



**ICMAI**  
THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA  
(Statutory Body under an Act of Parliament)

[www.icmai.in](http://www.icmai.in)



Telephones: +91-33- 2252-1031/1034/1035  
+ 91-33-2252-1602/1492/1619  
+ 91-33- 2252-7143/7373/2204  
Fax :+91-33-2252-7993  
+91-33-2252-1026  
+91-33-2252-1723

## **DAILY NEWS DIGEST BY BFSI BOARD**

**23 December 2024**



## **ECONOMY**

**India's IPO market hits record Rs 1.6 lakh crore in 2024, eyes bigger 2025** : In 2024, fundraising through Initial Public Offerings (IPOs) in India hit a record high of Rs 1.6 lakh crore. This milestone was fueled by robust economic growth, favorable market conditions, and enhancements in the regulatory framework. The year saw diverse companies, ranging from large to small market capitalizations, tapping into the IPO route, with the average issue size increasing from Rs 867 crore in 2023 to over Rs 1,700 crore. Highlighting the success of the year was Hyundai Motor India's landmark Rs 27,870 crore IPO, the largest in the country's history. With the IPO pipeline for 2025 looking even more promising, the market's vibrancy is expected to continue well into the new year. The average IPO size surged from Rs 867 crore in 2023 to over Rs 1,700 crore in 2024, reflecting increased issuer confidence and investor interest. December alone witnessed 15 IPO launches, showcasing the continued vibrancy of the market.

***(Financial Express)***

**Separate rate for caramelised popcorn draws criticism from economists:** Economists have criticised the decision of the Goods and Services Tax (GST) Council to have an 18 per cent GST for caramelised popcorn, saying it will further complicate the indirect tax system. After the Council meeting in Jaisalmer, the finance ministry in a statement said ready-to-eat popcorn, mixed with salt and spices, attracted a 5 per cent rate and 12 per cent if supplied as pre-packaged and labelled. "However, when popcorn is mixed with sugar thereby changing its character to sugar confectionery (e.g. caramel popcorn), it would attract 18 per cent GST.

***(Business Standard)***



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## **BANKING & FINANCE**



**Key stakeholders from NPS ecosystem came together with the launch of Association of NPS Intermediaries (ANI):** The Association of NPS Intermediaries (ANI) was officially launched at a conference titled “Securing Tomorrow, With Pension” held at the Insurance Institute of India, Mumbai. The Association of NPS Intermediaries is a collective platform representing all stakeholders in the NPS ecosystem. It is committed to enhancing the effectiveness of the system, strengthening subscriber welfare, and collaborating with policymakers to shape the future of retirement planning in India. The ANI stakeholders are Points of Presence (Bank and Non-Bank), Central Record Keeping Agencies, Trustee Banks, Custodians, Aggregators, Annuity Service Providers, Pension Agents, Retirement Advisors, and other industry participants.

**(PiB)**

**CII calls for reforms in priority sector lending to include emerging sectors:** The Confederation of Indian Industry (CII) has proposed reforms to India’s priority sector lending (PSL) framework, advocating for the inclusion of emerging and high-impact sectors such as digital infrastructure, green initiatives, healthcare, and innovative manufacturing. The apex industry chamber has also called for setting up more development finance institutions (DFIs) to cater to new and emerging sectors. In particular, CII has recommended that green initiatives, including green energy projects, electric vehicles, and climate-resilient agriculture, be brought under the PSL framework. Similarly, for digital infrastructure, funding should be prioritised for sectors like digital technologies, artificial intelligence, and more.

**(Business Line)**

**Govt to infuse Rs 500 cr in IFCI to improve its financial health:** The government has decided to infuse Rs 500 crore capital in state-owned IFCI to improve its financial health ahead of the company's proposed restructuring and consolidation into a group. With the infusion, the government of India's holding in the company is expected to further increase from existing 71.72 per cent as on September 2024.

**(Economic Times)**

**Number of UPI apps grows in 2024, yet top two command maximum market share:** In 2024, the National Payments Corporation of India (NPCI) approved 20 third-party Unified Payments Interface (UPI) applications, a record since UPI’s launch in 2016. This surge reflects growing interest from financial technology (fintech) companies, driven by the integration of credit products like UPI-



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linked credit cards and pre-approved credit lines. In October, NPCI Managing Director and Chief Executive Officer Dilip Asbe said that around 50 entities were keen on obtaining third-party application provider (TPAP) approvals, despite the current zero merchant discount rate regime on UPI payments.

***(Business Standard)***

## INDUSTRY OUTLOOK



**SEBI bans 9 entities from market, impounds illegal gains of over Rs 21 crore:** Markets regulator Sebi has uncovered a front-running scheme involving PNB MetLife India Insurance Company equity dealer Sachin Bakul Dagli and eight other entities, who generated illegal gains of Rs 21.16 crore. The front-running by these entities continued for more than three years. Sebi, through an interim order, prohibited Sachin Bakul Dagli and eight other entities from the securities market and impounded the unlawful gains made by them. In a statement on Sunday, PNB MetLife stated that it has fully cooperated with Sebi in the investigation and taken disciplinary action against the individual involved.

***(Moneycontrol)***

**Venture capital investments hit \$16.7 billion, up 14.1% till November:** Venture capital (VC) activity in India between January and November 2024 recorded a total value of \$16.77 billion across 888 deals, a 14.1 per cent increase in value and a 21.8 per cent rise in deal count compared with \$14.69 billion across 729 deals during the same period in 2023, according to Bloomberg data. The technology sector accounted for the largest share of VC funding at \$6.50 billion, up 52.5 per cent compared with the corresponding year-ago period. Consumer discretionary followed with \$2.30 billion, up 32.2 per cent, while the financial sector attracted \$2.20 billion, registering a decline of 0.6 per cent. Notable deals include KiranaKart Technologies (Zepto) at \$1.3 billion, Poolside AI SAS at \$500 million, and Sterlite Power Transmission at \$289 million.

***(Business Standard)***



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## REGULATION & DEVELOPMENT

**Prime Minister conferred with the highest national award of Kuwait:** His Highness Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah, the Amir of Kuwait conferred upon Prime Minister Shri Narendra Modi The Order of Mubarak Al- Kabeer, the highest national award of Kuwait. His Highness Sheikh Ahmed Al-Abdullah Al-Ahmad Al-Sabah, the Prime Minister of Kuwait also graced the occasion. Prime Minister dedicated the award to the long-standing friendship between India and Kuwait, to the Indian community in Kuwait and to the 1.4 billion people of India. The conferment of the award on this historic visit of a Prime Minister of India to Kuwait after 43 years added a special meaning to the occasion.

**(PiB)**

**Recommendations of the 55th Meeting of the GST Council:** The 55th GST Council met under the Chairpersonship of Union Minister for Finance & Corporate Affairs Smt. Nirmala Sitharaman in Jaisalmer, Rajasthan on 21<sup>st</sup> December 2024. The important recommendations made by the council are as follows;

- Recommends exemption of GST on contributions by general insurance companies from third-party motor vehicle premiums for Motor Vehicle Accident Fund.
- No GST on transaction of vouchers as they are neither supply of goods nor supply of services. The provisions related to vouchers are also being simplified.
- No GST is payable on 'penal charges' levied and collected by banks and NBFCs from borrowers for non-compliance with loan terms.
- GST Council recommends reduction of payment of pre-deposit for filing an appeal before the Appellate Authority in respect of an order passed which involves only penalty amount.
- Reduction in GST rate on Fortified Rice Kernel (FRK), classifiable under 1904, to 5%.
- GST council also recommends to fully exempt GST on gene therapy.
- Recommendations made to reduce the rate of Compensation Cess to 0.1% on supplies to merchant exporters at par with GST rate on such supplies.
- To exempt from IGST imports of all equipment and consumable samples by Inspection Team of the International Atomic Energy Agency (IAEA) subject to specified conditions.
- To extend the concessional 5% GST rate on food inputs of food preparations under HSN 19 or 21 that are supplied for food preparations intended for free distribution to economically weaker





sections under a government program subject to the existing conditions.

- To bring supply of the sponsorship services provided by the body corporates under Forward Charge Mechanism.
- To amend the definition of 'pre-packaged and labelled' to cover all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined under the Legal Metrology Act, or a label affixed thereto is required to bear the declarations under the provisions of the Act and rules.
- RBI regulated Payment Aggregators are eligible for the exemption under entry at Sl. No. 34 of notification No. 12/2017-CT(R) dated 28.06.2017 since they fall within the ambit of 'acquiring bank' as defined in the said entry. To also clarify that this exemption does not cover payment gateway (PG) and other fintech services which do not involve settlement of funds.

**(PiB)**



## FINANCIAL TERMINOLOGY

### CONTAGION

- ❖ A contagion can be explained as a situation where a shock in a particular economy or region spreads out and affects others by way of, say, price movements.
- ❖ The contagion effect explains the possibility of spread of economic crisis or boom across countries or regions. This phenomenon may occur both at a domestic level as well as at an international level. The failure of Lehman Brothers in the United States is an example of a domestic contagion.
- ❖ The fundamental underlying this scenario where price movements in one market are resultant of shocks or volatility in the other market is that there is a perfect information flow. With increasing interdependence and correlation between economies, this possibility has increased. While internationally, there could a number of other factors governing trade, which may influence the extent of this contagion effect across geographies.



### RBI KEY RATES

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### FOREX (FBIL 1.30 PM)

INR / 1 USD : 85.0880  
INR / 1 GBP : 106.2908  
INR / 1 EUR : 88.1705  
INR /100 JPY: 54.2300

### EQUITY MARKET

Sensex: 78041.59(-1176.46)  
NIFTY: 23587.50 (-364.20)  
Bnk NIFTY: 50759.20 (-816.50)

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- ❖ Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).
- ❖ Guidance Note on the Internal Audit of General Insurance Companies.
- ❖ BFSI Chronicle (quarterly issue of BFSIB)
- ❖ Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)

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**Banking, Financial Services & Insurance Board  
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