

NEWSLETTER

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From Editor's Desk

The stake of Foreign Institutional Investors (FIIs) in Indian companies has reached its lowest point in 11 years, standing at approximately 17.7% as of March 2024. This decline is not surprising considering the volatile nature of FII flows into the Indian market. In contrast, Domestic Institutional Investors (DIIs) have seen a surge in their stake, reaching a record high of 16.05% as of March 31, 2024. This increase is driven by net inflows of Rs.1.08 lakh crore (around \$13 billion) during the quarter. Mutual funds hold a record high stake of around 8.9%, making them significant buyers in the Indian market. The Life Insurance Corporation (LIC) holds around 3.7% of the stake, while all insurance companies combined hold approximately 5.4%.

This shift in the composition of stakeholders in the Indian market is noteworthy – its dependence on global investors has been reducing. While global investors are still desirable, a higher dependence on global flows in the past has often led to excessive market volatility. The absence of a significant counterbalancing force through domestic participation has been a limitation. However, if inflows into domestic institutions continue, we can expect relatively less volatility in the Indian market. Of course, it is possible that this might reduce the scope for market correction.

In the United States, the Federal Reserve (Fed) has maintained its interest rate, keeping the benchmark interest rates unchanged at a 23-year high level of 5.25% - 5.50%. This decision has been consistent over the past six policy-setting meetings of 2024, with the Fed citing a lack of further progress toward their two percent inflation objective. After implementing a swift series of rate hikes totaling 5.25 percentage points since March 2022 in response to rising price pressures, the central bank has chosen to keep the policy rate on hold since July 2023 to anchor high inflation.

It is worth noting that the Reserve Bank of India (RBI) has also maintained its interest rate at 6.5% for the past seven meetings. The RBI paused its rate increase cycle in April 2023 following six consecutive rate hikes totaling 250 basis points since May 2022. In India, inflation is approaching the target mandated by the government, which aims to maintain retail inflation at 4% with a margin of 2% on either side. However, uncertainties in food prices present challenges, and the RBI is closely monitoring robust growth prospects while remaining focused on managing inflation before considering any reduction in interest rates.

On the regulatory front, the Securities and Exchange Board of India (SEBI) has approved significant changes to curb front running in Asset Management Companies (AMCs). Additionally, SEBI has announced that funds established in International Financial Services Centres (IFSC) will be permitted to have 100% contribution from Non-Resident Indians (NRIs), Overseas Citizens of India (OCIs), or Resident Indians (RIs) provided they submit PAN cards or self-declarations along with identity documents. Funds seeking 100% contribution from NRIs, OCIs, or RIs can also do so without submitting these documents, provided they meet certain conditions.

India is currently undergoing general elections, and the results will be available on June 4th. Following the elections, the new government will present its budget, which will be closely watched by various stakeholders.

Happy Reading!

India: Macro-finance Data

				% Change in last 1 year	% Change in last 3 years
As On	30-04-2024	28-04-2023	30-04-2021		
Nifty	22604.8	18065.0	14631.1	25.1	54.5
Sensex	74482.7	61112.4	48782.4	21.8	52.7
Nifty P/E	20.8	19.1	21.0		
Sensex P/E	21.2	20.0	21.5		
RBI Rate (%)	6.5	6.5	4		
10 Yr G Sec (Gol) %	7.18	7.11	6.03		
INR USD	83.4	81.8	74.08	-1.9	-12.6
GST Collection (Rs lakh crore)	2.1	1.8	1.41	12.4	48.9
GDP growth rate %	8.36	6.18	3.29		
Export growth rate %, yoy	-0.67	-5.87	196.9		
Import growth rate %, yoy	-5.98	-3.44	168.9		
CPI (Consumer Price Index) %	4.85	5.66	4.23		
WPI (Wholesale Price Index) %	0.53	1.41	10.74		
BSE Mkt Cap Rs Lac Cr	406	271	207	49.8	96.1
NSE Mkt Cap Rs Lac Cr	403	270	205	49.2	96.6

Source: Bloomberg

**Win attractive
prizes by answering
simple Quiz.**

**Details in
inside pages....**

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

- Sudhir Kumar
- Adish Pandit
- Monika Khandelwal

IMF raises India's FY24 GDP growth forecast to 7.8%

The IMF has revised its growth [forecast](#) for India upward. The IMF has raised its outlook for India's FY24 growth to 7.8%, surpassing the government's estimate of 7.6%. The IMF report highlighted that "India and the Philippines have been the source of repeated positive growth surprises, supported by resilient domestic demand."

The IMF anticipates a more favorable situation for emerging markets, where inflation is already at or near the target. Core inflation is largely expected to remain contained. As for headline inflation, several economies may experience further reductions due to lower [energy](#) prices while in others (for example, India), food price pressures—especially for rice—may slow headline disinflation.

India's inflation rate fell to a 10-month low of 4.9% in March, although food [inflation](#) remained persistent above 8%. The IMF has maintained its FY25 forecast for India at 4.6%, with a further decrease to 4.2% in FY26. The Reserve Bank of India anticipates inflation to drop to 4.5% in the current fiscal year.

In addition to India's positive outlook, the [IMF](#) has raised its forecast for the Asia and Pacific region to 4.5% from the previously projected 4.2% in October. The fund noted that the region's economic slowdown in 2024 is expected to be less severe than initially anticipated, as inflationary pressures continue to ease. The IMF also highlighted those risks to the near-term outlook are more evenly balanced.

1. GST collection reaches record high of Rs. 2.1 lakh crore in April 2024

[Read more](#)

GST collection in April stood at Rs 2.1 lakh crore marking a 12.4% increase compared to the same period last year's GST collections. The total cess collection was Rs 13,260 crore, including Rs 1,008 crore collected on imported goods.

2. UPI transactions scales new high in FY 2024

[Read more](#)

Unified Payment Interface (UPI) transactions in India recorded a 57% rise in volume to 131 billion in fiscal year 2023-24. This is the first time that the volume of transactions has crossed 100 billion. Value of transactions rose 44 per cent during the year, to Rs.199.9 trillion. In March 2024, volume of transactions rose 55 per cent year-on-year to 13.4 billion while value rose 40 per cent year-on-year to Rs.19.8 trillion.

3. India's positive demand trends fuel composite PMI to 62.2 in April

[Read more](#)

The index measuring the month-on-month change in the combined output of India's manufacturing and service sectors was inside growth territory for the 33rd consecutive month. The headline flash composite Purchasing Managers' Index (PMI) rose to 62.2 in April, compared with March's 61.8, which had seen an upward revision.

4. India's manufacturing PMI at 58.8 in April

[Read more](#)

India's manufacturing activity in April 2024 stood at 58.8. The HSBC final India Manufacturing Purchasing Managers' Index, compiled by S&P Global, signalled the second-best improvement in the health of the sector for 3.5 years. The PMI was comfortably above the neutral mark of 50.0 and its long-run average of 53.9.

5. India's April PMI services growth strong at 60.8

[Read more](#)

Growth in India's dominant services industry was at 60.8 in April, it remained sturdy on robust domestic and foreign demand, lifting business confidence to a three-month high. Favorable market conditions and

buoyant demand pushed the new business sub-index to a three-month high, the third-highest in around 14 years.

CORPORATE WORLD

1. Easing FDI norms in space sector to attract foreign players, boost demand for high-tech jobs [Read more](#)

The government's decision to ease FDI rules in the space sector is expected to attract foreign players, boost tech jobs, and foster innovation. The move enables 100% foreign investment in satellite components, supporting infrastructure development and creating new business opportunities.

2. Mutual fund stake in NSE-listed cos at all time high; FPIs at 11-yr low [Read more](#)

Mutual funds' ownership in NSE-listed companies reached an all-time high of 8.92 per cent in three months ended March 2024 propelled by net inflows of Rs 81,539 crore during the quarter. In comparison, the holding of mutual funds was at 8.81 per cent in the quarter ended December 2023.

3. Commercial banks for 1-2% project finance provisioning; RBI proposed 5% [Read more](#)

Commercial banks are planning to write to the RBI, seeking a lower provision rate of 1-2% as compared to the 5% proposed in the recent draft norms on project finance. These draft norms propose to increase standard asset provision to 5%, even for existing loans, from 0.4% currently.

REGULATORY DEVELOPMENTS

1. SEBI proposes special call auction for price discovery of holdcos [Read more](#)

The SEBI proposed a new framework for price discovery of listed investment holding companies (holdcos) to address the gap between their traded price and book value. Investment holding companies (IHCs) are firms that only hold investments in different asset classes including shares of other listed companies, mostly belonging to group firms. These IHCs usually trade at a high discount to the value of their holdings.

2. IBBI cracks the whip on a dozen insolvency professionals [Read more](#)

IBBI's focus comes in the context of the government's efforts to clean up the corporate and the financial sector balance sheets, which is seen as a vital for a fresh investment cycle. A dozen of professionals looking after affairs of bankrupt firms taken over by lenders have faced disciplinary action by the IBBI, showing the regulator is taking a dim view of lapses in the following bankruptcy Code provisions.

3. SEBI extends cross-margin benefits for futures with different expiry dates [Read more](#)

The cross-margin benefits are provided if both the correlated indices or an index and its constituents, as the case may be, have the same expiry day. SEBI extended the cross-margin benefit between index futures position and constituent stock futures position in the derivatives segment for offsetting positions with different expiry dates.

4. SEBI releases framework for entering unliquidated assets of AIFs into dissolution period [Read more](#)

If an alternative investment fund (AIF) or its manager wants to enter unliquidated assets of a scheme into dissolution period, then they have to arrange bid for a minimum of 25% of the value of the unliquidated assets.

5. SEBI Board approves major changes to curb front-running in AMCs; to increase participation in IFSC-based FPIs [Read more](#)

SEBI's board approved a framework that makes it easier for non-resident Indians, overseas citizens of India (OCI) and resident Indians (RIs) to participate in foreign portfolio investors (FPIs) based out of International Financial Services Centres (IFSCs) in India, and asked asset management companies (AMCs) to have an institutional mechanism for deterrence of potential market abuse including front-running.

6. SEBI gives nod to ICRA's arm to provide ESG ratings [Read more](#)

SEBI has given approval to ICRA's subsidiary Pragati Development Consulting Services Ltd (PDCSL) to provide environmental, social, and governance (ESG) ratings. This development positions the ICRA Group among the few Indian entities offering holistic risk-monitoring solutions, including ESG.

DEVELOPMENTS IN RELATED AREAS

1. Mumbai records more than 11,500 property registrations in April 2024; ₹1,043 crore collected in stamp duty [Read more](#)

The enduring confidence of homebuyers in the Mumbai market has maintained a positive outlook. This optimism has driven Mumbai's property registrations consistently exceeding 10,000 mark for the fourth consecutive month in 2024. Of the overall registered properties, residential units constitute 80%.

2. Global air passenger demand rises to 13.8% in March [Read more](#)

The global air passenger demand in March rose to 13.8% in comparison to the year-ago period. The total demand is measured in revenue passenger kilometres (RPKs). Total capacity, which is measured in available seat kilometres (ASK), was also up 12.3% YoY. The March load factor for the global airline industry was up just 1% YoY at 82.0%.

3. RBI's Gold Purchase in March quarter higher than 2023 Annual Purchase [Read more](#)

The Reserve Bank of India grew its gold reserves by 19 tonnes during the March quarter and it was higher than last year's annual net purchases of 16 tonnes. Gold prices have been on an upward cycle in the March quarter having risen more than 13% since the beginning of the calendar year 2024. Prices had gone up more than 10% in 2023.

GLOBAL FINANCIAL DEVELOPMENTS

1. Fed leaves rates unchanged, flags 'lack of further progress' on inflation [Read more](#)

The U.S. Federal Reserve held interest rates steady and signaled it is still leaning towards eventual reductions in borrowing costs, but put a red flag on recent disappointing inflation readings that could make those rate cuts a while in coming.

2. US GDP Growth Slows Sharply to 1.6% in Q1 Vs 3.4% A Year Ago [Read more](#)

The US economy's gradual slowdown reflects, in large part, the much higher borrowing rates for home and auto loans, credit cards and many business loans that have resulted from the 11 interest rate hikes by US Fed.

3. Yen sinks to 34-year low past 160 per dollar [Read more](#)

The yen sank to a new 34-year low past 160 per dollar after a forecast-beating US inflation reading dented expectations for Federal Reserve interest rate cuts this year. It touched 160.17 in trade - its weakest since 1990.

NISM PROGRAMS

Fostering Partnerships



The banner features a central image of hands shaking in partnership, with silhouettes of people in the background. To the right, the NISM logo is displayed with its full 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 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.'

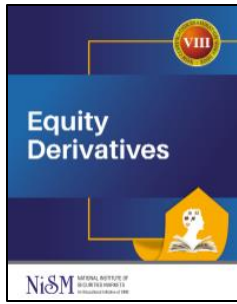
Securities and Exchange Board of India (SEBI) emphasizes the need for a proficient workforce to maintain market efficiency and integrity. Ongoing global, technological, and regulatory shifts demand skilled and adaptable professionals who can navigate market complexities with unwavering commitment to 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.

Corporate and Securities Markets Compliance (Executive Program)



The banner is a promotional graphic for the Corporate and Securities Markets Compliance (Executive Program). It features the NISM logo on the left, a QR code with the URL 'bit.ly/CSMC-AF', and the ICSI logo with the text 'THE INSTITUTE OF Company Secretaries of India भारतीय कंपनी सचिव संस्थान'. A central text block reads: 'Corporate and Securities Markets Compliances (Executive Program)'. To the right, a red circular badge states 'Admission Open' and 'Last date to apply 31st May, 2024'. The background shows a modern building and a circular graphic with icons for 'RULES', 'STANDARDS', 'COMPLIANCE', 'LAW', and 'REQUIREMENTS'. At the bottom, it says 'One Year Full Time Residential Program at, NISM Patanganga Campus, Near Navi Mumbai'.

CSMC (Executive Program) is a one-year residential program that provides students with exposure to a wide range of subjects covered in the CS executive program. In addition, the program includes added subjects related to listed issuers and securities market compliances such as an Overview of securities markets, Issuer compliances, Intermediaries Compliances, Derivatives, and corporate governance. The curriculum is carefully crafted and benchmarked with the best and contemporary texts. The program also includes application-based teaching pedagogy and industry internship that serves as a strong foundation for further grooming and growth into various career paths in the corporate/ financial/ securities markets compliance role. CSMC students are positioned to take up a wide range of roles and responsibilities of compliance professionals with the listed companies, market infrastructure institutions, and intermediaries. Last date of application is May 31, 2024.



NISM Series-VIII: Equity Derivatives Certification Examination: This examination seeks to create common minimum knowledge benchmark for associated persons functioning as approved users and sales personnel of the trading member of an equity derivatives exchange or equity derivative segment of a recognized stock exchange. The certification covers basics of the equity derivatives, trading strategies using equity futures and equity options, clearing, settlement and risk management as well as the regulatory environment in which the equity derivatives markets operate in India.

NISM certified e-learning program

[Read more](#)

Financial Literacy Course for Bharat
Fostering financial literacy, one learner at a time.

NISM राष्ट्रीय प्रतिभुति बाजार संस्थान
National Institute of Securities Markets
A Capacity Building Initiative of SEBI

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Financial literacy is a universal necessity for individuals seeking to enhance their financial acumen and secure their financial future. It is the cornerstone of sound financial decision-making. It encompasses understanding various financial instruments, managing finances effectively, planning for the future, assessing risks, and grasping the dynamics of the financial landscape.

AML for Accounting Professionals

[Read more](#)

AML for Accounting Professionals

NISM राष्ट्रीय प्रतिभुति बाजार संस्थान
National Institute of Securities Markets
(An Educational Initiative of SEBI)

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](#)

Financial Planning (Basic)

NISM राष्ट्रीय प्रतिभुति बाजार संस्थान
National Institute of Securities Markets
(An Educational Initiative of SEBI)

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.

Financial Planning (Advanced)

[Read more](#)

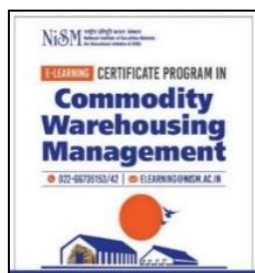


Take your financial knowledge to the next level with our “Financial Planning (Advanced)” eLearning course. Designed for individuals with an understanding of basic financial concepts, this course delves into advanced topics such as goal prioritization, application of time value of money, building retirement 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.

SME Listing and Compliance



SMEs (Small and Medium Enterprises) play an important role in driving innovation, creating employment, and contributing to the country's GDP. As they want to expand their horizon by opting for public listing, comprehensive understand of the listing process is essential. The intricacies of regulatory frameworks, disclosure norms, and corporate governance standards are crucial elements that influence the success of SMEs in the capital market. Acquiring knowledge in SME listing and compliances helps entrepreneurs and professionals to navigate these complexities.



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 NEWS

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 Securities Market Primer.

- Last date to participate is May 31, 2024

#Terms and condition apply.

SMARTs Training Programs



Training Programs for Empanelment of Securities Market Trainers (SMARTs) were conducted and organized at two different locations in April 2024 at NISM Patalganga campus and Lucknow. The programs were graced with the presence of Shri G.P. Garg, Executive Director, SEBI and other senior officials from SEBI and NISM. During the two-day programs, distinguished representatives from SEBI and MIIs conducted enlightening sessions on a wide array of topics including Investing in Securities Market, Depository Services and issues related to Demat, Investing in Mutual Funds, and others. The participants were also provided with the opportunity to make group presentations on different topics. An interaction with MIIs was conducted to provide the participants an overview of conducting investor awareness programs by SMARTs. The programs received positive response from the participants.

Training Program for Investor Service Centre Officials



Training Program for Investor Service Centre Officials was organized in April 2024 at NISM Campus, Patalganga. The participants included the ISC Officers from National Stock Exchange and Bombay Stock Exchange. The program commenced with a simulation lab session for the participants. Shri Kunj Bansal, General Manager of NISM, welcomed the dignitaries and participants. This was followed by an inaugural address by Shri G.P. Garg, Executive Director, SEBI.

Over the course of two consecutive days, participants engaged in sessions covering a range of topics such as Overview of Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), an Overview of Operations of various Listed companies, SEBI registered intermediaries/Regulated entities, and complaints against them, as well as sessions on Mutual Funds, Collective Investment Scheme (CIS),

Portfolio Managers, New Vs Old SCORES, SMART ODR and Centralized Mechanism for Reporting the Demise and more. The esteemed speakers of the sessions were Shri Sahil Malik, CGM, SEBI, Ms. Amy Durga Menon, GM, SEBI, Shri S. Manjesh Roy, GM, SEBI and other senior officers from SEBI, NISM and NSE. A session on Customer facing skills was also organized for the participants which included Soft skills for handling investor/investor complaints and Role Play. In total, 53 participants actively participated in the training program, enhancing their knowledge and skills in investor service and complaint resolution.

FOOD FOR THOUGHT – FROM NISM BRAINS

- **Dr. Rachana Baid & Dr. CKG Nair:** “Confidential IPO filing: What it implies for firms & investors” featured in Financial Express on May 06, 2024. [Read more](#)

Pre-filing of draft Red Herring Prospectus (PDRHP) is an optional mechanism enabled by SEBI in 2022. The approval from SEBI under confidential filing, gives firms a long time to hit the market. 45% of the companies do not go for public issue after filing DRHP. High market volatility is one of the reasons for the companies not proceeding with IPO listing. By keeping the IPO filings confidential, there is a higher chance of companies deciding not to proceed with the IPO.

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