

NEWSLETTER

Volume No: 30 | June 2024

From Editor's Desk

India's GDP number for final quarter of FY24 was released at the end of May 2024. India's GDP grew by 7.8% in Jan – March 2024 quarter. GDP growth for full year FY24 was at 8.2%. This surge marks an improvement from the 7.0% growth recorded in the preceding fiscal year, showcasing the resilience and strength of the Indian economy amidst evolving global dynamics. Sector-wise analysis further illuminates the economic landscape, with real gross value added (GVA) experiencing a growth rate of 7.2% in 2023-24, compared to the 6.7% growth observed in 2022-23. The manufacturing sector has emerged as a key driver of this growth, witnessing a surge of 9.9% in 2023-24, a stark contrast to -2.2% growth registered in the previous year.

On the sectoral developments side, domestic air passenger traffic grew 5.1% year-on-year to an estimated 138.9 million in May 2024 and was significantly higher by around 14 per cent than pre-COVID levels. India's power consumption surged by 15% to 156.31 BU in May 2024 attributable to scorching heat, leading to increased use of cooling appliances. Peak power demand hit a record high of 250.07 GW, surpassing the previous peak of 243.27 GW. The life insurance industry's new business premium increased by 15.5 per cent year-on-year in May 2024, aided by growth across segments. The industry earned premiums worth Rs 27,034.2 crore in May 2024 compared to Rs 23,477.8 crore in the year-ago period.

GST collection continues to show growth. Gross GST revenue collection in May 2024 is at ₹1.73 lakh crore that is a growth of 10% over last year.

The Reserve Bank of India (RBI) has made several significant announcements in recent months. Firstly, the RBI board approved the transfer of a record ₹2,10,874 crore as surplus to the Central Government for the 2023-24 accounting year. This is 141% higher than the ₹87,416-crore dividend payout in the previous fiscal year, and exceeds both the government's budget estimate and analysts' expectations of around ₹1 lakh crore. This massive dividend is expected to help the government achieve its fiscal deficit target of 5.1% of GDP for FY25.

Secondly, the Monetary Policy Committee (MPC) of the RBI decided to keep the repo rate unchanged at 6.5% for the eighth consecutive meeting. While noting the progress on disinflation without hurting growth, the MPC remains vigilant to any upside risks, particularly from food inflation, which could derail the disinflationary path. The governor emphasized that monetary policy must continue to prioritize price stability to lay a strong foundation for high, sustained growth. Additionally, the RBI announced that it will be moving 100 metric tonnes of its gold stored in the UK to domestic vaults in FY24. This is a neutral development economically, as it only involves the physical relocation of the gold and does not impact any macroeconomic parameters.

Finally, with a new government in place after the recent general elections, the upcoming budget will be closely watched to gauge the administration's priorities and policy direction.

Happy Reading!

India: Macro-finance Data

				% Change in last 1 year	% Change in last 3 years
As On	31-05-2024	31-05-2023	31-05-2021		
Nifty	22530.7	18534.4	15582.8	21.5	44.5
Sensex	73961.3	62622.2	51937.4	18.1	42.4
Nifty P/E	20.6	19.5	22.5		
Sensex P/E	20.9	20.3	24.1		
RBI Rate (%)	6.5	6.5	4		
10 Yr G Sec (GoI) %	6.97	6.98	6.02		
INR USD	83.4	82.7	72.6	-0.89	-14.9
GST Collection (Rs lakh crore)	1.7	1.6	1.02	10.1	69.6
GDP growth rate %	7.76	6.18	3.29		
Export growth rate %, yoy	1.08	-10.31	69.51		
Import growth rate %, yoy	10.27	-6.58	74.89		
CPI (Consumer Price Index) %	4.83	4.31	6.3		
WPI (Wholesale Price Index) %	1.26	-3.61	13.11		
BSE Mkt Cap Rs Lac Cr	412	283	222	45.5	85.5
NSE Mkt Cap Rs Lac Cr	405	281	221	44.1	83.2

Source: Bloomberg

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

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

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

- Bhavin
- Vinit
- Ganesh Kumar

India Q4 GDP Data Highlights: FY24 growth hits 8.2%

India's ([GDP](#)) growth for the January-March quarter of fiscal 2023-24 (Q4 FY24) came in at 7.8%, driven by strong growth in the manufacturing sector. The Indian economy grew by 8.2% for the full year FY24.

The real gross value added ([GVA](#)) grew at a rate of 7.2% in 2023-24, compared to the 6.7% growth observed in 2022-23. The growth propelled the Indian economy to \$3.5 trillion. It is to be noted that the growth in 2023-24 is much higher than MOSPI's second advance estimate of 7.6% released in February.

The combined Index of eight [core](#) industries (ICI) recorded a provisional growth of 6.2 per cent in April 2024 compared to April 2023, according to data released by the Ministry of [Commerce](#) & Industry. This positive trend reflects increases in the production of key industries including electricity, natural gas, coal, steel, refinery products, crude oil, and cement.

1. GST collection rises 10% to ₹1.73 lakh crore in May 2024

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India's gross goods and services tax (GST) collections rose to ₹1.73 lakh crore in May, growing 10 per cent year on year (YoY) driven by increased revenues. The growth in GST collections was driven by an increase in revenues from domestic transactions (up 15.3%) over the slowing of imports (down 4.3%).

2. UPI transactions clock new record in May at Rs 20.45 trillion

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UPI transactions clocked a new high in value in May by processing 14.04 billion transactions worth Rs 20.45 trillion. This was a six per cent increase compared to 13.30 billion in April in terms of volume and 4 per cent in value terms against Rs 19.64 trillion in April 2024.

3. India's services PMI stood at 60.2 in May 2024

[Read more](#)

India Services Purchasing Managers' Index (PMI), stood at 60.2 in May from 60.8 in April and 61.2 in March. The reading, however, remained above the 50 mark, which separates expansion from contraction, for 34 months.

4. India Manufacturing PMI is at 57.5 for the month of May 2024

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India Manufacturing PMI came in at 57.5 in May 2024, this signaled a substantial improvement in the country's manufacturing sector, amid a softer rise in new orders and output. Also, employment rose to one of the greatest extents seen since data collection started in March 2005.

5. India Receives Foreign Direct Investment inflow Of \$72.9 billion in FY24

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Maintaining consistency in attracting foreign investment inflows, India has received a total foreign direct investment (FDI) inflow of USD 70.9 billion in the financial year 2023-24. India received the highest FDI of USD 6 billion in October last year followed by USD 5.9 billion in January 2024.

6. India's Foreign Exchange reserves hit all-time high of \$651.51 Billion

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India's forex reserves jumped \$4.837 billion to a new all-time high of \$651.51 billion for the week ended May 31, 2024. The previous high for the kitty a crucial guard against any disturbances in the external sector was \$648.87 billion.

SECTORAL DEVELOPMENTS

1. Sweltering heat triggers 15% rise in India's power consumption in May 2024 [Read more](#)

India's power consumption surged by 15% to 156.31 BU in May 2024 due to scorching heat, leading to increased use of cooling appliances. Peak power demand hit a record high of 250.07 GW, surpassing the previous peak of 243.27 GW.

2. Domestic air passenger traffic surges [Read more](#)

Domestic air passenger traffic in India saw a notable increase in May, reaching approximately 138.9 lakh passengers, marking a 5.2 per cent rise from April's 132.0 lakh passengers.

3. Food grain output for 2023-24 estimate at 329 mt [Read more](#)

India's food grain production is 328.8 million tonnes (mt) for the 2023-24 (July-June) crop year, compared to its February estimates of 309mt. The estimate on tur production for the current season has been raised to 3.38mt from the February estimate of 3.33mt, but on par with the previous year's output.

4. Life insurance industry's new business premium grew 15.5% in May 2024 [Read more](#)

The life insurance industry's new business premium (NBP) increased by 15.5 per cent year-on-year (YoY) in May 2024, aided by growth across segments. The industry earned premiums worth Rs 27,034.2 crore in May 2024 compared to Rs 23,477.8 crore in the year-ago period.

REGULATORY DEVELOPMENTS

1. SEBI issues master circular for Credit Rating Agencies [Read more](#)

SEBI has released circulars to make a set of rules which govern the criteria for credit rating agencies. The regulator has now released a master circular to enable the investors to have access to all the directions at one place.

2. SEBI issues guidelines to manage stock impact from market rumors [Read more](#)

SEBI has issued fresh guidelines to manage the stock market impact arising out of market rumors. The purpose is to exclude price disruption caused by rumors while arriving at the price for an acquisition.

3. SEBI tightening norms for independent directors [Read more](#)

The evolving regulatory environment highlights the imperative for prospective independent directors to possess the requisite expertise and commit to upholding governance standards effectively.

4. SEBI eases minimum promoter contribution norms to help companies eyeing an IPO

SEBI has now allowed non-promoter shareholders to contribute towards meeting the minimum promoters' contribution for IPO-bound companies without being identified as a promoter. Prior to this amendment, SEBI's minimum promoter contribution norms required at least 20 % of promoters' shares to be locked in for a certain period of time post listing after an IPO. [Read more](#)

5. SEBI issues financial disincentives guidelines for bourses, other MIIs for surveillance lapses [Read more](#)

The number of financial disincentives for surveillance-related lapses would be determined on the basis of the total annual revenue of a Market Infrastructure Institution (MII) -- stock exchange, clearing corporation and depository -- during the previous financial year and the number of instances of such lapses.

6. RBI plans to introduce a new category of money changers

[Read more](#)

RBI is planning to introduce a new category of money changers who can conduct money changing business through an agency model. Under the model, the money changers can become Forex Correspondents (FXCs) of Category-I and Category-II Authorised Dealers (ADs).

7. RBI opens gates for investors, companies to invest in overseas funds

[Read more](#)

Investors and companies based in India will now be able to invest in overseas funds, including those set up in the United States and Singapore, without any restrictions. The move follows an amendment by the Reserve Bank of India (RBI) last week regarding Overseas Portfolio Investments (OPIs).

DEVELOPMENTS IN RELATED AREAS

1. RBI shifts 100 tonnes of gold from UK, first time since 1991

[Read more](#)

The RBI has shifted over 100 tonnes of gold from the UK to its vaults in the country. This is the first time since 1991 that the precious metal has been added to the stock kept in the country. More than half of RBI's gold reserves are held overseas in safe custody with the Bank of England and the Bank of International Settlements, and about a third of it is stored domestically.

2. Net FDI, FPI and FII data (2024-2025)

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

3. RBI's record dividend of Rs 2.1 lakh crore to Government

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The bumper dividend payout is likely to help ease FY25 fiscal deficit by around 0.2 % of the GDP. In the Interim Budget for FY2025, the government had set an ambitious target of bringing down the fiscal deficit target to 5.1% of GDP in FY25 from 5.8% of GDP in FY24.

4. Mutual Funds go on a shopping spree, pumping \$35billion into top companies

[Read more](#)

Driven by a bullish market and substantial asset growth, domestic mutual funds invested a staggering ₹2.9 trillion (\$35 billion) across 27 leading companies in key sectors over the past three fiscal years.

5. AIFs bat for industry body's guidelines on valuations

[Read more](#)

The alternative investment fund (AIF) industry has welcomed recent suggestions by the SEBI to change the valuation norms heeding to demands of industry representatives with an aim to resolve valuation issues and relax guidelines.

GLOBAL FINANCIAL DEVELOPMENTS

1. US inflation resumes downward trend, eases to 0.3%

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US inflation rose less-than-expected in April 2024, suggesting that inflation resumed its downward trend at the start of the second quarter. The US consumer price index (CPI) rose 0.3 per cent sequentially.

2. Strong US Payrolls and Wage growth push back bets for Fed cuts

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US job growth surged in May and wages accelerated. Nonfarm payrolls advanced 272,000 last month, beating all projections. Average hourly earnings climbed 0.4% from April and 4.1% from a year ago, both picking up from the prior report.

3. UK inflation has fallen to 2.3%, as energy price cool

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UK inflation has fallen to 2.3%, which is just shy of the Bank of England's target of 2%. This marks its lowest level in almost three years. But the figure for the year to April came in higher than expected, which reduces the chances of interest rates being cut when the Bank's policymakers next meet in June.

4. Canada's Inflation cooled to 2.7% in April as food price growth slowed

[Read more](#)

Canada's consumer price index cooled to 2.7% in April, down from 2.9% in March, led by the slower growth of food prices. Though food prices still rose in April, they did so at a slower pace of 1.4% compared with 1.9% in March.

NiSM राष्ट्रीय प्रतिभूति बाजार संस्थान
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**YOUR MONEY,
YOUR FUTURE,
OUR CALCULATOR.**

Financial calculators are indispensable tools that help individuals and businesses make informed decisions about their finances. These financial calculators are user-friendly and provide detailed, accurate results, empowering users to make informed financial decisions.

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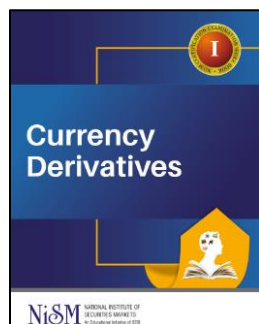
NISM PROGRAMS

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.



NISM Series-I: Currency 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 currency derivative segment of a recognized stock exchange. The certification covers basics of the currency derivatives, trading strategies using currency futures and currency options, clearing, settlement and risk management as well as the regulatory environment in which the exchange-traded currency derivatives markets operate in India.

NISM certified e-learning program

[Read more](#)



The banner features a background image of a hand planting a green seedling in a glass jar. The text reads: 'Financial Literacy Course for Bharat Fostering financial literacy, one learner at a time.' 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 A Capacity Building Initiative of SEBI'. Below the logo, contact information is provided: '02192-668492/93' and 'elearning@nism.ac.in'.

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](#)



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.

Financial Planning (Advanced)

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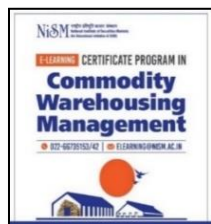
Take your financial knowledge to the next level with our "Financial Planning (Advanced)" eLearning course. Designed for individuals with an understanding of basic financial concepts, this course delves into advanced topics such as goal prioritization, application of time value of money, building retirement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

Unlock the Power of Mutual Funds! Join Our 2-Day MDP



NISM presents an exclusive training program curated by Industry Expert on Mutual Funds, scheduled for 06th-07th July 2024. Immerse yourself into a comprehensive exploration covering fund structure, investor benefits, regulatory frameworks, performance metrics, taxation, and more. Perfect for aspiring Mutual Fund Distributors or professionals in Asset Management Companies (AMCs) aiming to enhance their skills, this program offers invaluable insights and practical knowledge essential for decision-making and career growth in the dynamic realm of the financial markets. Register now and embark on a journey towards financial expertise and success! For more information visit: <https://www.nism.ac.in/upcoming-training-fdp-mdp>

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 Mutual Funds.

- Last date to participate is June 30, 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 May 2024 at Chandigarh and Bengaluru. The programs were graced with the presence of Shri Amit Pradhan, Regional Director, SEBI - NRO, New Delhi, Shri G.P.

Garg, Executive Director, Shri Sahil Malik, CGM, SEBI and Shri Kunj Bansal, GM, NISM, 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.



FOOD FOR THOUGHT – FROM NISM BRAINS

- **Dr. Latha Chari, Ms. Rasmeet Kohli & Dr. Pradiptarathi Panda:** “Why regulatory constraints are not enough to contain retail trading in F&O?” featured in Mint on May 16, 2024. [Read more](#)

The authors of the article talk about the significant rise in retail investor participation in the derivatives markets in India, due to various factors such as easy market access, low-cost analytics, and the leverage provided by derivative products. While this growth enhances market liquidity and efficiency, it raises concerns about the suitability of complex derivatives for retail investors, their risk management capabilities, and the potential for financial losses. The article advocates for a balanced regulatory approach that emphasizes investor education and awareness to create a well-informed and resilient market environment, rather than imposing restrictive measures on retail participation.

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