INDUSTRY Insights

APRIL 2024

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Behind every successful business decision, there is always a CMA

Vision Statement

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

Mission Statement

"The CMA Professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

Institute Motto

असतोमा सद्गमय तमसोमा ज्योतिर् गमय मृत्योर्मामृतं गमय ॐ शान्ति शान्ति शान्तिः	From ignorance, lead me to truth From darkness, lead me to light From death, lead me to immortality Peace, Peace, Peace

About the Institute

The Institute of Cost Accountants of India (ICMAI) is a statutory body set up under an Act of Parliament in the year 1959. The Institute as a part of its obligation, regulates the profession of Cost and Management Accountancy, enrols students for its courses, provides coaching facilities to the students, organizes professional development programmes for the members and undertakes research programmes in the field of Cost and Management Accountancy. The Institute pursues the vision of cost competitiveness, cost management, efficient use of resources and structured approach to cost accounting as the key drivers of the profession. In today's world, the profession of conventional accounting and auditing has taken a back seat and cost and management accountants increasingly contributing towards the management of scarce resources like funds, land and apply strategic decisions. This has opened up further scope and tremendous opportunities for cost accountants in India and abroad.

The Institute is headquartered in Kolkata having four Regional Councils at Kolkata, Delhi, Mumbai and Chennai, 117 Chapters in India and 11 Overseas Centres. The Institute is the largest Cost & Management Accounting body in the world with about 1,00,000 qualified CMAs and over 5,00,000 students pursuing the CMA Course. The Institute is a founder member of International Federation of Accountants (IFAC), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA). The Institute is also an Associate Member of ASEAN Federation of Accountants (AFA) and member in the Council of International Integrated Reporting Council (IIRC), UK.

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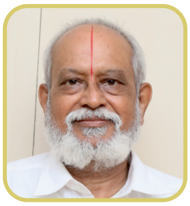

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The Institute of Cost Accountants of India

MESSAGE

Dear Esteemed Members,

We are pleased to welcome you to this issue of the 'Industry Insights' bulletin, dedicated to the dynamic and ever-evolving field of financial services. This sector remains at the forefront of economic development, continually adapting to technological advancements and regulatory changes to better serve businesses and consumers alike.

We are committed to providing our members with the latest trends, insights, and developments in various industry sectors.

We encourage you to actively engage with the content of this bulletin and participate in the initiatives and discussions that follow. Your contributions and feedback are invaluable as we continue to support a robust and innovative financial services industry.

Thank you for your continued support and commitment to excellence.

Best regards,

CMA TCA Srinivasa Prasad

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Inside...

The Indian Banking Sector: A Colossus in Motion

The Indian banking sector is a vital cog in the nation's economic engine, playing a pivotal role in mobilizing savings, channeling investments, and facilitating financial inclusion. This article delves into the intricate landscape of Indian banking, exploring its historical roots, contemporary structure, and future prospects.

A Historical Perspective

Modern banking in India can trace its origins back to the mid-18th century. The Bank of Hindustan (1770-1832) and the General Bank of India (1786-1791) were early attempts at establishing financial institutions. However, the true foundation of the sector was laid in the 19th century with the establishment of the Allahabad Bank (1863), the Bank of Bengal (1806), and the State Bank of India (SBI) (1927, through the amalgamation of the Presidency Banks).

The colonial era witnessed a significant expansion of banking services, primarily catering to the needs of the government and foreign trade. However, post-independence, the focus shifted towards promoting development and financial inclusion. The nationalization of major banks in the 1960s and 1970s brought a large portion of the banking sector under state control.

The Evolving Structure (with Real Life Data)

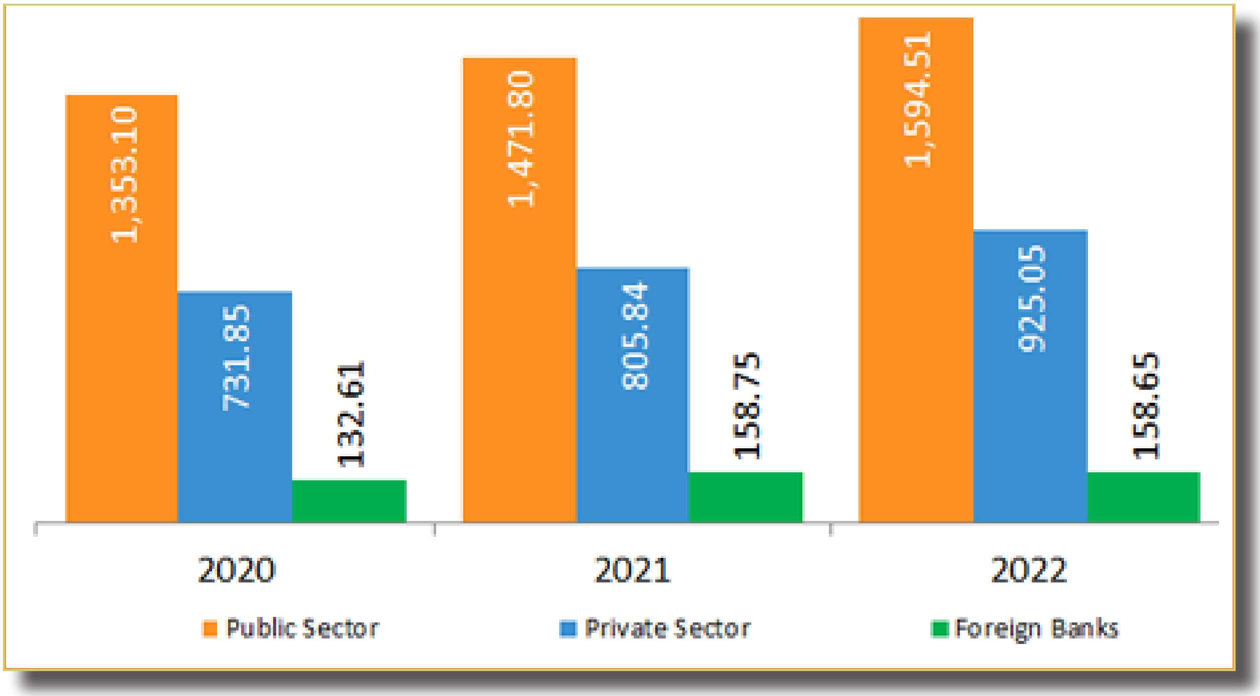
The Indian banking system consists of 12 public sector banks, 21 private sector banks, 44 foreign banks, 12 Small finance banks.

- **Scheduled Commercial Banks (SCBs):** These are the principal players, accounting for over 90% of the banking sector's assets exceeding ₹175 lakh crore (₹175 trillion) as of March 2023 [Source: RBI]. SCBs are further categorized into:
- **Public Sector Banks (PSBs):** Owned by the government, PSBs like SBI (with over 23,000 branches), Bank of Baroda (over 8,400 branches), and Punjab National Bank (over 7,500 branches) form the backbone of Indian banking, with a wide network of branches, particularly in rural areas [Source: banks' official websites].
- **Private Sector Banks (PSBs):** These banks, like HDFC Bank (the largest private sector bank by assets, exceeding ₹18 lakh crore (₹18 trillion) as of March 2023) [Source: HDFC Bank Investor Relations], ICICI Bank, and Axis Bank, are known for their innovation, efficiency, and focus on customer service.
- **Foreign Banks:** A smaller segment comprising international banking giants with a presence in India, offering specialized services and global reach.
- **Regional Rural Banks (RRBs):** Established specifically to address the credit needs of rural and agricultural sectors, with over 450 RRBs spread across the country [Source: NABARD].
- **Small Finance Banks (SFBs):** Cater to the financial requirements of small businesses and underbanked sections of society, with around 12 SFBs operational in India [Source: RBI].
- **Payment Banks:** Offer basic banking services like deposits, money transfers, and bill payments, with a focus on financial inclusion, with about 60 payment banks functioning in India [Source: RBI].
- **Cooperative Banks:** These banks are owned by their members and operate at the local level, playing a crucial role in rural and semi-urban areas, with over 1,500 Urban Cooperative Banks (UCBs) and 99,000 Primary Agricultural Credit Societies (PACS) [Source: National Cooperative Union of India].

- **Non-Banking Financial Companies (NBFCs):** These institutions provide financial services like loans, investments, and money transfers, but don't hold a full banking license. The Indian NBFC sector is estimated to be around ₹73 lakh crore (₹73 trillion) in size [Source: CRISIL].

RBI has decided to set up Public Credit Registry (PCR), an extensive database of credit information, accessible to all stakeholders. The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017 Bill has been passed and is expected to strengthen the banking sector. Microfinance industry's gross loan portfolio (GLP) by 10% in FY22 to Rs. 2.85 trillion (US$ 36.42 billion).

Total Banking Sector Assets (US$ billion)



Source: https://www.ibef.org/industry/banking-presentation

The Regulatory Landscape

The Reserve Bank of India (RBI) acts as the central bank, responsible for monetary policy, regulation, and supervision of the banking system. The RBI issues licenses, sets capital adequacy requirements, and ensures the smooth functioning of the financial system.

A Sector on the Move

The Indian banking sector is undergoing a period of rapid transformation, driven by several key trends:

- **Financial Inclusion:** Bringing unbanked and underbanked segments of the population into the formal financial system is a major priority. This is being achieved through initiatives like Pradhan Mantri Jan Dhan Yojana (PMJDY), which has opened over 46 crore (460 million) bank accounts as of February 2024 [Source: PMJDY website].

- **Digitalization:** The rise of digital banking has revolutionized the way people access financial services. Mobile banking apps, online payments, and digital wallets like PhonePe (developed by Flipkart) and Paytm, which boast over 35 crore (350 million) and 33 crore (330 million) users respectively [Source: Business Today], are making banking more convenient, efficient, and accessible.

- **Consolidation:** The sector is witnessing consolidation, with mergers between PSBs aimed at creating stronger, more competitive entities. For instance, in 2023, six public sector banks merged to form a new banking behemoth, bringing together institutions like Syndicate Bank and Vijaya Bank with Canara Bank [Source: Financial Express].

- **Technological Innovation:** Banks are increasingly adopting new technologies like artificial intelligence (AI) for fraud detection and risk management, blockchain for secure transactions, and big data for personalized offerings.

Challenges and Opportunities

Despite its progress, the Indian banking sector faces several challenges:

- Non-Performing Assets (NPAs): High levels of bad loans, particularly in PSBs (where NPAs can be around 12-14% of total advances), can impede growth and financial stability. Resolving NPAs through stricter loan assessment and swift recovery mechanisms remains a key priority [Source: The Hindu Business Line].

- Cybersecurity Threats: The increasing reliance on digital channels exposes banks to cyber threats. Strengthening cybersecurity measures by investing in robust security systems and educating customers about cyber hygiene is crucial.

- Financial Literacy: Low financial literacy levels, especially in rural areas, can hinder financial inclusion efforts. Initiatives to educate people about various financial products and services are essential.

- Competition from Fintech: Fintech startups offering innovative financial solutions like peer-to-peer (P2P) lending and digital wealth management are disrupting the traditional banking landscape, posing both challenges and opportunities for established players. Banks need to adapt and innovate to stay competitive.

Looking Ahead: Top 5 Banks and Opportunities

The Indian banking sector presents immense opportunities for growth, driven by:

- Credit Growth: As the Indian economy expands, the demand for credit from various sectors like infrastructure, agriculture, and small and medium enterprises (SMEs) is expected to rise. Banks that can cater to these segments effectively will be well-positioned to grow.

- Government Initiatives: The government's focus on financial inclusion and digitization is expected to create new opportunities for banks.

Top 5 Banks in India (as of May 2024):

The Indian banking sector boasts a diverse landscape, with a blend of established giants and emerging players. Here's a closer look at the top 5 Indian banks, delving into their strengths, areas of focus, and unique offerings:

1. **HDFC Bank:** The Digital Frontrunner

- **Legacy:** Established in 1995, HDFC Bank has emerged as the largest private sector bank in India by assets (over ₹18 lakh crore as of March 2023).
- **Strengths:** Renowned for its robust digital infrastructure and seamless mobile banking app, HDFC Bank leads the charge in digital banking adoption. They offer a wide range of retail banking products, including savings accounts, current accounts, loans (home loans, car loans, personal loans), credit cards, and wealth management solutions.
- **Focus:** HDFC Bank prioritizes customer service and innovation. Their user-friendly digital platform allows for convenient account management, online payments, and investment options. They are constantly expanding their digital offerings and integrating cutting-edge technologies like AI and chatbots to enhance the customer experience.
- **Future Outlook:** HDFC Bank's focus on digitalization and customer-centric approach positions them well to capitalize on the growing demand for tech-enabled banking solutions. Their recent merger with HDFC Ltd., a leading housing finance company, creates a comprehensive financial services powerhouse.

2. **State Bank of India (SBI):** The Legacy Leader

- **Legacy:** Established in 1927, SBI is the largest public sector bank in India, boasting an unparalleled branch network (over 23,000 branches) and a vast customer base.
- **Strengths:** SBI offers a comprehensive suite of banking products and services catering to all segments, from individuals and small businesses to large corporates and government entities. Their extensive rural branch network makes them a vital player in financial inclusion initiatives.
- **Focus:** Financial inclusion and social responsibility are key priorities for SBI. They actively participate in government schemes like Pradhan Mantri Jan Dhan Yojana and offer financial products tailored to the needs of rural and underbanked populations.
- Future Outlook: SBI faces the challenge of modernizing its vast infrastructure and integrating digital solutions effectively. However, their brand recognition, strong financial base, and focus on social responsibility position them for continued growth.

3. **ICICI Bank:** The Innovation Powerhouse

- **Legacy:** Founded in 1994, ICICI Bank is a leading private sector bank known for its innovative approach and strong presence in corporate banking.

- **Strengths:** ICICI Bank is a pioneer in adopting new technologies and launching innovative financial products. They offer a wide range of corporate banking solutions, including project finance, trade finance, and cash management services. Additionally, they have a robust retail banking presence with a user-friendly digital platform.
- **Focus:** Innovation and customer centricity are key drivers for ICICI Bank. They actively invest in research and development to bring new financial solutions to market and constantly strive to improve the customer experience through digital channels.
- **Future Outlook:** ICICI Bank's focus on innovation and strong corporate banking presence position them well to cater to the growing needs of Indian businesses. Their continued investment in digitalization will be crucial for maintaining their competitive edge in the retail banking segment.

4. **Axis Bank:** The Retail Banking Champion

- **Legacy:** Established in 1994, Axis Bank is a major private sector bank focused on retail banking and digital initiatives.
- **Strengths:** Axis Bank is known for its customer-centric approach and user-friendly digital platform. They offer a wide range of retail banking products, including savings accounts, current accounts, loans (home loans, car loans, personal loans), credit cards, and wealth management solutions. Their focus on digitalization and seamless mobile banking experience has attracted a large customer base.
- **Focus:** Axis Bank prioritizes providing convenient and accessible banking solutions to individuals and small businesses. They actively invest in digital infrastructure and offer a wide range of online banking services.
- **Future Outlook:** Axis Bank's strong presence in retail banking and focus on digitalization make them well-positioned for future growth. However, they may need to expand their corporate banking offerings to compete effectively with players like ICICI Bank.

5. **Kotak Mahindra Bank:** The Wealth Management Specialist

- **Legacy:** Founded in 1985, Kotak Mahindra Bank has grown into a fast-growing private sector bank known for its focus on wealth management and investment banking.
- **Strengths:** Kotak Mahindra Bank offers a comprehensive suite of wealth management products and services, including mutual funds, private wealth management, and investment advisory services. Additionally, they have a strong presence in investment banking and cater to the needs of corporate clients.
- **Focus:** Kotak Mahindra Bank prioritizes providing personalized wealth management solutions and advisory services to high-net-worth individuals. They also actively participate in the corporate banking space, offering services like mergers and acquisitions advisory and debt financing.
- **Future Outlook:** Kotak Mahindra Bank's niche focus on wealth management and strong investment banking presence position them well to cater to the growing wealth management needs of India's affluent population. However, they may need to expand their retail banking offerings to reach a broader customer base.

CMAs IN THE LEADERSHIP

CMA S. Sunder

Joint Managing Director

Shriram Finance Ltd

Introduction and Background

Could you please provide a brief overview of your professional journey and how you came to be the Joint Managing Director of Shriram Finance Company Limited?

My journey with Shriram Finance began in December 1991, and over the years, I have grown and demonstrated proficiency in Finance & Accounts, establishing myself as a trusted expert known for strategic foresight and dedication to organizational excellence. My experience, spanning over three decades, has been instrumental in my progression to the Joint Managing Director role which I am currently at Shriram Finance Ltd. (SFL), where I oversee critical functions such as Finance & Accounts, Operations, MIS, HR, Compliance, Governance, Planning and Budgeting, Taxation and Corporate Strategy.

What motivates you and keeps you passionate about the finance industry?

What drives my passion for the finance industry is the opportunity it provides to make a tangible difference in people's lives. At Shriram Finance, we are not just dealing with numbers and transactions; we are helping individuals and businesses achieve their financial goals and aspirations. Whether it is providing loans for someone to buy their first vehicle or supporting a small business in expanding its operations, each financial decision we make has a real impact on our customer's lives.

I am passionate about financial inclusion and believe in the power of finance to drive economic growth and improve livelihoods. Additionally, my focus on diversity, inclusion, and employee engagement contributes to my ongoing passion for the industry. Furthermore, the finance industry plays a crucial role in driving economic growth and development. By efficiently allocating capital and facilitating investment, we contribute to building stronger communities and fostering prosperity. Knowing that our work contributes to the greater good inspires me to continuously strive for excellence and make a positive impact on society.

Company Overview

Shriram Finance has a rich history. Could you share some key milestones in the company's journey?

Shriram Finance has come a long way from being a household name in South India to a Pan India company. The business started more than four decades ago with a vision of providing finance to the 'Aam Aadmi'. Shriram's relationship-driven model is unique to us, and we have helped build sustainable business and wealth for many families across the country. The self-employed ecosystem is the driver of growth for Shriram Finance. We maintain our leadership position in the commercial vehicle finance and two-wheeler finance segment and grow the MSME lending business to ensure that we become market leaders in MSME lending too.

The Asset Under Management (AUM) of SFL was Rs ₹ 224862 Cr as of 31st March 2024 The net worth as on 31st March 2024 was ₹ 48,464 Cr.. The company had a customer base of 84 lakhs, 74,645 employees and a branch network of 3,082 as of 31st March , 2024

What do you consider to be the company's core values and mission?

Shriram Finance is part of the Shriram Group , a financial services conglomerate dedicated to serving the underserved and unserved segments of the population. Our lending businesses have consistently focused on customers in rural and semi-urban areas, viewing them as part of the Shriram community. Shriram Finance aims to provide comprehensive services to enhance our customers' overall well-being, not just their financial health. Our core business principle is to value relationships, building trust and helping our customers to prosper.

We have crafted the perfect understanding of the basic need of a common person. We emphasise on tailor-made financial services that perfectly suit our customer needs through quality non-banking financial services. This guiding philosophy of putting people first has brought the company closer to the grassroots, and we have become one of the most preferred choice for serving the underserved, nurturing talent, and empowering people. We believe in operational efficiency, truthfulness, and a robust emphasis by providing high quality and cost-effective products & services. These core values are deep-rooted within the organization and have been firmly adhered to over the years.

Market Position and Strategy

How does Shriram Finance position itself in the highly competitive financial services market?

At Shriram Finance, our positioning in the financial services market is defined by our unwavering commitment to customer-relationship, innovation, reliability and its smooth processes. First and foremost, we prioritize our customers above all else. Our business philosophy revolves around understanding their unique needs and delivering tailored financial solutions that truly add value to their lives. By fostering long-term relationships built on trust and integrity, we differentiate ourselves from competitors who may focus solely on transactional interactions.

Secondly, innovation is at the core of our approach. We continuously strive to enhance our products, services, and processes to better serve our customers and stay ahead of the curve. Our newly launched 'Shriram One App' is all in one product for our customers to access all their financial needs.

Furthermore, our track record of reliability and stability sets us apart in the market. With decades of experience in the financial industry and a strong financial foundation, customers trust us to be a dependable partner in their financial journey. Our robust risk management practices and prudent lending policies ensure that we maintain a solid reputation for financial stability and security.

Additionally, our extensive reach and deep understanding of local and rural markets give us a competitive edge. We have a strong presence across all regions, allowing us to cater to the diverse needs of customers across India.

What are the primary services and products that set Shriram Finance apart from its competitors?

Our diverse product portfolio includes commercial vehicle loans, passenger vehicle loans, MSME lending, construction equipment loan, two wheelers, gold loan and farm equipment loans. Our focus is customer first approach with customized financial solutions and exceptional customer service, coupled with robust digital interventions, sets us apart from competitors.

With a variety of products, we reach out to the customers to cater to their dynamic demands, while leveraging the cross-selling synergy. The customers can meet their financial needs under a single roof.

Innovation and Technology

How is Shriram Finance leveraging technology to enhance its services and customer experience?

We are investing heavily in digital transformation, including mobile apps and online platforms for loan applications, payments, Deposits and customer service. Advanced data analytics and AI are used to improve credit assessment and personalize customer interactions, making financial services more accessible and efficient.

Can you share any recent technological innovations or digital transformations within the company?

Amidst the rise of super-apps from large firms, the need-of-the-hour is to transition from a traditional monolithic mobile app to a platform that offers services that extend beyond financial products to everyday functions like merchant and bill payments, flight and cab bookings, and marketplace access.

Shriram Finance, to achieve this, has **launched 'SHRIRAM ONE', its own super app, as a one-stop solution platform for both retail and business customers.** Shriram One, offering 150-200 products and services, already has around 30 lakh customers who are currently using the Shriram One App . It will serve as a supermarket for all Shriram and its partner's products and provide payment services as well.

Customer Focus

How does Shriram Finance ensure that it understands and meets the needs of its diverse customer base?

At Shriram, we ensure that collections happen through our own employees, which helps us understand the customer lifecycle closely and meet all financial needs of customers and fosters a relationship-based business model. We do not depend on credit scores to take lending decisions. Instead, we have developed our own methodology to assess customers' credit worthiness. This has helped us grow our CV lending and SME lending . As this business needed mobility to work, we started with two-wheeler loans and subsequently became the largest two-wheeler lender in the country.

We employ a multi-channel approach to gather customer feedback, including surveys, focus groups, and social media interactions. Our customer service teams are trained to handle diverse customer needs with empathy and efficiency. We also conduct regular market research to stay attuned to evolving customer preferences and trends.

Could you highlight any customer-centric initiatives that have been particularly successful?

At Shriram Finance, we prioritize the needs and aspirations of each individual. We take pride in our deep understanding of the common person, which enables us to offer customized financial services that truly meet their needs. Our unwavering commitment to putting customers first has brought us closer to the grassroots, making us the preferred choice for serving the underserved, nurturing talent, and empowering people. We aim to provide comprehensive services to enhance our customers' lives in all aspects, not just financially. Our business philosophy centers on valuing relationships, building trust, and helping our customers prosper through the cross-selling of multiple products.

Our nationwide presence with over 3,000 branches and over 74,000 employees allows us to deliver our services to even the most remote areas, reaching a larger population base and enhancing our brand penetration. We have significantly expanded our services and garnered a customer base of 84 lakh customers who can access our unified solutions through our branches across the country.

Challenges and Opportunities

What are some of the biggest challenges currently facing the finance sector, and how is Shriram Finance addressing them?

Changing customer expectations and preferences necessitate continuous adaptation and innovation from financial institutions. We at Shriram Finance are committed to meeting the evolving needs of customers by offering flexible and personalized financial solutions. Actively soliciting customer feedback helps tailor products and services to better meet their requirements.

We operate in a highly regulated environment and hence we face challenges like regulatory changes, cybersecurity threats, and economic uncertainties. We address these by maintaining robust compliance frameworks, investing in cybersecurity, and adopting flexible business strategies to navigate economic fluctuations.

Technological disruption is another major challenge in the finance sector. The rise of fintech innovations and digital platforms has transformed customer expectations and market dynamics. We have ensured that we have stayed in-sync with the evolving technologies to ensure growth and improve our efficiencies. We keep investing in digital platforms, automated processes, and data analytics to enhance service offerings, improve customer experience, and stay competitive.

Economic uncertainties and market volatility pose additional challenges for financial institutions. We mitigate these risks through prudent risk management practices, diversified product portfolios, and a strong focus on asset quality. Conservative lending policies and rigorous credit assessment processes enable the maintenance of a resilient balance sheet, effectively withstanding market fluctuations.

In summary, Shriram Finance addresses the challenges facing the finance sector by prioritizing regulatory compliance, embracing technology, managing risks effectively, and staying attuned to customer needs. By adopting a strategic and adaptive approach, Shriram Finance is well-positioned to navigate the complexities of the financial landscape and drive sustainable long-term growth.

What opportunities do you foresee for Shriram Finance in the next five years?

India's rapidly growing economy presents opportunities for Shriram Finance to expand our presence and cater to the evolving needs of customers. With rising disposable incomes, increasing urbanization, and government initiatives to boost infrastructure development and financial inclusion, we anticipate growing demand for our products and services. We plan to capitalize on these trends by diversifying our product portfolios, expanding our distribution network, and deepening our engagement with customers in both urban and rural areas.

Looking ahead, we see opportunities for us to expand our reach, enhance offerings, drive sustainable growth, grow our digital footprint, enter new markets, and diversifying our product offerings. The demand for personalized financial services and the adoption of digital banking present exciting growth avenues. Partnerships with fintech companies can drive innovation and enhance our service portfolio.

A significant opportunity lies in leveraging technology to innovate and transform our business processes. As digital adoption continues to accelerate across industries, we see immense potential in harnessing technology to enhance customer experience, improve operational efficiency, and unlock new revenue streams. By investing in digital platforms, data analytics, and automation, we aim to streamline our operations, introduce innovative financial products, and reach untapped market segments.

Sustainability and Corporate Social Responsibility (CSR)

How does Shriram Finance approach sustainability and environmental responsibility?

We are committed to environmental sustainability and have undertaken several initiatives to reduce our carbon footprint and promote eco-friendly practices. Our Environmental, Social and Governance (ESG) practices at Shriram Finance showcase our steadfast dedication to environmental sustainability, social responsibility, and ethical governance. To assess our Company's environmental impact, we conducted a comprehensive carbon foot printing exercise across our branch offices nationwide. This exercise allowed us to map our Scope 1 and Scope 2 emissions, providing valuable insights for emissions reduction strategies. Based on the results of the exercise, we have made significant progress in embedding ESG principles throughout our operations and decision-making.

At Shriram Finance, to reduce our carbon footprint, we have replaced traditional lighting fixtures with energy-efficient LED lights, installed 5-star-rated certified air conditioners, substituted inefficient technology and gadgets with energy-efficient alternatives, such as inverters, instead of diesel generator sets, prioritised video conferencing facilities to minimise employee travel, thus contributing to reduced carbon emissions, implemented a system of turning on electronic equipment at regular intervals to conserve electricity and installed sensor-based taps to conserve water.

We recognise the role of Electric Vehicles (EVs) in helping reduce carbon emissions as well as the growing demand for EVs. in India. We have realised the potential of EVs to transform the mobility landscape and remains committed to establishing an ecosystem that fosters the uptake and integration of EVs and are actively working towards financing electric vehicles. Our goal is to contribute to the Indian economy and support the emerging EV market by providing financial solutions for electric vehicles.

In line with our dedication to aiding electric mobility, we have partnered with various EV manufacturers to provide financial solutions for commercial EVs, contributing to the adoption and integration of electric mobility in the country.

Can you elaborate on some of the CSR initiatives undertaken by Shriram Finance?

Shriram Finance strongly supports the Nation's growth and development through various CSR activities. Shriram Finance has been focusing on improving the community's well-being in the crucial areas of health improvement, primary education and skill development

In our quest to serve the underserved and promote prosperity, we have been engaging in several social welfare and empowerment projects to train youth from economically disadvantaged backgrounds, provide them with employable skills, and access to employment as well as entrepreneurship opportunities. The CSR spends in the Financial Year 2023-24 was Rs. 91 cr. The following are some of the major CSR programmes that is currently being run by the company :

Meritorious Scholarship Programme: Over 220,000 students have benefitted from the programme

Shriram Finance instituted the 'Shriram Meritorious Scholarship Programme' to help meritorious students from trucking community who face financial problems in continuing their education, by awarding financial assistance up to INR 35,000/- per year for their ITI/ Diploma/Graduation or Engineering studies.

The programme, that can be sourced through state/district level transport association and other stake holders, is given to students studying between 8th to 12th standards. While the scholarship programme is open to students from across all Indian states, we follow a stringent selection process to identify the deserving students.

We have, so far, supported more than 2,20,000 students to fulfil their dreams of completing school education.

Healthcare: Over 10 lakh beneficiaries served under Primary Heath Care program.

In keeping with the National Health Mission's vision of quality and affordable health care to the citizens of the country, Shriram Finance has deployed 15 Mobile Medical Units (MMU) across 11 states to provide free primary healthcare services, including medical check-ups, lab tests, and medicines and counselling to the trucker community.

Truckers are always on the move and hence access to medical services for them is very difficult. We have taken a step towards resolving this issue by deploying our MMUs at locations where trucker population is present and provide service 22 days in a month.

Our mission, so far, has helped over 10 lakh beneficiaries with primary healthcare services.

Skill Development: Contributed to the 'SKILL INDIA MISSION' by training over 36,000 drivers in LMVs and HMVs

Shriram Finance, to contribute to Government of India's 'SKILL INDIA MISSION', initiated a Driver Training Programme to become skilled truck drivers. We engage with unemployed youth from the under-privileged sections of society, impart a holistic training program to become a skilled truck driver and after successful completions of the training program, the drivers are certified by Automotive Skill Development Council (ASDC) to get their driving licenses. Once they get their licenses, we, through our training partners assist them to find jobs in the transport industry.

Over & above the regular driver training program we also conduct 1-day Defensive driver training program for existing commercial vehicle drivers that makes them aware about the latest driving rules, standard driving practices and the required driving mechanics.

Our training and reskilling programme has successfully contributed towards elevating the social status of the drivers, which is considered a Below the Pyramid (BOP) job, by extending trainings for the skilling, re-skilling and up-skilling of drivers, besides ensuring safety of those undertaking this hazardous job.

We, so far, have trained and reskilled over 36,000 LMV and HMV drivers across India.

Liquid Medical Oxygen (LMO) Tanker Driver training:

COVID-19 has posed unprecedented demand for Liquid Medical Oxygen (LMO) which was aggravated by shortage of adequately skilled LMO drivers trained in handling and transportation of Liquid Medical Oxygen. To combat these challenges, Shriram Transport Finance Company, through its training partner DB Skills Foundation and certification by Logistics Skill Council, launched a training programme to train drivers in handling of hazardous chemicals and liquid oxygen Involving multiple stakeholders such as LMO Manufacturers, LMO Transporters, Indian Chemical Council.

The aim of the training program was to create a pool of 1000 drivers to transport cryogenic medical oxygen tankers and was conducted in collaboration with National Skill Development Corporation (NSDC), under the guidance of Ministry of Skill Development and Entrepreneurship; and the Logistics Division of the Ministry of Commerce.

The capacity building training program for drivers having prior experience of driving heavy motor vehicles (HMV) are being conducted in multiple locations in Maharashtra, Jharkhand, Gujarat, and Tamil Nadu at approved Training Centres. Post the successful completion of the training program, the drivers will be awarded with a certification by Logistics Skill Council.

So far, the programme has had 1144 experienced HMV drivers have been trained and certified to drive Cryogenic Liquid Medical Oxygen Tankers.

Financial Performance and Growth

Could you provide an overview of the company's recent financial performance?

As of March 31st, 2024, Shriram Finance's AUM stood at ₹ 224862 cr and Networth of

₹ 48,464 Cr. Total Income was Rs. 34998 cr , Net Interest Income being Rs. 19687 cr and Profit after Tax was at Rs. 7190 cr. We had a customer base of 84 lakhs , 74,645 employees and 3,082 branches across India.

What strategies are in place to ensure continued growth and profitability?

Our growth strategy includes expanding our digital services, enhancing our product offerings, and entering new geographical markets. We focus on improving operational efficiency through automation and process optimization. Strategic partnerships and alliances are key to driving growth and maintaining profitability.

We are not aggressively trying to reach out to customers of other companies; we prefer to grow at our own pace. We have 84 lakh customers and we will try to work with existing customers and grow the book.

At present, our entire exercise with Shriram One is to make sure that customers do have a seamless journey. The idea is that once the customer is onboarded, he/she can complete his/her journey on the app and can actually access his/her account and ask for new products. We have more than 30 lakh downloads in the Shriram One App so far.

Regulatory Environment

How does Shriram Finance navigate the complex regulatory landscape of the finance industry?

Navigating the intricate regulatory framework of the finance industry is a top priority for us at Shriram Finance. We understand the importance of compliance in maintaining trust with our customers, regulators, and stakeholders, and we have developed a comprehensive approach to ensure adherence to all regulatory requirements.

First and foremost, we prioritize regulatory compliance in all aspects of our operations. We have established robust governance frameworks, policies, and procedures to ensure that our business practices align with applicable laws, regulations, and industry standards. Our compliance team continuously monitors changes in regulatory requirements and proactively updates our policies and practices to remain compliant with evolving regulations.

Furthermore, we invest in ongoing training and development programs to ensure that our employees are well-informed about regulatory changes and equipped with the knowledge and skills necessary to comply with relevant laws and regulations. We foster a culture of compliance throughout our organization, where all employees understand their roles and responsibilities in upholding regulatory standards and promoting ethical conduct.

In addition to internal controls and training, we maintain open and transparent communication with regulators and industry associations. We actively engage with regulatory authorities to stay informed about upcoming changes in regulations, seek clarification on ambiguous requirements, and provide feedback on proposed regulatory initiatives. By fostering constructive dialogue and collaboration with regulators, we aim to proactively address regulatory challenges and contribute to the development of a robust regulatory framework that promotes market integrity and consumer protection.

Moreover, we leverage technology and automation to enhance our regulatory compliance capabilities. We have implemented sophisticated compliance monitoring systems and data analytics tools to facilitate real-time monitoring of transactions, identify potential compliance risks, and take proactive measures to mitigate them. By harnessing technology, we can streamline compliance processes, improve efficiency, and enhance our ability to adapt to regulatory changes swiftly.

What are your views on the current regulatory environment and any upcoming changes?

As a responsible financial institution, Shriram Finance closely monitors the regulatory landscape to ensure compliance and adaptability to changes that may impact our operations and the broader finance industry.

The current regulatory environment is characterized by a heightened focus on consumer protection, financial stability, and market integrity. Regulators are implementing measures to enhance transparency, strengthen risk management practices, and promote sustainable growth within the financial sector. We view these initiatives positively as they contribute to building a more resilient and inclusive financial system that fosters trust and confidence among stakeholders.

Looking ahead, we anticipate several upcoming changes in the regulatory landscape that may impact the finance industry. One significant area of focus is the adoption of digital technologies and fintech innovations. Regulators are increasingly recognizing the importance of fostering innovation while ensuring consumer protection and financial stability. We expect to see regulatory frameworks evolve to accommodate emerging fintech trends, such as digital payments, blockchain technology, and alternative lending platforms.

Moreover, environmental, social, and governance (ESG) considerations are gaining prominence in regulatory discussions. Regulators are exploring ways to integrate ESG factors into risk management frameworks, disclosure requirements, and investment decision-making processes. We anticipate regulatory initiatives aimed at promoting sustainable finance practices, enhancing climate risk management, and incentivizing responsible investing.

Additionally, regulatory reforms related to data privacy and cybersecurity are expected to remain a priority. With the growing prevalence of data breaches and cyber threats, regulators are tightening regulations to safeguard consumer data and enhance cybersecurity resilience across the financial industry. We anticipate stricter compliance requirements, enhanced data protection standards, and increased focus on cybersecurity risk management practices.

Leadership and Culture

How would you describe the leadership culture at Shriram Finance?

The legacy of Shriram Finance was embarked in the year 1979 and over the past 45 years, one common goal has driven the company - dedication for serving the unserved and underserved. The pillars of leadership culture at Shriram Finance is collaboration, inclusivity, and forward-thinking.

We as an organisation emphasize transparency, accountability, and ethical code of conduct. Our leaders are committed to fostering innovation and empowering employees to take initiative and contribute to the company's success. All efforts have been dedicated to support and empower employees towards a positive work culture.

What initiatives are in place to foster employee development and maintain a positive workplace culture?

At Shriram Finance, we believe in a "People First" approach and have implemented various initiatives to create an environment that fosters employee development and a positive workplace culture. At Shriram Finance, we not only invest in continuous learning and development programs but also focus on physical and mental health thereby creating an environment that empowers employees work-life balance. Some of the initiatives we have implemented for our employees:

Physical Visits: At Shriram Finance, one day is dedicated to physically visit the 'Automall' (operated by Shriram Automall India Limited, an associate company of Shriram Finance) to provide a hands-on exposure of live vehicle auctioning . The initiative of 'Travel on Truck' enables an employee to understand the nuances of customer journey and also to understand the viability of a truck which will help them to be a better financier in the course of employment.

Refresher Training Program: This training takes place on regular intervals on various topics as and when the product/process changes. All front line employees through this particular program gets an opportunity to enhance and update their knowledge and skills.

Learn and Grow/Series of Learning modules: Every branch manager and Product Heads are subjected to a two-day training program. Even Branch Admin Heads have a 'BTL Certification Program' which requires an assessment test in order to effectively carry out their assignment after going through series of learning modules. These modules are specifically designed to cater the diverse needs and upskilling of the employees.

Leadership Program: A two-day training program for front line relationship executives to equip themselves in critical areas as future leaders.

Management Education Scheme: Shriram Finance has also tied-up with Symbiosis Centre for Distant Learning (SCDL) to provide a customised program named as. This program consists of three semesters with 15 subjects mostly similar to MBA Program in any Management Institution. Employees who pass these exams successfully are rewarded appropriately.

Quiz Buzz: Periodical Quiz programs are conducted for all employees on various topics. These quiz programs provide an idea to the training department team on addressing the skill development gap organising re-training programs for the employees of those specific groups.

Knowledge Series Videos: Shriram Finance initiated micro video knowledge series for all their employees in order to make them understand various topics via a 30 second video format. These videos are sent to the employee's WhatsApp number for quick understanding and awareness. Learning materials in the form of Manual, Videos, Ready Reckoners are being regularly uploaded in HRMS Portal for regular reference of employees.

Pre-placement Opportunity: Shriram Finance initiated a unique strategy to address the gap for recruiting graduates for field assignments. We started recruiting 12th pass students who are further being enrolled under BBA Graduation Program in association with Jains University, Bangalore. Currently 120 employees are enrolled under this program in order to complete their graduation.

MyCoach: It is an e-learning and mobile learning platform which enables employees to access the basic ideas, concepts, product processes and group of policies. It has been incorporated in Hindi and all south Indian languages.

'Shriconnect': A newsletter that reaches to every employee in the organisation is an endeavour to update our employees on the industry trends in the form of a monthly newsletter.

Employee Rewards Program: Under this program every employee gets a platform and an opportunity to express their ideas and views on the products and process improvements in serving the community better. If any ideas which become the policy of the Company, the concerned employee is rewarded. This helps in ensuring maximum participation for the said program.

Future Outlook

What are your key strategic priorities for Shriram Finance in the coming years?

Our growth strategy includes expanding our digital services, enhancing our product offerings, and entering new geographical markets. We focus on improving operational efficiency through automation and process optimization. Strategic partnerships and alliances are key to driving growth and maintaining profitability.

How do you envision the future of the finance industry, and what role will Shriram Finance play in it?

As we look ahead, I envisage the finance industry to undergo significant transformation driven by technological advancements, changing customer expectations, regulatory reforms, and shifting market dynamics. This transformation will present both challenges and opportunities for financial institutions, and Shriram Finance is poised to play a pivotal role in shaping the future of the industry.

One of the key trends shaping the future of finance is the increasing adoption of digital technologies and fintech innovations. We anticipate a continued shift towards digital channels for financial transactions, investment management, and advisory services. Shriram Finance recognizes the importance of embracing technology as an enabler of growth and efficiency. We are committed to leveraging digital platforms, data analytics, and automation to enhance our customer experience, improve operational efficiency, and introduce innovative financial products and services tailored to the evolving needs of our customers.

Furthermore, financial inclusion and sustainability will be central themes in the future of finance. There is a growing recognition of the importance of promoting financial access and empowerment, particularly among underserved and marginalized communities. Shriram Finance is committed to advancing financial inclusion by expanding access to affordable credit, promoting financial literacy, and supporting initiatives that foster economic empowerment and social development.

Moreover, environmental, social, and governance (ESG) considerations will increasingly influence investment decisions and risk management practices in the finance industry. Shriram Finance recognizes the importance of integrating ESG factors into our business operations and investment strategies. We are committed to promoting sustainable finance practices, enhancing climate risk management, and supporting initiatives that create long-term value for our stakeholders while contributing to environmental and social sustainability.

In summary, the future of the finance industry will be characterized by technological innovation, financial inclusion, and sustainability. Shriram Finance is well-positioned to play a leading role in this future by leveraging technology to enhance customer experience, advancing financial inclusion, promoting sustainable finance practices, and driving positive impact in the communities we serve.

Personal Insights

What advice would you give to aspiring finance professionals?

Over the years that I have been working in this profession, I have learnt a lot from my seniors, peers and even my juniors. Apart from everything that I have learnt, I have and will always follow one thumb-rule: 'Never Stop Learning'. I will be happy to share a few insights and guidance for those embarking on a career in this field:

- **Embrace Lifelong Learning:** Finance is a dynamic and ever-evolving industry, so it's essential to cultivate a mindset of continuous learning and self-improvement. Stay updated with the latest developments, trends, and best practices in finance through reading, attending seminars, pursuing certifications, and networking with industry professionals.

- **Develop Strong Analytical Skills:** Analytical skills are at the core of finance roles, whether it's analyzing financial statements, evaluating investment opportunities, or assessing risk. Focus on honing your analytical abilities, including quantitative analysis, critical thinking, and problem-solving, as these skills will be invaluable in your finance career.

- **Gain Practical Experience:** Seek opportunities to gain practical experience in finance through internships, part-time roles, or volunteer work. Practical experience not only provides valuable hands-on experience but also allows you to apply theoretical knowledge in real-world scenarios and build a network of contacts within the industry.

- **Cultivate Ethical Integrity:** Integrity and ethical conduct are paramount in the finance industry, where trust and credibility are essential. Always uphold high ethical standards in your professional conduct, prioritize the interests of clients and stakeholders, and adhere to regulatory requirements and industry codes of conduct.

- **Develop Effective Communication Skills:** In addition to technical proficiency, effective communication skills are critical for success in finance roles. Develop your ability to communicate complex financial concepts in a clear and concise manner, whether it's presenting findings to clients, collaborating with colleagues, or negotiating deals.

- **Be Open to Diverse Opportunities:** The finance industry offers a wide range of career paths, including banking, investment management, corporate finance, financial planning, and more. Be open to exploring diverse opportunities within finance and consider how your skills and interests align with different roles and sectors.

- **Build a Strong Professional Network:** Networking is key to advancing your career in finance. Attend industry events, join professional associations, and connect with peers, mentors, and industry leaders to build a strong professional network. Networking not only provides valuable insights and opportunities but also helps to establish your reputation within the industry.

Concluding Thoughts:

In conclusion, my advice to aspiring finance professionals is Stay True To Yourself and Your Goals, embrace lifelong learning, develop strong analytical skills, gain practical experience, cultivate ethical integrity, hone effective communication skills, explore diverse opportunities, and build a strong professional network. By following these principles and staying committed to your professional development, you can build a successful and rewarding career in finance.

INDUSTRY TITBITS

CMA Industry Insights – April 2024 Issue

Entrepreneurship and Startup News

- Ride-hailing startup platforms Uber and Aaveg have been granted licenses by the Delhi transport department to introduce a premium bus service in the city. The initiative was designed to provide commuters with a luxurious alternative to the overcrowded public transit options currently available, such as the Delhi Transport Corporation (DTC) buses and the Delhi Metro whereas the services are aimed to reduce the intracity use of private vehicles and mitigating air pollution and therefore, the initiative is approved by the Delhi government in October, 2023.
- Eldercare startup Emoha has partnered with Aditya Birla Health Insurance Co. Limited (ABHICL) to provide personalized senior care solutions to ABHICL's corporate clients and their group mediclaim policyholders which will allow Emoha to offer its comprehensive eldercare services to a broader audience across India, enhancing the lives of senior citizens by promoting independence and dignity.
- London based private markets firm Pantheon Ventures, which has backed Indian private equity firms is bullish on India's economic prospects and expects to increase its pace of investments in the country. Attracted by the robust economic growth and burgeoning startup ecosystem in India, Pantheon Ventures are keen to invest in Indian sectors like business and technology services, med-tech, big pharma, and digital adoption.
- Generative AI (GenAI) continues to make waves in recent years and it has also given new wings to the early-stage Indian tech startup ecosystem, growth startups and enterprise players. 86% of Indian users do faster task completion, 85% experience improved output quality and 83% leverage their ideation capabilities after adopting generative AI and is expected to increase 182% in daily usage over the next five years according to the study conducted by Deloitte.
- As per Hurun Global Unicorn Index, India produced more offshore unicorn startups than any other country in the world, co-founding 109 unicorn startups outside of India compared to 67 unicorn startups within India.
- The Indian Prime Minister highlighted that the economy is making a mark in the Information Technology (IT) and software sector in the last few decades and underlined the emerging trends of innovation and startup culture where more than 45% of the Indian startups are led by women.

Banking Sector News

- The Reserve Bank of India (RBI) recently said that the private digital currencies represent a macroeconomic risk, separate documents show and therefore, the RBI remains in favour banning the cryptocurrencies that which sharply contrasts with the Capital markets regulator Securities and Exchange Board of India (SEBI) which recommends that different regulators should oversee activities linked to cryptocurrencies that fall under their domain and that a single unified regulator for digital assets should be avoided.
- The Reserve Bank of India (RBI) is advocating for more active involvement from the boards of Asset Reconstruction Companies (ARCs) for better governance, risk management and compliance since there has been several cases of non compliance by the asset reconstruction companies and reiterated that regulations need to be followed as pointed out by the RBI.
- The Reserve Bank of India (RBI) has warned some Non Banking Financial Companies (NBFCs) against disbursing cash loans in excess of the permissible limit of 20,000 rupees which will likely to stop large cash payouts to those borrowing against gold since NBFCs have been flouting this rule, handing over large cash loans by asking customers to sign an 'indemnity' for accepting liability against income tax actions.
- The State Bank of India (SBI) has raised rates retail domestic term deposits below rupees 2 crore ranging from 25 to 75 basis points for deposits with less than one year and has also increased interest rates on domestic bulk term deposits of above rupees 2 crore by 10 to 50 basis points across five out of eight maturity buckets. The move from SBI comes as deposit growth lags behind credit growth, and the banking system grapples with an overall liquidity deficit.
- Public sector banks in India have earned a cumulative profit of above rupees 1.4 trillion for the fiscal year ended March 2024, a robust growth of 35% compared to its previous year which was based on a high profit base of rupees 1 trillion. The 12 major Indian public sector banks collectively earned a net profit of rupees 1,04,649 crore during the fiscal year 2022-23 where State Bank of India (SBI) is the market leader followed by Punjab National Bank (PNB), Union Bank of India, Central Bank of India, Bank of India, Bank of Maharashtra and Indian Bank.
- The banking industry in India increases their cyber insurance cover in Financial Year 2024. The increase in cyber related incidents, frequency of claims and enhanced regulatory focus is nudging banks to increase cyber insurance cover. The cyber insurance claims ratio by the banking industry in India has increased to over 50 per cent in financial year 2022-23 as compared to 40 per cent in financial year 2021-22 whereas the coverage by banks and financial institutions increased by nearly 8 per cent in the financial year 2023-24 as compared to its previous financial year.
- The State Bank of India (SBI) will be able to absorb the additional provision requirement if the Reserve Bank of India (RBI) implements the new norms on project finance as proposed, although the pricing of loans may have to be revisited since the draft norms was proposed to a standard asset provision requirement of 5 per cent during the under-construction period in a phased manner.

Infrastructure Related News

As Reported by ICRA, Road Execution will Climb by 5–8% in Financial Year 2025 to 12,500–13,000 km.

According to rating agency ICRA, road execution in India is expected to increase by 5-8% to 12,500–13,000 km in the current fiscal year, after a strong 20 percent expansion in 2023–2024. It also underlined that the Ministry of Road Transport and Highways' (MoRTH) emphasis on project completion, a robust project pipeline, and higher government capital expenditures will all help to support the fiscal year's execution pace. ICRA observed that a protracted monsoon in some regions hindered productive days, which in turn affected road execution in the first half of financial year 2024. The ministry's pipeline of project awards, which stood at more than 45,000 kilometers as of March 2024, is deemed healthy by ICRA.

(Source: https://economictimes.indiatimes.com/news/economy/infrastructure/road-execution-to-grow-5-8-per-cent-in-fy25-to-12500-13000-km-icra/articleshow/109341732.cms)

Government Prioritizing Infrastructure Development to Foster a Long-Term Recovery in the Investment Cycle: RBI Report

As per the RBI's Monetary Policy Report (April 2024) the Indian government's emphasis on infrastructure development, along with the positive outlook from business, may foster a long-term recovery in the investment cycle. This Monetary Policy Report also states that despite difficulties caused by sluggish global demand, domestic economic activity remained strong in the first half of 2023–2024 thanks to solid fundamentals. The paper went on to state that stable urban demand supported private consumption, even as fixed investment and the reduced drag from net foreign demand drove real GDP growth. Due to the government's emphasis on infrastructure and the strong demand for housing, construction activity remained stable. As per the report, there is a rising potential for medium and long-term growth in the economy due to several structural drivers like the development of world-class digital and payments technology, ease of doing business, improved quality of fiscal spending, and improved physical infrastructure. As private investment increases, the government has declared an 11% increase in capital expenditure (capex) to Rs 11.11 lakh crore for the current fiscal year. In 2023–2024, the government increased capital expenditure by 37.5% to Rs. 10 lakh crores.

(Source: https://economictimes.indiatimes.com/news/economy/infrastructure/govts-focus-on-infra-development-to-nurture-sustained-revival-in-investment-cycle-rbi-report/articleshow/109221210.cms)

- **Central government already finished 281 central infrastructure projects during FY24 : MoSPI**

As per the government data released by the Ministry of Statistics and Programme Implementation (MoSPI) in FY24, 281 central government projects worth over Rs 1.50 billion were completed, as opposed to 329 projects that were finished the year before. This completion rate was said to be the second-highest in over ten years.

While this is a noteworthy success, it is not as high as the 329 projects that were finished in the previous fiscal year. The 281 projects do, however, reflect the second-highest completion rate in almost ten years. Further, 32 projects—seven roads, 23 in the petroleum sector, and two in the power sector—were finished in March, while three projects—two on the road and one in the telecom sector—were added in the same month.

(Source:https://www.constructionworld.in/transport-infrastructure/metro-rail-and-railways-infrastructure/govt-wraps-up-281-central-infrastructure-projects-in-fy24/55123)

- **Delhi Expects to Add Infrastructure Costing ₹4,500 crore by April 2024.**

According to the lieutenant governor's office, the Delhi Development Authority (DDA) will probably finish eleven current projects valued at more than ₹4,500 crore over the next three months. Several slum rehabilitation projects, new sporting facilities in Dwarka and Rohini, landscaping along the Yamuna ghats, a portion of Dwarka's Bharat Vandana Park, crucial drainage infrastructure for the Delhi airport, and the beautification of the area surrounding Shanti Van and Vijay Ghat are among these projects. Projects like the in-situ rehabilitation of Kathputli Colony and Jailorwala Bagh are expected to be finished within the next three months. In the surrounding slums, the Jailorwala Bagh project will provide housing for about 1,675 families. The completion is scheduled during the first week of March, at which point the beneficiaries will receive flats valued at ₹421 crore. By March, 2,800 households will be able to move into the 1,400 flats that make up the Kathputli Colony project, according to the official. The first phase of the Bharat Vandana Park in Dwarka, which will feature reproductions of monuments from all states and Union territories, is one of the projects being reviewed. It is expected to be finished by March 2024. The completion of these projects will foster socio-economic changes in Delhi region.

(Source:https://www.hindustantimes.com/cities/delhi-news/delhi-to-add-infra-worth-4-500-crore-by-april-2024-101706119143921.html)

Insurance Sector News

- **IRDAI directs health insurers to meet social sector obligations**

With an aim to meet insurance for all by 2047, insurance sector regulator IRDAI has issued a master circular directing life and non-life players to do a certain percentage of business compulsorily towards meeting rural, social sector and motor third-party obligations. The master circular on rural, social sector and motor third party obligation said that all life insurers shall ensure a minimum percentage of lives in identified and allocated gram panchayat. The Life Insurance Council, in consultation with the Ministry of Panchayati Raj, will identify gram panchayat for fulfilling rural sector obligations, it added. For identification of gram panchayats, the council should indicate the minimum number to be allocated to each insurer based on mutually agreed parameters, such as market share or any other parameter. Similarly, the general insurers and health insurance players would be allocated gram panchayat in consultation with the General Insurance Council.

- **Aegon Life Insurance gets new identity, will now be called "Bandhan Life'**

Aegon Life Insurance has been officially taken over by Bandhan Financial Holdings and now it will be called

Bandhan Life. Bandhan Life will recruit 1,000 new employees in its immediate phase of an "aggressive growth strategy," reinforcing its commitment to expanding its customer base and service Excellence, says the company.

- **IRDAI brings AYUSH treatment under health insurance cover from April 1**

Insurance regulator IRDAI has recently issued directions to all insurance companies to cover AYUSH treatment just as other treatments. AYUSH refers to the different alternative treatment given under Ayurveda, Yoga, Unani, Siddha and Homeopathy. The latest move have been taken place from the preview of growing prevalence of these treatments, because of which the regulator felt the need to consider these treatments at par with other treatments for the purpose of health insurance. The IRDAI circular says, "the insurance companies will have a board approved policy for providing AYUSH coverage which will include their approach towards placing AYUSH treatments at par with other treatments for the purpose of health insurance so as to provide an option for the policyholders to choose treatment of their choice."

MSME related News

- Starting from April 1, 2024, recent tax legislation in India mandates businesses to settle payments owed to their MSME suppliers within 15 days. Alternatively, if there exists a formal agreement, the payment window extends to 45 days. This requirement encompasses various business entities such as companies, sole proprietorships, partnerships, and LLPs. The initiative stems from the Finance Act 2023, proposed under the Union Budget 2022-23, aiming to prompt timely payments to MSMEs, addressing prevalent issues of delayed payments within this sector. Businesses that don't pay MSMEs within 45 days won't be able to claim tax deductions, and the overdue amount will be taxed. The changes apply to the 2024-2025 Assessment Year, and don't apply to amounts owed to MSMEs as of March 31, 2023. The newly added clause (h) states that any sum payable by the assessed to a Micro & Small Enterprise beyond the time limit specified in Section 15 of the MSMED Act shall be allowed as a deduction only in the previous year in which the sum has been actually paid (irrespective of the accounting method employed).

- The proposed MSME-Technology Centre in Sindhudurg is estimated to cost Rs 182 Crores. This facility will specialize in sectors like General Engineering and Food Processing, with the objective of granting MSMEs in the vicinity access to advanced technology, skill enhancement programs, and consultancy services. These initiatives aim to catalyze growth opportunities within the surrounding regions.

- Recent projections from the International Monetary Fund (IMF) indicate that India is poised to ascend to the position of the world's third-largest economy by 2027, overtaking both Japan and Germany. Forecasts anticipate India's GDP to reach $5.15 trillion. This optimistic outlook factors in the substantial growth of the MSME sector, which serves as a cornerstone of India's economic framework.

ESG related News

- The U.S. Environmental Protection Agency issued a final rule to strengthen, expand, and update methane emissions reporting requirements for petroleum and natural gas systems under EPA's Greenhouse Gas Reporting Program, as required by President Biden's Inflation Reduction Act. The final revisions will ensure greater transparency and accountability for methane pollution from oil and natural gas facilities by improving the accuracy of annual emissions reporting from these operations. Oil and natural gas facilities are the nation's largest industrial source of methane, a climate "super pollutant" that is many times more potent than carbon dioxide and is responsible for approximately one third of the warming from greenhouse gases occurring today. EPA's latest action complements the Biden-Harris Administration's whole-of-government initiative to slash methane emissions from every sector of the economy under the U.S. Methane Emissions Reduction Plan.

  (Source:https://esgnews.com/biden-harris-administration-finalizes-rule-to-reduce-methane-emissions-in-oil-and-gas-sector/)

- The first phase of the U.K.'s Sustainability Disclosure Requirements (SDR), known as the anti-greenwashing rule, comes into effect at the end-of-May and will be followed by a series of substantial measures aimed at improving the transparency and naming convention of sustainable investment funds.

  (Source: https://esgnews.com/sustainalytics-uks-new-sdr-rules-increase-requirements-for-esg-product-providers/)

- The IFRS Foundation and EFRAG have published guidance material to illustrate the high level of alignment achieved between the International Sustainability Standards Board's IFRS Sustainability Disclosure Standards (ISSB Standards) and the European Sustainability Reporting Standards (ESRS) and how a company can apply both sets of standards, including detailed analysis of the alignment in climate-related disclosures. Having first worked during the development of the ISSB Standards and ESRS to deliver a high degree of alignment, this publication now provides practical support that explains how companies can efficiently comply with both sets of standards. The document has been designed to reduce complexity, fragmentation and duplication for companies applying both the ISSB Standards and ESRS. As companies around the world are increasingly mandated to disclose sustainability-related information through the ISSB Standards and ESRS, EFRAG and the ISSB are committed to creating efficiencies where possible to advance transparency, comparability and accountability. Companies utilising this guidance will be better able to collect, govern and control decision-useful data once.

  (Source:https://esgnews.com/ifrs-foundation-and-efrag-issue-guidance-on-interoperability-between-global-and-european-sustainability-standards/)

- A new study by Meta and World Resources Institute (WRI) utilized artificial intelligence (AI) to create a global map of tree canopy height at a resolution of one meter. This allows for the detection of individual trees across the globe. In an effort to promote open-source forest monitoring, all data and AI models associated with canopy height are freely available for public use. The canopy height map was derived from high-resolution satellite imagery analysed by AI models. Both the data and the AI models are available for commercial use. Meta set a goal of achieving net zero emissions by 2030 through a combination of reducing corporate emissions and utilizing carbon removal strategies. Forest-based carbon removal is a key component of Meta's strategy, and the ability to accurately measure and monitor carbon sequestration is essential.

(Source:https://esgnews.com/meta-uses-artificial-intelligence-to-map-the-earths-forests/)

- The Hong Kong Monetary Authority (HKMA), Hong Kong's central banking institution, announced the publication of the Hong Kong Taxonomy for Sustainable Finance, aimed at defining and classifying environmentally sustainable economic activities, to help inform decision making and facilitate green finance flows. According to the HKMA, the sustainable finance taxonomy provides an important tool by enabling a standardized framework for the classification and labelling of financial products based on their environmental sustainability characteristics, allowing investors to identify and invest in activities that generate a positive impact on the environment, and to avoid those with a negative impact, in addition to aligning investments with climate goals while reducing the risk of investing in assets that are not aligned with a low-carbon future, as well as unlocking investment opportunities in green technologies and sustainable projects.

  (Source:https://www.esgtoday.com/hong-kong-launches-taxonomy-to-classify-green-activities-and-investments/)

- Investment management firm Fidelity International announced the launch of two new SDG-focused fixed income funds, including Fidelity Funds 2 – Sustainable Social Bond Fund, and Fidelity Funds 2 – Sustainable Global Corporate Bond Fund. Each of the new funds are classified as Article 9 under the EU's Sustainable Finance Disclosure Regulation (SFDR) indicating that they have sustainable investment as their objective, and will have 100% of fund investment invested in sustainable investments. According to Fidelity International, the launch of the new funds comes amidst a $4 trillion annual funding gap towards the achievement of the UN Sustainable Development Goals (SDGs) – the 17 categories of goals adopted in 2015 as part of the 2030 Agenda for Sustainable Development, with the aim to protect the planet and improve the quality of life globally – presenting an opportunity for investors. The new funds also form part of Fidelity's commitment to developing thematic fixed income investment solutions that address climate change, biodiversity, water, and social issues, according to the firm. The Fidelity Funds 2 – Sustainable Social Bond Fund aims to invest in investments advancing positive social objectives such as economic inclusion, good health and well-being, poverty reduction, basic infrastructure and access to essential services, including social and sustainability bonds, as well as targeting issuers that provide products and services contributing to the SDGs. The Fidelity Funds 2 – Sustainable Global Corporate Bond Fund aims to offer a more diversified approach relative to pure thematic funds, while also targeting investments aligned with one or more SDGs. Each of the funds will invest at least 70% of its assets in investment grade corporate debt securities from anywhere in the world.

  (Source:https://www.esgtoday.com/fidelity-international-launches-new-article-9-sdg-focused-sustainable-bond-funds/)

- Food and beverage giant PepsiCo announced on May 9 2024 that its beverage plant in Northern Spain aims to become the company's first plant globally to reach net-zero emissions by 2025. According to PepsiCo, the new achievement follows investments of €27 million (USD$29 million) dedicated to innovation and sustainability projects in the plant over the past five years, in addition to a €5 million decarbonization-focused electrification project.

(Source:https://www.esgtoday.com/pepsico-to-achieve-its-first-net-zero-plant-by-2025/)

- Snacking, food, and pet care products provider Mars announced on 9th May, 2024 the launch of "Moo'ving Dairy Forward," a new initiative aimed at reducing the carbon footprint of its dairy sourcing, backed by $47 million of investment over three years. The new initiative follows the launch by Mars last year of a series of new climate-related goals, including a target to cut carbon emissions across its full value chain in half by 2030, in addition to a commitment to invest over $1 billion over the next three years to drive climate action. Raw ingredients account for over 70% of the Mars' total GHG emissions, with dairy as the second largest contributor to the carbon footprint of the company's Snacking business. Mars' products require the dairy from more than 200,000 cows and 1,000 farms. Mars outlined a series of focus areas it is pursuing in its efforts to address the emissions footprint of the dairy supply chain, including partnering with dairy producers to improve feed ingredients and introduce new ingredients into feed that help reduce methane production from cows, pursuing manure management projects, and targeting feed production with regenerative agricultural practices to improve the sustainability of dairy feed crops. As part of the new initiative, Mars is working with farmers and partners around the world to develop and test emission-reducing pilot technologies and interventions focused on enteric methane reduction, efficient manure management, and sustainable feed production. Among its initiatives, Mars partnered with Germany's DMK Group to launch three pilot "net zero" dairy farms, a five-year project aimed at implementing new science and technology to create a scalable and economically viable pathway to net zero dairy.

  (Source:https://www.esgtoday.com/mars-launches-initiative-to-tackle-carbon-footprint-of-dairy-supply-chain/)

- Boston Consulting Group (BCG) and low carbon solutions provider World Energy announced on May 7, 2024 a new 5-year agreement for the purchase by BCG of sustainable aviation fuel certificates (SAFc) as part of the company's efforts to achieve its net zero climate goals. The agreement marks BCG's largest SAFc purchase to date, and is expected to deliver an emissions reduction of 100,000 metric tons of CO2 over the next five years. Founded in 1998, Boston-based World Energy specializes in the production of sustainable aviation fuel (SAF), clean hydrogen, advanced biofuels, and decarbonization services. The company's SAF is manufactured with hydro-processed esters and fatty acids (HEFA) using waste fats, waste oils, and other residues as feedstocks. refinery. The company is currently investing $15 billion into new projects in areas including California, Texas and Newfoundland, aimed at commercializing renewable fuels, and helping companies meet net zero commitments. BCG set a 2030 net zero target in 2020, alongside a goal to become climate positive beyond 2030, and outlined plans to significantly reduce its carbon footprint, as well as to remove emissions by purchasing high-quality removal credits. The company has also set a goal to reduce business travel emissions reduction intensity by 48.5% by 2025, on a 2018 basis.

  (Source:https://www.esgtoday.com/bcg-signs-sustainable-aviation-fuel-deal-to-eliminate-100000-tons-of-co2-emission/)

- Multinational pharmaceutical company Teva Pharmaceutical announced on May 7, 2024 a series of new sustainability goals, including targets to achieve net zero emissions across the company's operations and value chain by 2045 and to reach 100% renewable electricity across all Teva sites by 2035. The new goals were announced alongside the release of Teva's 2023 Healthy Future Report, outlining the company's initiatives under its "Healthy Futures" sustainability strategy.

(Source: https://www.esgtoday.com/teva-commits-to-net-zero-across-value-chain-100-renewable-energy/)

Highlights from Indian Space Research

- In April 2024, the Indian Space Research Organisation (ISRO) is set to organize the Space Science and Technology Awareness Training (START) 2024 program, scheduled from April 15 to May 3, 2024. This initiative will be offered free of charge, offering introductory-level education in space science and technology to undergraduate and graduate students across India. The overarching theme of START 2024 is "Exploration of the Solar System." The primary objective of the program is to foster greater awareness and enthusiasm for space science and technology among the youth demographic.

- Next month, policymakers, representatives from various space agencies worldwide, innovators, and business leaders are slated to participate in the India Space Congress. Organized by the Satcom Industry Association India, the three-day event will carry the theme 'Bridging Boundaries, Transforming Tomorrow.' Scheduled from June 26-28, it anticipates an attendance of over 800 individuals from diverse corners of the globe. The event holds significance against the backdrop of recent policy liberalizations, notably India's decision to permit up to 100 percent foreign direct investment (FDI) in specific space sectors and the unveiling of space authorization guidelines by INSPACe. These developments have opened up substantial potential and opportunities for global collaboration.

- ISRO Chairman S Somanath on Tuesday, 16th April, 2024 announced that India aims to achieve debris-free space missions by 2030. One of India's key intents and initiatives is to promote debris-free space missions, aiming to uphold the sustainability of space activities. This commitment underscores the recognition of the growing issue of space debris and its potential threats to future space missions and satellite operations. By emphasizing the importance of conducting missions with minimal debris generation and implementing measures for responsible space exploration, India demonstrates its dedication to safeguarding the long-term viability of space activities. This initiative aligns with broader international efforts to address space debris and ensure the sustainable use of outer space for present and future generations.

Market Report: A Recap of the Key Developments for the month of April 2024

INTRODUCTION

In April 2024, the Indian stock market saw substantial fluctuations, which were influenced by a range of economic and geopolitical concerns. Investors diligently observed changes such as business earnings, government policies, and global market trends in order to make well-informed judgments. Market indexes exhibited volatility, reacting to both favorable and unfavorable news. Furthermore, industries such as technology, healthcare, and renewable energy garnered interest because of their promising expansion prospects. In April 2024, the Indian stock market demonstrated its dynamic character, emphasizing the significance of being well-informed and flexible in order to manage the constantly evolving financial landscape.

MARKET PERFORMANCE

As the new FY25 is getting initiated, it is pertinent to examine the performance of the Indian stock market and significant sectors:

1. **Nifty Performance:**

   The Nifty 50 index had a 1.2% increase in value over the course of the month, hitting the 22,600-point threshold. It is worth mentioning that the Average Daily Turnover (ADTO) decreased by almost 3% on a monthly basis, reaching a total of ₹446 trillion. The main factor for this fall was a 3% month-on-month decline in the Average Daily Trading Volume (ADTO) of Futures and Options (F&O), while the ADTO of cash transactions saw a roughly 6% month-on-month increase. The average daily turnover of cash in retail increased by 8% month-on-month to ₹445 billion.

   In April 2024, the total number of demat accounts hit a record-breaking 154 million. Although there was a significant rise, the number of new accounts added remained constant at 3.1 million, which is in line with the average monthly additions seen during the fiscal year.

   CDSL further consolidated its market position by seeing a month-on-month gain in both the total number of demat accounts and its market share. NSDL's market share in total demat accounts down by 400 basis points (bp) on a year-on-year basis. Additionally, its market share in incremental demat accounts decreased by 470 basis points (bp).

   In April 2024, the number of active clients at NSE experienced a significant increase, growing by 2.6% compared to the previous month, reaching a total of 41.8 million. The combined market share of the top five discount brokers accounts for 63.9% of all active clients on the NSE, which is a modest rise from the 60.1% reported in April 2023.

2. **Banking Sector Insights:**

- The use of open banking in India is increasing rapidly, facilitating the secure and smooth exchange of data among conventional banks, Fintech companies, and third-party entities. APIs, or Application Programming Interfaces, are facilitating customer-centric innovation by improving accessibility and transparency for customers.
- The Reserve Bank of India (RBI) marked its 90th anniversary on April 1, 2024, commemorating nine decades of its establishment and functioning. The Reserve Bank of India (RBI) is a steadfast pillar of stability, confidence, and economic advancement in the financial realm of India.
- In June 2024, banks could adopt a cautious approach in response to the upcoming presidential election and the possibility of new laws and regulations. Elevated interest rates and depressed stock prices augment the expenses associated with funds and deposits, hence exerting strain on the profitability of banks. The market for mergers and acquisitions (M&A) has experienced a substantial deceleration.

4. **Automotive Sector Resilience:**

According to the Federation of Automobile Dealers Associations (FADA), the auto retail industry in India experienced a significant year-on-year (YoY) expansion of 27% in April 2024. Commercial vehicles, two-wheelers, three-wheelers, and passenger vehicles all increased by varying percentages.

5. **About IT sector:**

A proliferation of Indian information technology companies have been awarded lucrative contracts to execute digital transformation initiatives, which exemplifies the increasing worldwide inclination towards digitization in the aftermath of the pandemic. As an illustration, HCL Technologies recently disclosed a multi-year agreement for IT services and digital transformation with a prominent European energy company.

6. **Outlook for US market**

According to a report by Morningstar, in April, the United States stock market declined, reverting to its fair value after a period of overextension. Small-cap and value equities continue to be priced attractively for long-term investors. The sectors of communications, real estate, and fundamental materials are undervalued. Concurrently, the sluggish economy and persistent inflation pose obstacles. In April, growth equities experienced the most significant decline.

The US stock market experienced substantial activity and volatility in April 2024, which was impacted by a range of economic indicators, corporate earnings, and global events. The following are the most significant advancements:

1. **Performance and Volatility of the Market:**

April 2024 witnessed a significant drop in the value of stocks on the US market. The S&P 500 experienced its initial monthly decline of the year, falling 4.1%. Both the Dow Jones Industrial Average and the NASDAQ experienced substantial declines, as the Dow Jones fell 4.9% and the NASDAQ fell 4.4%, respectively. This recession was precipitated by concerns regarding inflation and the monetary policy posture of the Federal Reserve.

2. The Federal Reserve and Rates of Interest:

The actions and statements of the Federal Reserve with respect to interest rates were attentively observed by investors. The Fed's timeline for alleviating monetary policy was reevaluated in light of higher-than-anticipated inflation data, which dashed expectations for rate cuts. As a result of the Fed's hesitancy to pivot toward rate cuts, market volatility and uncertainty increased.

3. Economic Data and Concerns Regarding Inflation:

The April release of economic indicators painted a varied picture. Indicative of a deceleration in expansion, the United States economy's first-quarter GDP growth was a sluggish 1.6%. In addition, persistent inflation and wage data that exceeded expectations sparked concerns regarding stagflation, a scenario marked by sluggish growth and high inflation.

4. Sectoral Transitions:

Diverse market sectors exhibited diverse responses to the prevailing economic conditions. Sectors sensitive to interest rates, including real estate investment trusts (REITs) and small caps, were struck especially hard, with REITs falling 6.3% and small caps falling 5.1% for the month. In contrast, sectors such as energy and commodities experienced some positive movement as a result of increased investor interest and rising prices.

5. Corporate Earnings:

The commencement of the Q1 earnings season occurred in April, during which numerous corporations disclosed their financial outcomes. Although a few firms surpassed expectations, a cautious sentiment pervaded the market as a whole. The performance of corporate earnings was varied, with certain sectors exhibiting superior performance compared to others. Although certain tech titans' strong earnings reports offered some solace to the market, they were insufficient to counterbalance more extensive apprehensions.

6. Treasury Yields and the Bond Market:

In addition, the bond market underwent substantial fluctuations, as evidenced by the rapid ascent in yields on long-term Treasury bonds. A rise of 51 basis points in the 5-year Treasury note reflected investor apprehensions regarding inflation and the monetary policy of the Federal Reserve. The yield on 10-year U.S. Treasury notes increased to a closing peak of 4.7% in 2024.

7. Cryptocurrency Market:

April witnessed a decline in the cryptocurrency market, with Bitcoin suffering its first negative month of 2024, a 15% decline. Stocks that were invested in the performance of cryptocurrencies, including Coinbase and MicroStrategy, experienced substantial losses as a result of this decline.

8. In terms of global influences:

Additionally, geopolitical events and global economic conditions influenced the US stock market. Investor sentiment and market movements were impacted by developments in other major economies, including the Eurozone Central Bank's position on interest rates and the economic performance of emergent markets.

Fig 1: S&P 500 during the last one year *(Source: www.cnbc.com)*

Developments with RESERVE BANK OF INDIA

The Reserve Bank of India's (RBI) monetary policy developments in April 2024 encompassed several significant highlights.

1. **Meeting of the Monetary Policy Committee (April 3–5, 2024):** From April 3 to 5, 2024, the Monetary Policy Committee (MPC) convened for its forty-eighth meeting. Consumer confidence, inflation expectations, corporate sector performance, credit conditions, and macroeconomic projections were among the numerous indicators that the MPC examined. The committee was comprised of academic, business, and RBI representatives.

2. **Policy Measures:** The policy repo rate, which is a component of the liquidity adjustment facility (LAF), was maintained at 6.50 percent.

   The rate for the standing deposit facility (SDF) was maintained at 6.25 percent, while the rates for the marginal standing facility (MSF) and the bank rate remained unchanged at 6.75 percent.

   The MPC upheld its policy position of "withdrawal of accommodation," which emphasized the importance of bringing inflation in line with the target while continuing to provide support for growth.

3. **Economic Projections:** - For the fiscal year 2025, India anticipated a real GDP growth of 7%. The estimated CPI inflation rate for fiscal year 2025 was 4.5%.

The RBI's commitment to achieving a balance between inflation control and economic growth is reflected in these decisions.

Developments with SEBI

The following are significant developments reported by the Securities and Exchange Board of India (SEBI) in April 2024:

1. **T+0 Settlement Beta Version:** SEBI authorized the launch of a limited set of 25 scrips in a beta version of the optional T+0 settlement. The objective of this action is to optimize the process of settling securities transactions by enabling them to occur simultaneously with the execution of the trade.

2. **Deduction for Particular Foreign Portfolio Investors (FPIs):** SEBI granted particular FPIs an exemption from additional disclosure requirements. This decision simplifies the compliance process for FPIs that qualify.

3. **Relaxation of Timelines for Disclosure of Material Changes:** Foreign Portfolio Investors are now granted greater flexibility in reporting significant developments, as the timelines for disclosure of material changes have been relaxed.

4. **Provision of Flexibility for FPIs Beyond the Expiration of Registration:** SEBI granted FPIs the ability to engage in securities transactions even subsequent to the termination of their registration. This action streamlines operations for FPIs.

In addition, SEBI authorized amendments concerning investments in REITs, InvITs, venture capital funds, mutual funds, and market infrastructure institutions (MIIs) at its 205th board meeting on April 30, 2024.2. SEBI's dedication to strengthening the regulatory framework governing the Indian securities market is reflected in these decisions.

DEVELOPMENTS IN GLOBAL CRYPTO CURRENCY SECTOR

1. **A prominent cryptocurrency wallet application**, Trust Wallet, was temporarily removed from the Google Play Store on April 29. This incident underscored the intricate interplay between cryptocurrency applications and prominent digital platforms. Despite the prompt resolution of the matter, it served to emphasize the susceptibility of cryptocurrency services to regulatory actions and platform policies.

2. **Ethereum ETF Skepticism and Regulatory Uncertainty:** Ethereum Exchange-Traded Funds (ETFs) approval by May was met with skepticism by TRON founder Justin Sun. Furthermore, the SEC's determination regarding Franklin Templeton's Ethereum ETF has been delayed until June. These occurrences exemplify the persistent regulatory ambiguity in the cryptocurrency market, particularly with regard to conventional investment vehicles.

3. **Opinion of the SEC Chairman on Ethereum:** Gary Gensler, chairman of the SEC, categorized Ethereum as a security on the grounds of its migration from Proof of Work to Proof of Stake. The aforementioned categorization carries significant ramifications for the regulation and investor perception of Ethereum and other cryptocurrencies. Moreover, South Korea implemented anti-crime measures against cryptocurrency-related offenses by establishing the Virtual Asset Joint Investigation Team as an indestructible institution. This action is indicative of the heightened international scrutiny and regulatory initiatives directed towards the cryptocurrency market.

4. **Market Developments and Innovations:** Aside from regulatory advancements, April 2024 was marked by the introduction of World Chain, non-custodial BTC staking, and new DeFi products. These developments make a significant contribution to the dynamic nature of cryptocurrencies. In general, the cryptocurrency market continues to be a dynamic environment, influenced by regulatory obstacles, technological advancements, and investor sentiment.

Cluster Program on Total Cost Management (TCM) organised by Confederation of Indian Industry TCM Division in association with Coimbatore Small Industries Associtian (CODISSIA) and The Institute of Cost Accountants of India

An industrial connection was established with CODISSIA – Coimbatore, on the 3rd of May 2024, Friday, through a cluster program focusing on Total Cost Management (TCM) in collaboration with the Confederation of Indian Industry (CII). The event was jointly organised The Institute of Cost Accountants of India. The event commenced with a welcome address by Sh.V. Thirugnanam, President of CODISSIA. Sri. K. Ravi, CFO of Roots Industries Ltd., Coimbatore, graced the occasion as the guest of Honor, delivering a special address emphasizing the significance of Cost vs. Profit in today's intricate business landscape.

Sh. M. Nagesh Babu, Principal Counsellor from CII TCM Division, was invited to shed light on the importance, scope, milestones, cluster methodology, and road map of the TCM model. Following this, CMA M. Gopalakrishnan, Mentor of CII TCM Division and Former President of ICMAI, delivered a lecture on TCM and Cluster methodology. CMA TCA. Srinivasa Prasad, Central Council Member of ICMAI, discussed the "Role of ICMAI in TCM Cluster," while CMA S. Durairajan, Founder Director of Kanzen Institute Asia Pacific Pvt. Limited, presented a case study on the benefits of TCM Cluster.

Subsequently, a stimulating discussion ensued between CODISSIA members, invitees, and members of the Institute of Cost Accountants of India, Coimbatore Chapter, fostering an interactive and engaging exchange of industrial insights on the topic. With the participation of 30 individuals, including CODISSIA members, the program offered an enriching atmosphere.

The program concluded with a vote of thanks delivered by CMA (Dr) R. Maheswaran. Chairman of the Coimbatore Chapter of ICMAI, followed by the national anthem, marking the successful conclusion of an insightful and enriching event.

2nd Edition

CFO Leadership Summit – CFO Speaks

Organized by:

Members in Industry Committee *in association with*
Coimbatore Chapter of Cost Accountants

Coimbatore, May 4, 2024

The Members in Industry Committee of the Institute organized the 2nd edition of "The CFO Leadership Summit – CFO Speaks" in association with Coimbatore Chapter of the Cost Accountants of India at Coimbatore on Saturday, the 4th of May 2024. The summit aimed to redefine the role of CFOs from conventional finance professionals to strategic business leaders, with a focus on Total Cost Management (TCM). Distinguished speakers from CII, ICMAI, and various industrial heads in finance were invited to share their thoughts and expertise to this comprehensive event.

The summit commenced with a warm welcome address by CMA (Dr.)R.Maheswaran, Chairman of the Coimbatore Chapter of ICMAI, followed by an illuminating presentation by CMA Dr. Debaprosanna Nandy, Senior Director of Studies, providing insights into the institute and the CMA curriculum.

CMA TCA. Srinivasa Prasad, Central Council Member of ICMAI and Chairman of the Members in Industry Committee, delivered a special address. Sri. M.Nagesh Babu, Principal Counsellor from CII TCM Division, then elaborated on the significance, scope, milestones, and roadmap of the TCM model. CMA A.N. Raman, Former President of SAFA gave an insight into TCM and the Methodological framework of TCM. CMA S.Durairajan, Founder Director of Kanzen Institute Asia Pacific Pvt. Limited, further elucidated on the practical implementation of the TCM model to facilitate the transition of CFOs into strategic leaders.

The summit fostered an engaging dialogue between CFO invitees and the speakers, facilitating an exchange of industrial insights. With the active participation of around 35 members including office staffs, representing diverse sectors including Financial Services, Textiles, Engineering, Education, Information Technology, Pharmaceuticals, Automobile and Plantation, the program created a vibrant and enriching atmosphere.

The event concluded with remarks by CMA Chittaranjan Chattopadhyay, Central Council Member of ICMAI, and a vote of thanks delivered by CMA U.Surya Prakash, Secretary of the Coimbatore Chapter of ICMAI, followed by the rendition of the national anthem, marking the successful conclusion of a thought-provoking and insightful summit.

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Behind every successful business decision, there is always a CMA

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