norms for depository participants, custodians

[Read more](#)

SEBI streamlined the reporting requirements for designated depository participants and custodians. The decision has been taken after reviewing various reports submitted by the Designated Depository Participants (DDPs) and custodians in order to have uniform compliance standards, for ease of compliance reporting and for regulatory purposes.

2. SEBI releases framework for Offer for Sale to employees through stock exchange

SEBI has released a circular encapsulating the framework for offer for sale (OFS) of shares to employees through stock exchanges such as BSE and NSE. The promoters of eligible companies will be permitted to sell shares within two weeks from the offer for sale (OFS) transaction to the employees of such companies.

[Read more](#)

3. RBI tells banks to improve effectiveness of tech solutions for compliance

[Read more](#)

RBI had carried out an assessment in select Supervised Entities (SEs) of the prevailing system in place for internal monitoring of compliance with regulatory instructions and the extent of usage of technological solutions. This assessment has brought out that automation of the compliance monitoring process in SEs (supervised entities) remains a work in progress with various aspects of this function being carried out with significant manual intervention.

4. RBI allows TRQ holders to make advance payment for gold import via Gift city

The banking regulator RBI has allowed authorised jewellers with tariff rate quote (TRQ) to remit payment eleven days in advance to import of gold through India International Bullion Exchange IFSC (IIBX).

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DEVELOPMENTS IN RELATED AREAS

1. Net FDI, FPI and FII data (2023-2024)

[Read more](#)

FDI, FPI and FII data are out for ready reference in RBI Bulletin for January 2024 with estimates of latest months along with debt transactions of FDI enterprises – point 34 under Foreign Investment Inflows.

2. EPFO removes Aadhaar from list of acceptable documents for proof for updation/correction of date for birth [Read more](#)

The Employees' Provident Fund Organisation (EPFO), which is part of India's Ministry of Labour and Employment, announced that Aadhaar has been removed from the list of acceptable documents for proof of date of birth (DoB) for correction, updation purposes.

3. India eyes \$100 billion annual foreign direct investment in coming years [Read more](#)

India is eyeing \$100 billion in annual foreign direct investment (FDI) "in the next few years". A forecast of 6-8% consistent growth rate over the next full decade, and this forecast is based on a very clearly thought-out strategy attributing to four major engines – infrastructure: both physical and digital, lifting up those at the bottom pyramid of the population, boosting manufacturing, and simplifying processes underlying ease of doing business.

GLOBAL FINANCIAL DEVELOPMENTS

1. US inflation hotter than expected in January at 3.1% [Read more](#)

US inflation came at an annual rate of 3.1% in January, above economists' expectations of 2.9%. In December, the consumer price index stood at 3.4%. Inflation was hotter than expected across the US last month as it continues to fall back from its highest levels in a generation.

2. China says economy grew 5.2% in 2023 [Read more](#)

China's economy last year suffered one of its worst annual performances in more than three decades, as it battled a crippling property crisis, sluggish consumption and global turmoil. Gross domestic product expanded 5.2 percent to hit 126 trillion yuan (\$17.6 trillion).

3. Bank of England sticks with 5.25% interest rate but hints at coming cut [Read more](#)

In a widely expected decision, the Bank's monetary policy committee (MPC) voted by a majority to keep interest rates at the current level of 5.25%, the highest level since the 2008 financial crisis.

4. U.S. Job Growth Surges [Read more](#)

The labor market added 353,000 jobs in January, far more than expected, in a sign that economic growth remains vigorous. The United States produced an unexpectedly sizable batch of jobs last month, a boon for American workers that shows the labor market retains remarkable strength after three years of expansion.

5. US manufacturing sector on cusp of recovery in January 2024 [Read more](#)

U.S. manufacturing stabilized in January amid a rebound in new orders, but inflation at the factory gate picked up. Manufacturing PMI increased to 49.1 in January 2024 from a slightly downwardly revised 47.1 in December 2023. It was the 15th straight month that the PMI stayed below 50.

6. China is taking measures to tighten short selling due to continuous stock market fall

As per Bloomberg, the measures include banning so-called strategic investors from lending out shares during agreed lock-up periods, a practice that often adds pressure on markets during a prolonged slump.

[Read more](#)

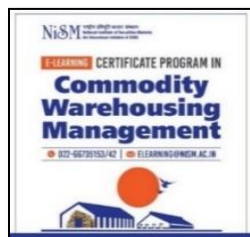
NISM PROGRAMS

Fostering Partnerships



The banner features a central image of hands shaking in partnership, with a modern building in the background. The NISM logo is prominently displayed at the top right, along with its name in Hindi and English: 'राष्ट्रीय प्रतिभूति बाजार संस्थान National Institute of Securities Markets (An Educational Initiative of SEBI)'. Below the logo, the text reads 'PARTNERSHIPS FOSTERING' in large, bold letters. A paragraph follows: 'NISM is Actively engaged in fostering partnerships for enhancing the coverage of financial sector capacity building program. Inviting reputed **Higher Education Institutions** to partner with NISM.' At the bottom, contact information for Mr. Sanjeev Bajaj (General Manager) and Ms. Shubhangi Chaturvedi (Sr. Assistant Manager) is provided, including email addresses and WA/Mobile numbers.

Securities and Exchange Board of India (SEBI) emphasizes the need for a proficient workforce to maintain market efficiency and integrity. Ongoing global, technological, and regulatory shifts demand skilled and adaptable professionals who can navigate market complexities with unwavering commitment to compliance and ethics. In light of the evolving financial landscape, it is evident that enhancing the current academic curriculum offered by Higher Education Institutions can effectively prepare students with the specialized knowledge and practical skills to navigate the dynamic and regulated world of finance. The Financial Services Industry is facing critical shortage of skilled and job-ready professionals to keep pace with its rapid growth and expansion. NISM offers a range of certifications, e-learning, and other long-term programs designed to equip individuals with the necessary skills and updated knowledge to excel in the dynamic field of securities markets. We believe that our expertise in this area can be of great value to the institutions and their students. By collaborating with NISM, HEIs can fulfill the mission of promoting professional development and job readiness among students, while also reaping benefits such as improved job placements, higher rankings, and better admissions. We invite HEIs to explore this opportunity and engage in discussions on how we can work together.



Certificate Program in Commodity Warehousing Management: This e-learning program aims to train the participants with the best practices in the warehousing management industry. The course would enable passionate professionals to handle all functions related to warehousing right from good practices in the commodity eco-system such as storage, price stabilization, minimization of risk, financing, grading and packing. [Read more](#)

NISM Series-XIX-C: Alternative Investment Fund Managers Certification Examination: This certification Examination seeks to create a common minimum knowledge benchmark for AIF Managers and its key investment team to enhance the quality of fund management activities in the AIF space. The certification covers basic understanding of the investment landscape, alternative asset classes, alternative investment funds in India, role and functions of various stakeholders in AIF and basics of portfolio theory. The certification also discusses, in depth, about the due diligence, governance, monitoring and reporting processes followed by an AIF. It also provides an understanding of the role of Investment Managers and their team in performing various activities regarding fund management. The certification further emphasizes on valuation techniques, investment strategies, and performance evaluation along with benchmarking policies adopted by AIFs. The taxation aspects and related regulations to be adhered by the AIFs in India have also been discussed in the certification.



NISM & CRISIL certified e-learning program

[Read more](#)



NISM & CRISIL Certified Credit Underwriter program and Wealth Manager is designed to hone skills to shape critical financial outcomes. The course has been tailored with the perfect balance of conceptual learning, case studies, data trends and examples resulting in a practitioner-oriented approach to learning.

AML for Accounting Professionals

[Read more](#)



Anti-Money Laundering (AML) for Accounting Professionals is a critical aspect of financial stewardship. This specialized eLearning course is a comprehensive guide aimed at empowering professionals with the essential tools to combat financial crimes. From unravelling the fundamentals of money laundering to navigating core concepts and FIU guidelines tailored for professionals, this course delves into a risk-based approach and emphasizes Know Your Client (KYC) practices. Participants will explore vulnerabilities within accounting services, identify red flags, and master transaction monitoring, ultimately learning to design a robust AML/CFT framework.

Financial Planning (Basic)

[Read more](#)



Discover the fundamentals of managing your or your clients' finances with our "Financial Planning (Basic)" course. Perfect for beginners and those looking to establish a strong financial foundation, this course covers essential topics such as need for financial planning, financial planning process, risk management, investment planning, and the roles and responsibilities of a SEBI registered investment adviser. Explained in simple - terms, this course ensures that financial planning concepts are easily understood by the learner. Whether you are an individual or an investment advisor, this course provides practical skills that can be applied immediately to secure your or your clients' financial well-being.



Take your financial knowledge to the next level with our “Financial Planning (Advanced)” eLearning course. Designed for individuals with an understanding of basic financial concepts, this course delves into advanced topics such as goal prioritization, application of time value of money, building retirement corpus, and regulatory framework for SEBI registered investment advisers. Led by experts in the field, this course challenges you to explore complex financial scenarios using case studies, equipping you with the tools to navigate intricate financial landscapes. Whether you are a seasoned investor or an investment adviser looking to enhance your expertise, this course provides advanced insights to elevate your financial planning skills.

Registration Open: 5th SEBI-NISM Research Conference



SEBI and NISM in association with NSE and BSE are glad to invite academicians, researchers, policymakers, regulators, students and other stakeholders to participate in the 5th SEBI-NISM Research Conference on “Sustained Capital Formation –The Way Forward”. The conference is to be held during March 13-14, 2024 in physical mode at NSE, BKC, Mumbai (Day-1) & NISM Campus, Patalganga (Day-2). Panel Discussions will be conducted at NSE, BKC, Mumbai on Day-1. Selected Research Papers will be presented at NISM Campus, Patalganga on Day-2.

National Financial Literacy Quiz 2024

SEBI & NISM are organizing National Financial Literacy Quiz 2024 to promote financial literacy in the country. All students at UG and PG level are eligible to apply. The Round 1 - Online Quiz is live now. The online quiz ends on April 30, 2024. The quiz is completely free of cost and prizes worth ₹10 lakhs are up for grabs. To register your college and students, please visit <https://nflq.nism.ac.in>



NISM NEWS



World record by LLM. Students

[Read more](#)

Ms. Ankita Gupta and Ms. Pragya Sinha, of LL.M (2023-24) batch, set a world record on October 25, 2023 by writing SEBI Act and FEMA Act in poetic form. Their achievement was recognized by the International Book of Records, marks them as the youngest individuals to accomplish this feat. Their innovative approach aims to make learning about these regulatory frameworks more engaging and enjoyable, demonstrating creativity and dedication to education.

Workshop on Inflation, Commodities and Markets



NISM conducted a 5-day Workshop on Inflation, Commodities, and Markets for IES Officers and SEBI Officers from January 15 to 19, 2024, at NISM Campus, Patalganga. The program was aimed at familiarizing the role of commodities in the current economic scenario and analyzing the appropriateness of policy measures considering the underlying market fundamentals, contemporary market developments, and prices. On the commencement day, Dr. V Shunmugam, adjunct professor at NISM, briefed the participants about the coverage of the workshop, its objectives, and the schedule. This workshop elaborated on various commodities of economic significance to India, benchmark spot and futures markets and prices, functioning of commodity derivative markets, economic data releases, ways to interpret the price signals, Price Reporting Agencies (PRAs) and their increasing role in enabling commodity transactions, its relevance to policymaking and risk management, contemporary developments in commodity derivative markets, the terminal of Bloomberg and its utility, various services provided by PRAs, and finally a hands-on session on the securities markets to understand the process of price discovery, trading and clearing in the securities markets, etc.

Inauguration of 2nd Batch of Certificate Program in Custodian Services



NISM conducted Certificate Program in Custodian Services (CCS) jointly with ICICI Bank (second batch) at NISM campus, Patalganga starting on January 15, 2024. Dr. Kapil Shrimal, Program Director (CCS) welcomed the participants from ICICI Bank, introduced the program structure, delivery mode and briefed about the session plan, followed by the inauguration of the course by Dr. Rachana Baid, Dean (Academics) NISM. She congratulated all the participants, and shared with them the role and importance of custodian in capital markets. Mr. Avinash Kansal (Head – Capital Markets and Custody Group) from ICICI Bank addressed the participants, highlighted the benefits of the program for their career growth. Other officials from the ICICI Bank also interacted with the participants. Total 29 participants from the Custody team of ICICI Bank has joined the program.

NISM 4th Alumni Meet



NISM hosted its 4th Alumni Meet on January 27, 2024, at the NISM Patalganga Campus. A total of 185 alumni from diverse long-term programs attended the meet. The event was graced by Chief Guests – Mr. Pranjal Kamra, CEO of Finology Ventures Pvt. Ltd., and Mr. Siddhartha Rastogi, Managing Director & COO at AMBIT Asset Management. Dr. Rachana Baid, Dean Academics, delivered the welcome address followed by Mr. Sunil J. Kadam, Registrar, who shared his experience with the audience. The day continued with sports tournaments like Turf Cricket, Badminton, Chess, and Carrom, where alumni showcased their competitive spirit. The festivities continued into the evening with a captivating cultural night.

SMARTs training program



Two days Training Programme for Empanelment of Securities Market Trainers (SMARTs) was conducted at Bengaluru on January 11 to 12, 2024. 44 participants attended the program. Shri. G P Garg, Executive Director, SEBI, Shri Sahil Malik, Chief General Manager, SEBI and other officials from SEBI and NISM graced the programme. During the two-day programs, distinguished representatives from SEBI and MIIs conducted enlightening sessions on a wide array of topics including Initiatives of SEBI – From Investor’s perspective and ease of investment in securities market, Depository Services and issues related to Demat, Investing in Securities Market (Primary and Secondary) – KYC, etc. An interactive session with SEBI and MIIs (Exchanges and Depositories) was conducted for the benefit of all participants.

Webinar on Understanding Real Estate Investment Trusts (REITs)



A webinar on topic “Understanding Real Estate Investment Trusts (REITs)” was conducted on January 19, 2024. Mr. Kunj Bansal, General Manager, NISM was the speaker of the webinar. During the webinar, Mr. Kunj Bansal provided valuable insights into REITs, key features, types of, mechanics of REITs, strategies for successful investing, benefits and Risks involved. The queries of the participants were also addressed. The webinar was aimed to provide comprehensive understanding of Real Estate Investment Trusts and the potential they offer to enhance the investment portfolio. The webinar recorded attendance of more than 950 participants.

Answer questions of the quiz to win attractive prizes.

NISM Newsletter Quiz

Three lucky winners who give all correct answers will be given complimentary subscription to NISM’s e-learning module on Mutual Funds.

▪ Last date to participate is February 29, 2024

#Terms and condition apply.

FOOD FOR THOUGHT – FROM NISM BRAINS

- **Dr. Rachana Baid** – “The problems small-cap funds face” featured in Business Line on February 07, 2024. [Read more](#)

The most important and fastest-growing part of the mutual fund industry is funds that invest in stocks. Mutual funds companies get compensated on assets under management, very few have voluntarily restricted fresh flows into their funds. Others perhaps require regulatory nudging. A key challenge in this space is that it is difficult to measure liquidity transformation risks for small-cap mutual funds.

- **Dr. Rachana Baid** – “Thrill seeking investors and regulatory nudges” featured in AIBI annual convention 2023-24 on January 19, 2024 (page no 68 & 69). [Read more](#)

The common mistakes people make; regulators can use insights and design regulatory interventions to make investors understand or evaluate their decisions, including the implication of costs and risks. Behavioural insights bearing in mind how people actually process the available information will help in designing regulatory interventions effectively.

- **Dr. V Shunmugam**: “Seeds sown for agriculture and food processing sector in Interim Budget need energetic nurturing” featured in Business Line on February 02, 2024. [Read more](#)

As the demand for processed food rises steadily, Budget 2024 offers promising opportunities for the agriculture and food processing sectors. Implementation is going to be key. Enhancing logistics, connectivity to quality testing and standardisation, and scientific warehousing through public investments would be equally critical to driving e-NAM deep into the farming hinterland.

- **Ms. Rasmeet Kohli**– “It's time for India to strengthen the SLB Landscape?” featured in Mint on January 23, 2024. [Read more](#)

On January 5, 2024, SEBI reiterated the short selling framework with emphasis on disclosures. The author expresses that stock exchanges have been publishing scrip-wise short-sale quantity on a daily basis; however, data reporting with the bifurcation stated by the regulator would lend more credibility and aid informed investing. Further, the investors could examine short-selling data before entering into new trades. Additionally, market infrastructure institutions should develop systems for monitoring various forms of short selling, reducing reliance on brokers for data uploads. Perhaps this could be achieved through decentralized stock markets and adoption of blockchain technology. Further, the author takes the opportunity to educate investors about the availability of securities lending and borrowing (SLB) window which can provide the necessary impetus to short-selling. The author advocates for reforms in the SLB to encourage short selling through SLB window.

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