

# FINANCIAL SERVICES



August 2024

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# Table of Contents

<b>Executive Summary</b>	<b>3</b>
<b>Advantage India</b>	<b>4</b>
<b>Market Overview</b>	<b>6</b>
<b>Recent Trends and Strategies</b>	<b>16</b>
<b>Growth Drivers and Opportunities</b>	<b>20</b>
<b>Key Industry Contacts</b>	<b>29</b>
<b>Appendix</b>	<b>31</b>

# Executive summary

## 2. INDIA'S UHNWI POPULATION INCREASING TREND

- The number of Ultra High Net Worth Individuals (UHNWI) is estimated to increase from 12,069 in 2022 to 19,119 in 2027.
- India's UHNWIs are likely to expand by 58.4% in the next 5 years.

## 3. ROBUST AUM GROWTH

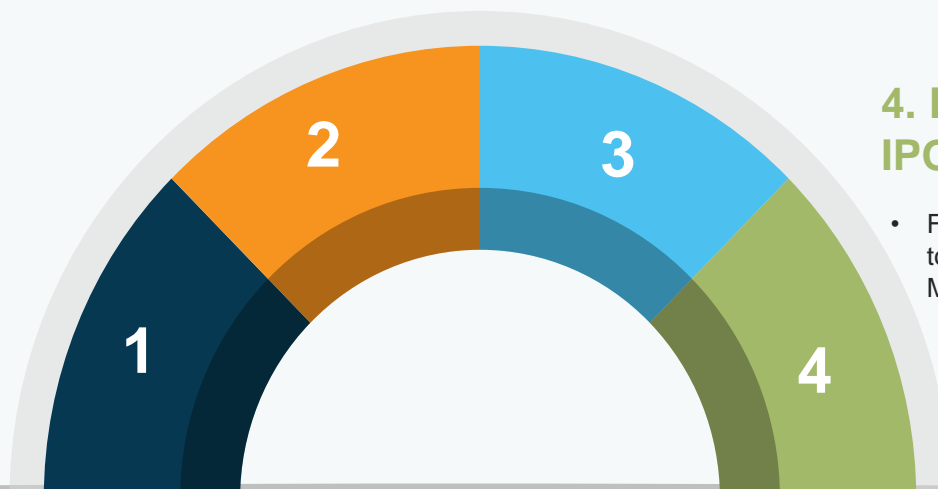
- As of July 2024, AUM managed by the mutual funds industry stood at Rs. 64.97 trillion (US\$ 780.70 billion) which is more than 6-fold increase in the span of 10 years.
- The industry's strong AUM growth was reflected in record-high 17.78 crore folios, attracting 4.46 crore new investors.
- Mutual fund assets increased by 35% YoY, reaching a record high of Rs. 53.40 lakh crore (US\$ 641.75 billion) in FY24.

## 1. GROSS SAVINGS NEAR 30.73% OF GDP

- In 2021, India's gross savings was at 29.3% of GDP amounting to US\$ 930.56 billion.
- In 2023, India's gross savings stood at 30.2% of GDP.

## 4. FUNDRAISING VIA IPOs ON THE RISE

- Fundraising from IPOs amounted to US\$ 7.25 billion in FY24 as of March 2024.



**Note:** NBFC - Non-Banking Financial Company

**Source:** AMFI, IMF, ICRA, Economic Times, Capgemini Wealth Report, EY report



## 2. INNOVATION

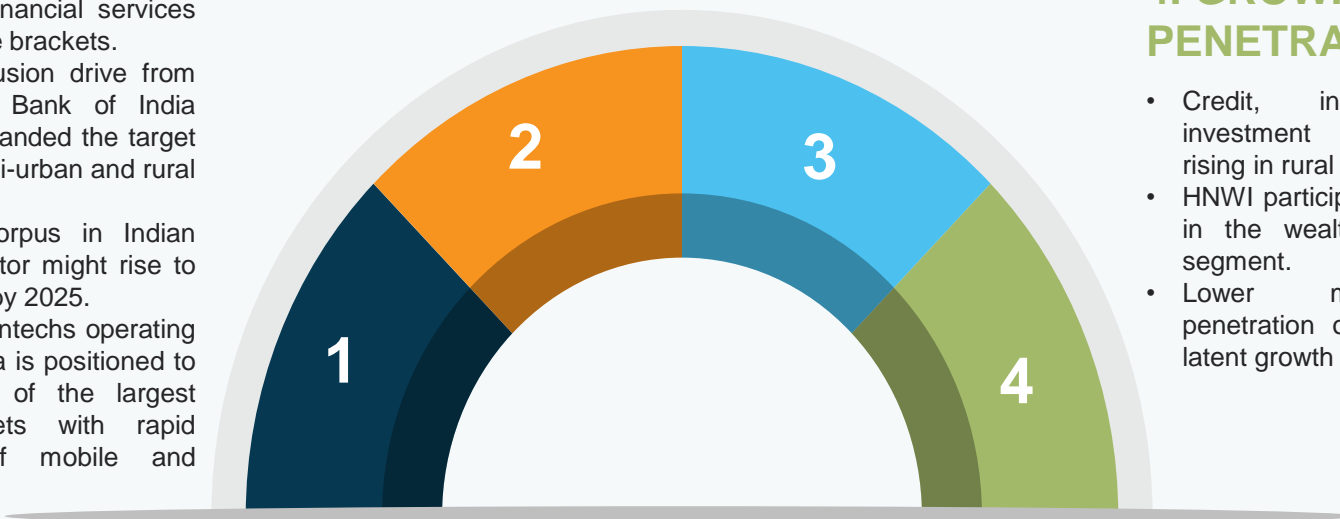
- India benefits from a large cross-utilisation of channels to expand reach of financial services.
- Emerging digital gold investment options.
- In September 2021, 8 Indian banks announced that they are rolling out—or about to roll out—a system called ‘Account Aggregator’ to enable consumers to consolidate all their financial data in one place.

## 3. POLICY SUPPORT

- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.
- International Financial Services Centres Authority (Banking) Regulations, 2020, are expected to drive and facilitate the constituent operations in the IFSC and help the sector reach its potential.

## 1. GROWING DEMAND

- Rising income is driving the demand for financial services across income brackets.
- Financial inclusion drive from the Reserve Bank of India (RBI) has expanded the target market to semi-urban and rural areas.
- Investment corpus in Indian insurance sector might rise to US\$ 1 trillion by 2025.
- With >2,100 fintechs operating currently, India is positioned to become one of the largest digital markets with rapid expansion of mobile and internet.



## 4. GROWING PENETRATION

- Credit, insurance and investment penetration is rising in rural areas.
- HNWI participation is growing in the wealth management segment.
- Lower mutual fund penetration of 5-6% reflects latent growth opportunities.

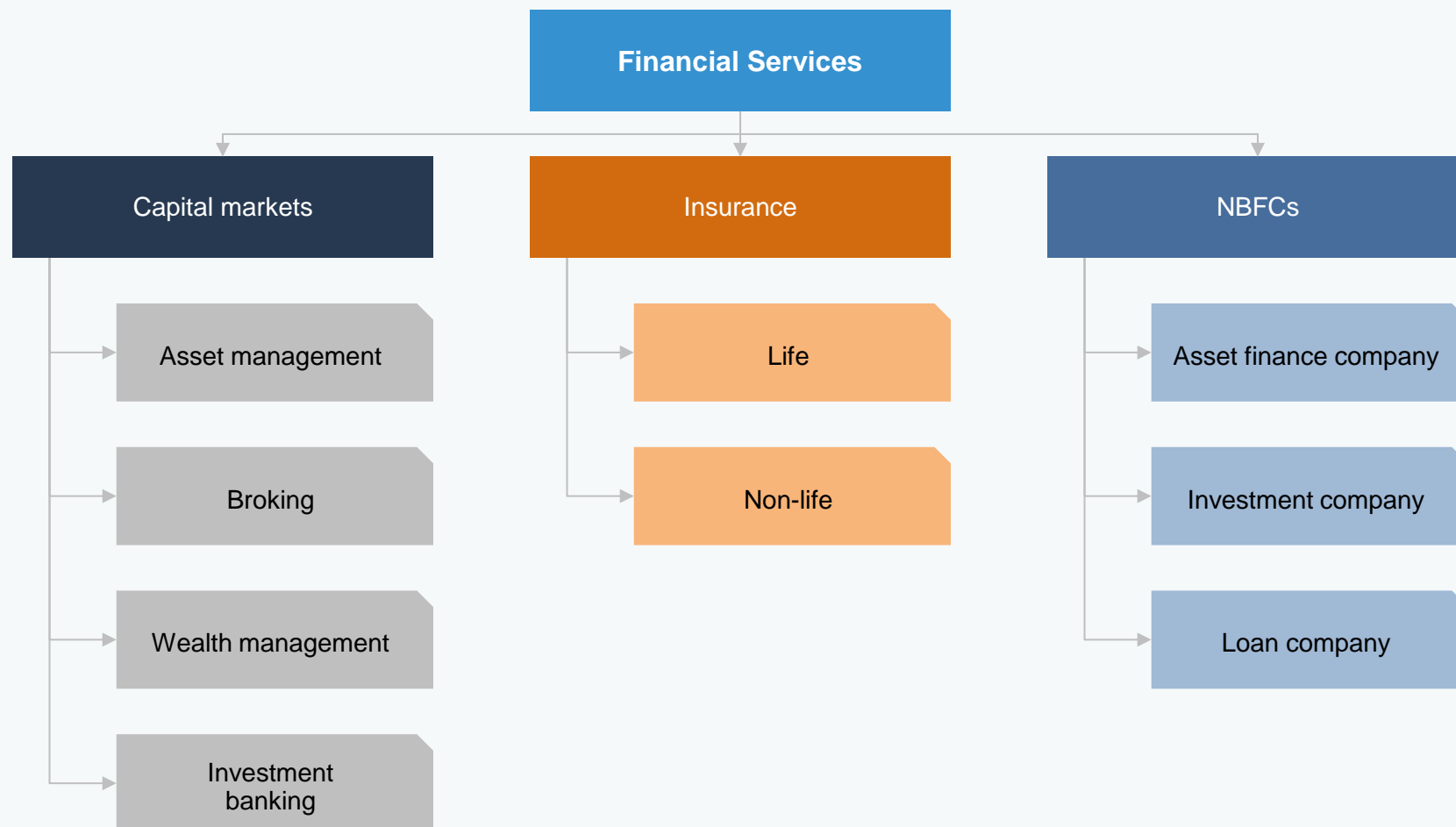
**Note:** FDI - Foreign Direct Investment, IIM - Indian Institute of Management

**Source:** IMF, World Bank, KPMG report “Indian Mutual Fund Industry”, Ministry of External Affairs

# Market Overview



# Segments of the financial services sector

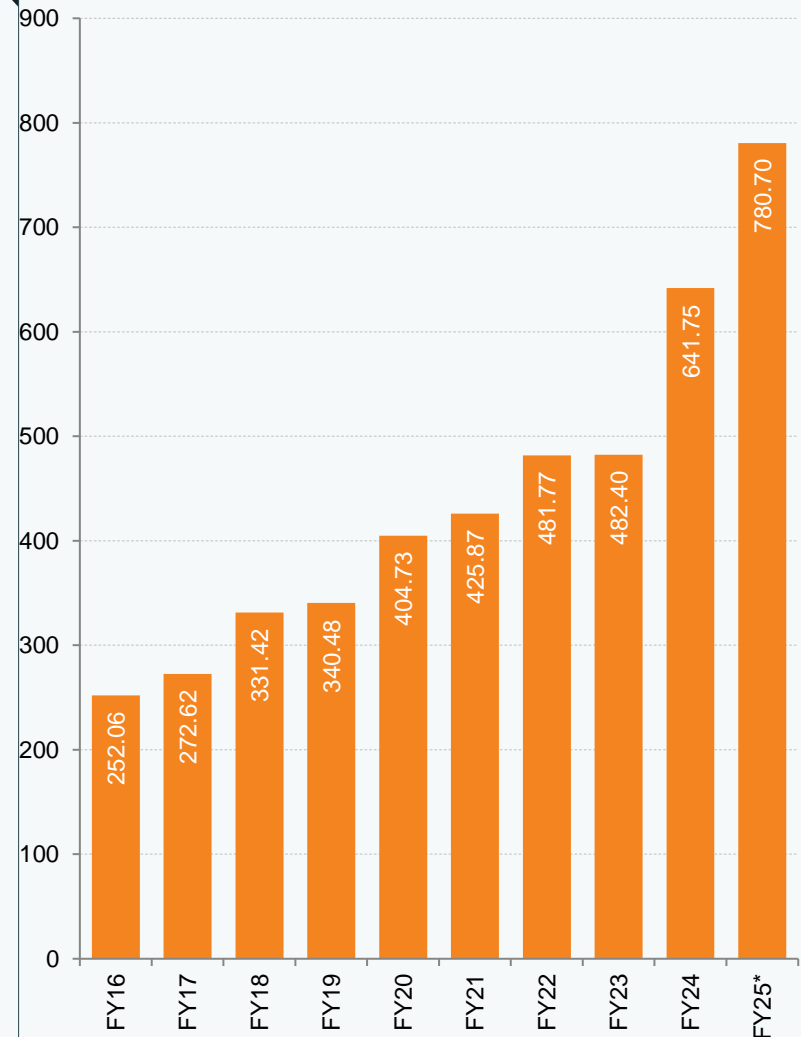


**Note:** NBFC - Non Banking Financial Company

# Assets under management have more than doubled since FY08

- In FY25\*, AUM managed by the mutual funds industry stood at Rs. 64.97 lakh crore (US\$ 780.70 billion) .
- In May 2021, the mutual fund industry crossed over 10 crore folios.
- Inflow in India's mutual fund schemes via systematic investment plans (SIP) from April 2023 to March 2024 stood at Rs. 2 lakh crore (US\$ 24.04 billion).
- Growth in B30 (beyond the top 30) cities, sustainability of alpha, alternative investments and regulatory norms are expected to shape the mutual fund industry in the coming years.
- About 18% of assets in the mutual fund industry were generated from B30 locations in April 2024.
- These assets increased by 3%, from Rs. 9.83 lakh crore (US\$ 118.13 billion) in March 2024 to Rs. 10.16 lakh crore (US\$ 122.10 billion) in April 2024.
- The assets under management growth is expected to double to Rs. 100 trillion (US\$ 1207 billion) by 2030 implying a CAGR of 14% from FY24 to FY30.
- In November 2020, an agreement with the World Bank was signed by the Department of Investment and Public Asset Management (DIPAM).
  - Under the agreement, the World Bank is expected to provide DIPAM with asset monetization advisory services.
  - This project is established to encourage and speed up the monetization of non-core assets and help unlock the value of these unused/marginally used assets that have the potential to dramatically increase financial capital for further investment and development.

Mutual fund assets under management (in US\$ billion)



\*Note- \* As of July 2024

Source: Association of Mutual Funds - AMFI

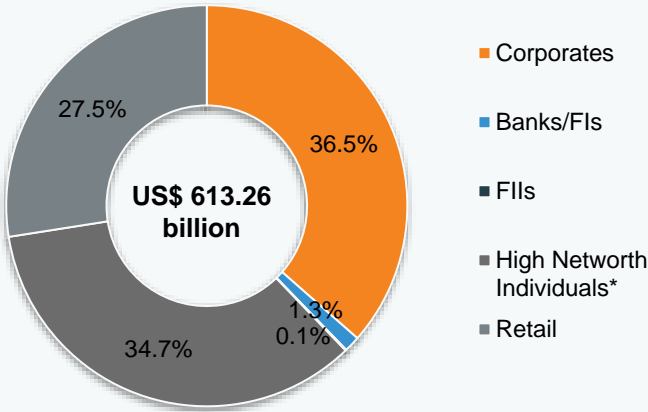


# Corporate investors are by far the largest investor in mutual funds category

## Leading AMC's in India (Fourth quarter of 2024)

Top 5 AMC's in India	AUM (US\$ billion)
SBI Mutual Fund	109.96
ICICI Prudential Mutual Fund	85.45
HDFC Mutual Fund	74.15
Kotak Mutual Fund	74.15
Nippon India Mutual Fund	52.04

## Investor breakdown as of December 2023



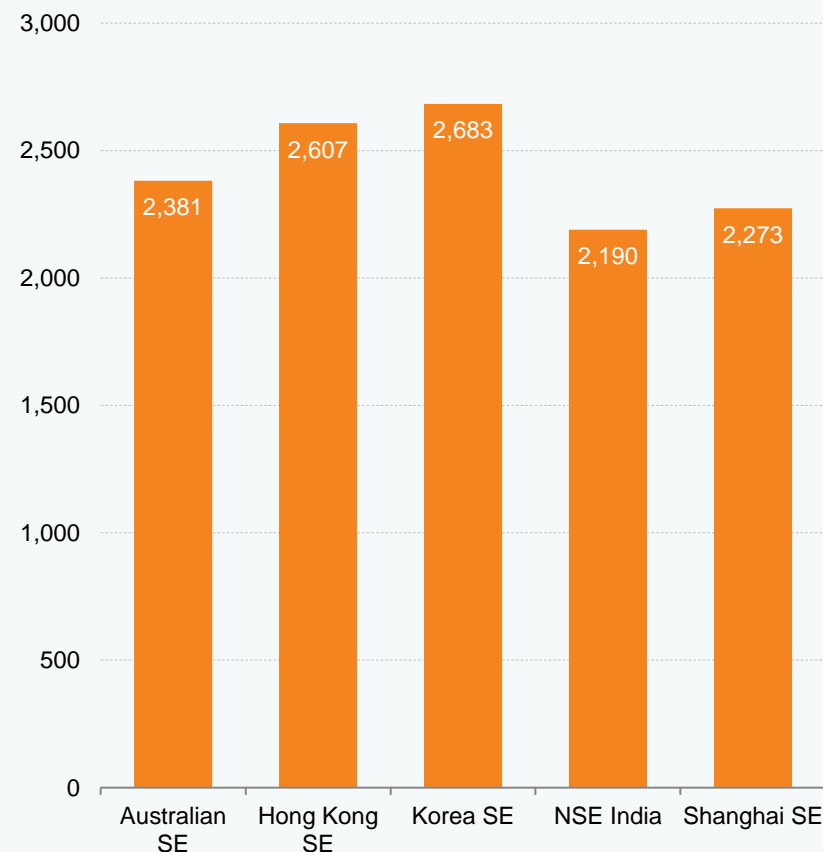
- As of December 2023, corporate investors AUM stood at US\$ 223.73 billion, while HNWIs and retail investors reached US\$ 212.67 billion and US\$ 168.52 billion, respectively.
- During fourth quarter of 2024, AUM for SBI Mutual Fund stood at US\$ 109.96 billion.

**Note:** HNWI - High Net Worth Individuals, AMC - Asset Management Company, AUM - Assets Under Management \* - individuals investing 500,000 and above  
**Source:** AMFI, Money Control, India Private Equity Report 2019 by Bain and Co, Economic Times

# Indian equity market meeting the global pace

- Indian stock market rally made investors Rs. 80.62 lakh crore (US\$ 973.67 billion) in 2023 and Sensex reached an all-time high of 79,672 on June 28, 2024.
- The number of Demat accounts in India reached 154 million in April 2024.
- The number of companies listed on the BSE increased from 135 in 1995 to 5,415 as of June 2024.
- According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY2020.
- India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by the Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report.
- According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach >US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

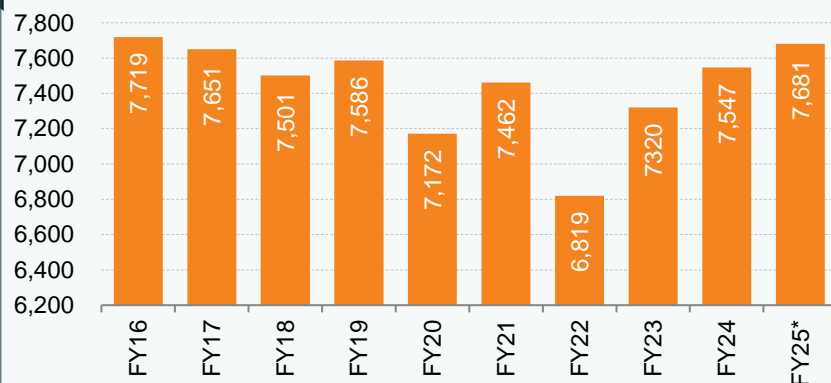
**Listed companies on major stock exchanges in Asia-Pacific countries**



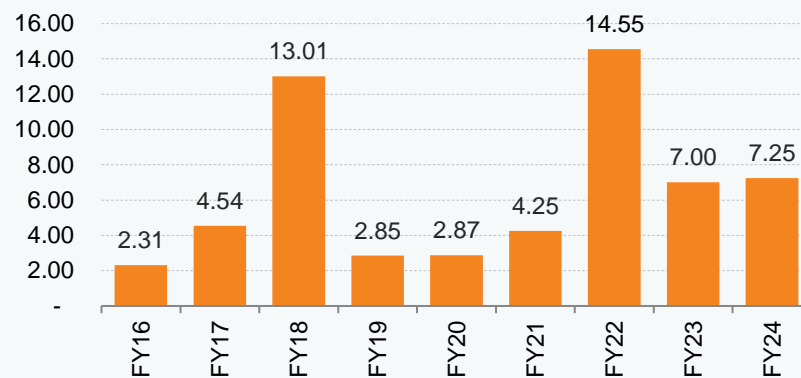
*Source: National Stock Exchange, SEBI, Livemint*

# Vibrant capital market evident through large number of listings

Companies listed on NSE and BSE



Amount raised by IPOs (US\$ billion)



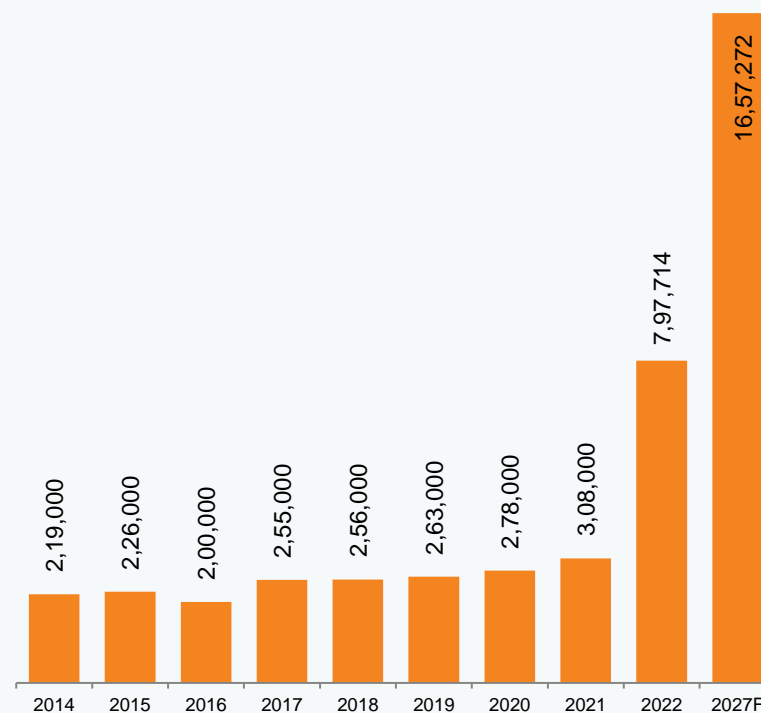
- In FY24 as of June 2024, the number of listed companies on the NSE and BSE were 2,266, and 5,415 respectively.
- In FY22, US\$ 14.55 billion was raised across 127 initial public offerings (IPOs).
- In FY24, US\$ 7.25 billion was raised.
- In first half of 2025, a total of 35 mainboard IPO were launched raising Rs. 32,000 crore (US\$ 3.85 billion).
- The December quarter in CY23 was a remarkable phase for the primary market in India with the launch of 92 IPOs, including 61 from the small and medium enterprises and 31 main board public issues.

**Note:**, NSE - National Stock Exchange, SME - Small and Medium-sized Enterprises, BSE - Bombay Stock Exchange, India IPO Market Insight report by EY,\* as on June 2024  
**Source:** BSE, NSE

# Wealth management: An emerging segment

- The number of HNWI in India reached 797,714 by the end of 2022. Between 2014 and 2020, the number of HNWI in India posted a steady rise, increasing at a CAGR of 4.1%. By the end of 2025, global HNWI wealth is estimated to grow to over US\$ 100 trillion.
- India is expected to have 16.57 lakh HNWI in 2027.
- HNWI households grew at an even faster rate until 2019, growing at a CAGR of about 21.5%.
- Advisory asset management and tax planning have one of the highest demands among wealth management services by HNWI. This is followed by financial planning.
- India is expected to be the fourth largest private wealth market globally by 2028.
- According to the Knight Frank Report, the number of ultra-high-net-worth individuals (UHNWIs), with a wealth of US\$ 30 million or more, is expected to rise 63% between 2020 and 2025 to 11,198.

Number of HNWI in India

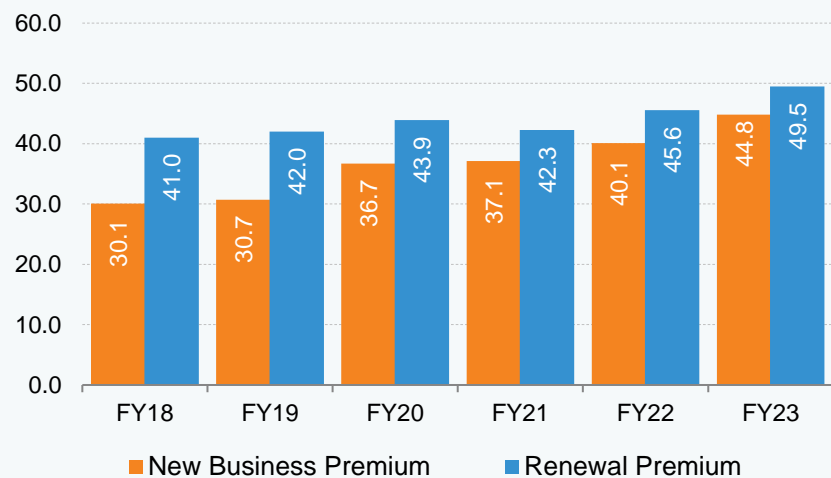


**Note:** HNWI - High Net Worth Individuals, 2025F - Forecast

**Source:** World Wealth Report by Capgemini, Asia Pacific Wealth Report 2021 by Capgemini

# The life insurance segment has grown significantly in recent years

Life insurance premium (US\$ billion)



Major private players in the life insurance segment in FY23

Name	Total premiums (US\$ billion)
LIC India	57.33
SBI Life	8.13
HDFC life	6.95
ICICI Prudential Life	4.82
Bajaj Allianz	2.35

- India's insurance industry has huge growth potential and is expected to reach US\$ 250 billion by 2025. There are 24 life insurance companies in India.
- The gross premium collected by life insurance companies in India increased from US\$ 39.7 billion in FY12 to US\$ 89.3 billion in FY22.
- In FY23, premiums from new businesses of life insurance companies in India stood at US\$ 44.8 billion, and renewal premiums stood at US\$ 49.5 billion.
- According to the data compiled by the Life Insurance Council, in March 2021, a new business premium of 24 life insurers increased by 70% YoY at Rs. 43,416.69 crore (US\$ 5.81 billion). For FY21, new business premiums for life insurers increased by 7.5% YoY at Rs. 2.78 trillion (US\$ 37.17 billion).

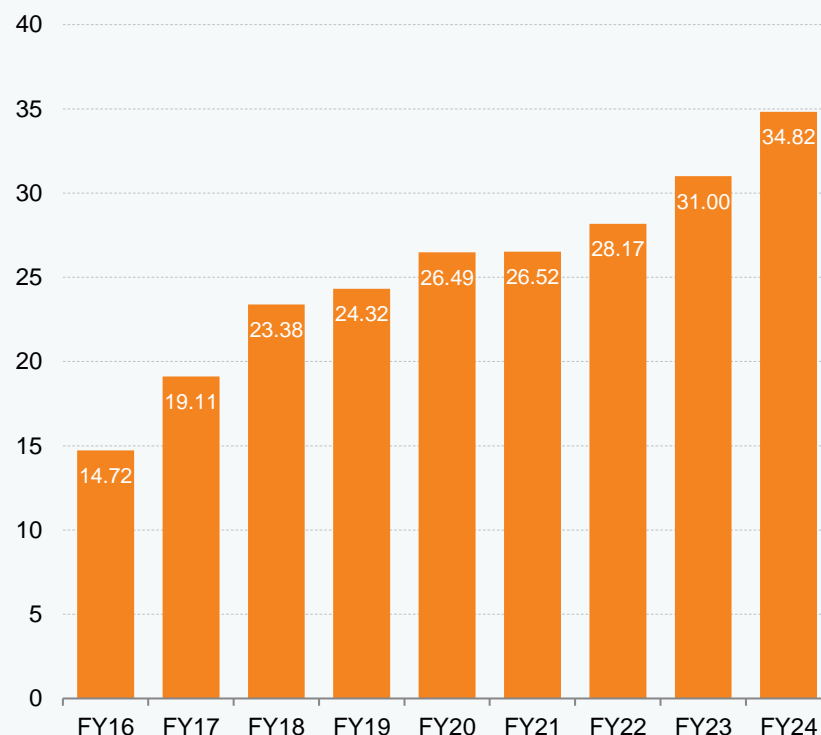
**Note:** Renewable Premium Value in India is until March 2021 (FY21)

**Source:** IRDAI

# Non-life insurance segment has been rising as well

- The non-life insurance industry is made up of general insurers, standalone health insurers, and specialised PSU insurers.
- In India, gross premiums written off by non-life insurers reached Rs. 289,737.87 crore (US\$ 34.82 billion) in FY24 (between April 2023-March 2024), from Rs. 256912.14 crore (US\$ 30.88 billion) in FY23 (between April 2022-March 2023), driven by strong growth from general insurance companies.
- Non-life Insurance industry reported a five-month high growth rate of 15.9% in January 2022 which was at Rs. 21,401.1 crore (US\$ 2.83 billion).

Gross premiums written off by non-life insurers (US\$ billion)



Source: IRDA, General Insurance Council

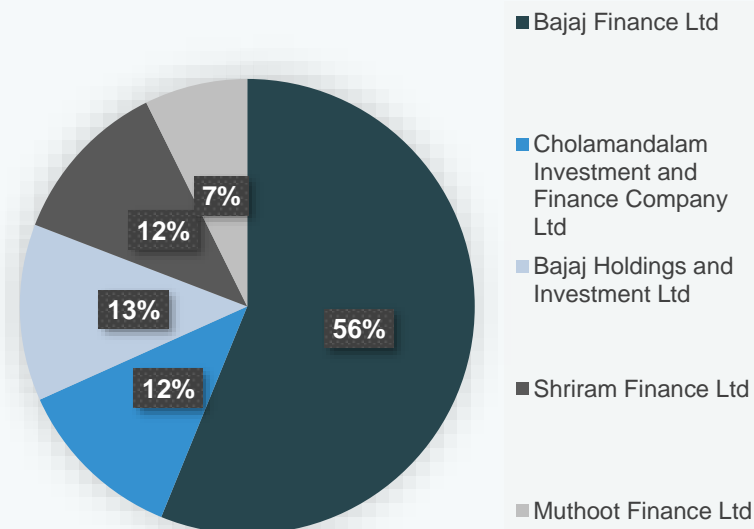
# NBFC: Growing in prominence

- Non-banking financial companies (NBFCs) are rapidly gaining prominence as intermediaries in the retail finance space
- NBFCs finance more than 80% of equipment leasing and hire purchase activities in India
- The public funds of NBFCs increased from US\$ 278.23 billion in 2016 to US\$ 470.74 billion in 2020 at a CAGR of 14.04%.
- There were 9,356 NBFCs registered with the RBI as of September, 2023.
- In December 2020, the Reserve Bank of India issued a draft circular on the declaration of dividends by NBFCs, wherein it proposed that NBFCs should have at least 15% Capital to Risk-Weighted Assets Ratio (CRAR) for the last 3 years, including the accounting year for which it proposes to declare a dividend.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial companies - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 29, 2021, SBI announced that it has signed an agreement with three non-banking finance company-microfinance institutions (NBFC-MFIs) for co-lending to joint liability groups (JLGs).
- On January 25, 2023, Legal and insolvency financing start-up LegalPay entered into a joint venture with Goldi Solar Group to launch Padmalaya Finserve. The NBFC plans to disburse Rs. 1,000 crore (US\$ 121 million) towards legal expenses by FY24.

**Note:** NBFC - Non-Banking Financial Company

**Source:** RBI, Microfinance Institutions Network (MFIN)

Top 5 NBFCs market capitalization in India (2024\*)



# Recent Trends and Strategies





# Recent Trends

## 2. MOBILE WALLET

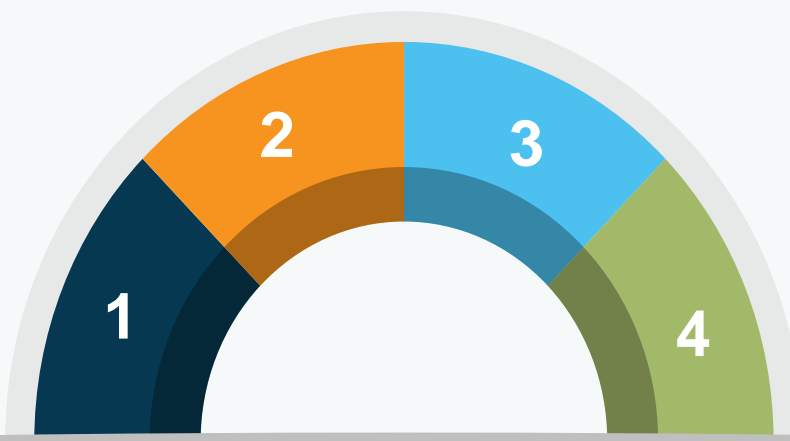
- As the RBI allows more features such as unlimited fund transfer between wallets and bank accounts, mobile wallets will become strong players in the financial ecosystem.
- India's mobile wallet industry is estimated to grow at a CAGR of 23.9% between 2023 and 2027 to reach US\$ 5.7 trillion.
- In July 2024, Unified Payments Interface (UPI) recorded 14.44 billion transactions worth Rs. 20.44 lakh crore (US\$ 245.61 billion).

## 3. DIGITAL TRANSACTIONS

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure. India's digital payment is estimated to increase to US\$ 1 trillion by 2023.
- In the Union budget of 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.
- The number of transactions through immediate payment service (IMPS) reached 534.6 million (by volume) and amounted to Rs. 5.58 trillion (US\$ 68.61 billion) in February 2024.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution.
- Digital payment platforms for rural India:
  - In August 2021, Neokred, an open banking stack that delivers curated versions of issuance in the payment ecosystem, teamed with Virenxia, a provider of integrated and sustainable solutions for rural transformation and development, to launch the 'The Kisan Card,' a special payment card for Indian farmers.

## 1. INSURANCE SECTOR

- New distribution channels such as bank assurance, online distribution and Non-Banking Financial Companies (NBFCs) have widened the reach and reduced operational costs.
- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application – ANANDA.
- India's general insurance market is expected to grow at a compound annual growth rate (CAGR) of 7.1% during 2024-2028.



## 4. NBFCs

- NBFCs have served the non-banking customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services.
- In July 2021, Rajya Sabha approved Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

*Source: Capgemini, Credit Suisse, Crisil, The Economist Intelligence Unit commissioned by payments company Visa*

# Strategies adopted....(1/2)

1

## Innovation

- In the insurance industry, several new and existing players have introduced innovative insurance-based products, value add-ons and services. Few foreign companies have also entered the domain, including Tokio Marine, Aviva, Allianz, Lombard General, AMP, New York Life, Standard Life, AIG and Sun Life.
- HDFC Capital Advisors Ltd has raised US\$ 550 million for its second affordable housing fund, HDFC Capital Affordable Real Estate Fund-2 (H-CARE-2), which will invest in affordable and mid-income and residential projects in 15 cities across India.

2

## Merger and Acquisition (M&A)

- In May 2023, India Grid Trust acquired Virescent Renewable Energy Trust at a value of US\$ 487 million.
- The merger and acquisition market led to an all-time high in 2021 and was mainly driven by first-time buyers. India saw 85 strategic deals valued at more than US\$ 75 million.
- In April 2022, HDFC Bank and HDFC Limited announced a transformational merger.
- In 2021, Piramal Group completed the acquisition of Dewan Housing Finance Limited (DHFL) for US\$ 4.7 billion.

3

## Stepped up IT expenditure

- The explosion of mobile phones, uptake of technologies such as cloud computing and rising pace of convergence and interconnectivity have led companies in the financial services industry to ramp up investment in information technology (IT) to better serve their end-customers.

## 4

### Expanding geographical presence

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure.
- In April 2022, UPI went live in Neopay terminals across UAE.
- In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), has teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in north and southeast Asia.
- In August 2020, the National Payments Corporation of India (NPCI) has launched an international arm—NPCI International Payments (NIPL). The primary aim of NIPL will be to take its indigenously developed digital payment products such as RuPay and UPI to a global level.

# Growth drivers and opportunities



# Growth drivers in financial sector



## SHIFT TO FINANCIAL ASSET CLASS

- Financial sector growth can be attributed to rise in equity markets and improvement in corporate earnings.
- By 2022, India's personal wealth is forecast to reach US\$ 5 trillion at a CAGR of 13%. It stood at US\$ 3 trillion in 2017.



## GOVERNMENT INITIATIVES

- In 2023, the government revamped the credit guarantee scheme. The inflow of Rs. 9,000 crore (US\$ 1,080.97 million) into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.
- In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assets and register complaints against 'Benami' properties.
- In December 2020, a US\$ 50-million policy-based loan to enhance financial management practices and operational efficiencies aimed at achieving greater fiscal savings, fostering informed decision-making and enhancing service delivery in West Bengal was signed by the Asian Development Bank (ADB) and the Government of India.



## OTHERS

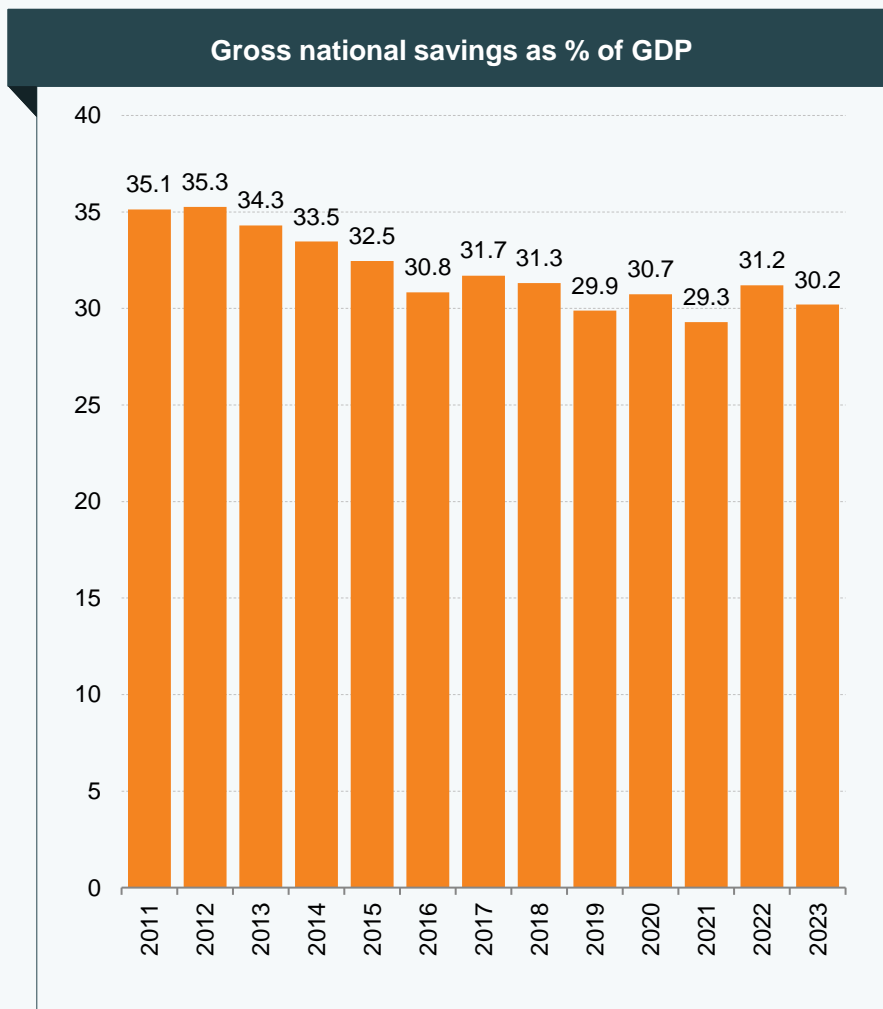
- In January 2021, the National Stock Exchange (NSE) launched derivatives on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors more flexibility to manage their finances.
- On December 02, 2020, the International Financial Services Centres Authority (IFSCA) obtained membership to the International Association of Insurance Supervisors (IAIS).
- Investment by FPIs in India's capital market reached a net Rs. 11,631 crore (US\$ 1.42 trillion) in April 2023.

*Note: IT - Information and Technology*

*Source: NSE, News articles, Microfinance Institution Network, Boston Consulting Group (BCG)*

# Gross national savings

- In 2023, India's gross savings was at 30.2% of GDP.
- The contribution by small savings schemes such as Senior Citizen Savings Scheme (SCSS), 15-Year Public Provident Fund (PPF), National Savings Certificate and Sukanya Samriddhi is major in gross national saving income.

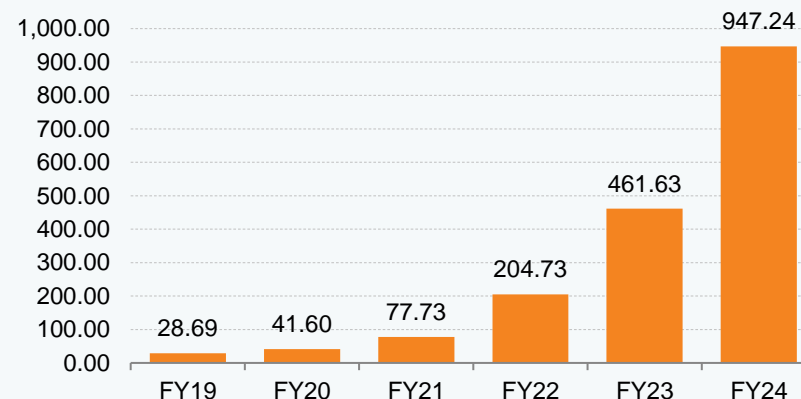


Source: World Bank, Reserve Bank of India

# Continued growth in equities and innovative products

- The Indian equity market is expanding in terms of listed companies and market capitalization, widening the playing field for brokerage firms. Sophisticated products segment is growing rapidly, reflected in the steep rise in growth of derivatives trading.
- With the increasing retail penetration, there is an immense potential to tap the untapped market. Growing financial awareness is expected to increase the fraction of population participating in this market.
- Total wealth held by individuals in unlisted equities is projected to grow at a CAGR of 19.54% to reach Rs. 17.64 lakh crore (US\$ 273.69 billion) by FY22.
- India's PE/VC investment crossed US\$ 60 billion in 2023.
- Turnover from the derivatives segment reached US\$ 947.24 trillion in FY24 and stood at US\$ 461.63 billion in FY23.
- In July 2021, India's largest commodities derivatives exchange, Multi Commodity Exchange of India Ltd., and European Energy Exchange AG (EEX) signed a memorandum of understanding (MOU) with the goal of knowledge sharing and expertise exchange on electricity derivative products.
  - This MoU will make it easier for the two exchanges to collaborate in areas including knowledge sharing, education and training, and event planning in the field of electricity derivatives.

**Total Turnover for derivatives segment (US\$ trillion)**



**Source:** National Stock Exchange, Venture Intelligence Karvy India Wealth Report 2017, Private Equity Deal Tracker report by EY

# Rising scope for wealth management

- India is one of the fastest-growing wealth management markets in the world.
- India is expected to have 16.57 lakh HNWIs in 2027.
- India's UHNWIs is likely to expand by 63% in the next five years.

## Investor protection

- The regulatory environment for fiduciary duties in wealth management is evolving. Players will benefit greatly from quickly adopting new investor protection measures.

## Brand building

- Brand building coupled with partnership based model will improve the advisory penetration. Greater focus on transparency will speed up the process.

## Innovation

- Investment in required technologies, imbibing state-of-the-art best practices of advisory and creating customised and innovative products will enable growth.

*Source: News Articles, Knight Frank Report*



# Insurance to benefit from widening reach across segments

## 2. AUTO/ ENGINEERING

- Sales of passenger vehicles in the local market rose by 8.4% to a record high of 4.22 million units in FY24, driven by improved supply and consistent consumer demand. Two-wheeler sales also rebounded, increasing by over 13% to reach 17.9 million units.
- Increasing number of insurance registered for passenger cars and for construction activities will rise with India's infrastructure growth plans.

## 3. AGRICULTURE

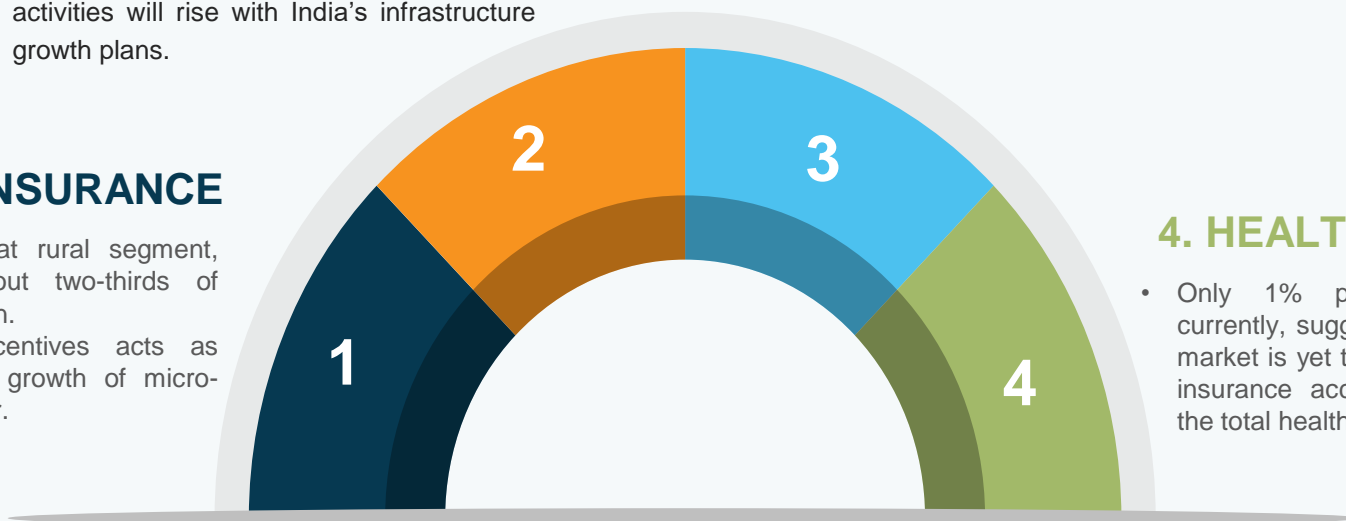
- Demand for agricultural and livestock insurance growing on the back of rising awareness among rural population.

## 1. MICRO INSURANCE

- It is targeted at rural segment, addressing about two-thirds of Indian population.
- The policy incentives acts as drivers for the growth of micro-insurance sector.

## 4. HEALTH

- Only 1% population covered currently, suggesting that the vast market is yet to be tapped. Health insurance accounts for 1.2% of the total healthcare spend.



Source: News Articles

# Huge untapped potential at the 'bottom of the pyramid'

- Two-thirds of India's population lives in rural areas where financial services have made few inroads so far. Rural India, however, has seen steady rise in incomes creating an increasingly significant market for financial services.
- There are several standalone networks of SHG, NGO's and MFI's in different parts of rural India. Cross-utilisation of these channels can facilitate faster penetration of a wider suite of financial services in rural India.
- Increasing use of technology to reach rural India is the paradigm-shifting enabler. Internet kiosk-based channels are expected to become the bridge that connects rural India to financial services.

## Credit

- Rural credit segment is a large market, which can be tapped by ensuring timely loans that are critical for the agricultural sector.
- Self Help Groups and NGOs are useful vehicles to make inroads into rural India.

## Investment

- Safe investment options have a potential to tap into rural household savings.
- Some private players are producing innovative products like third party money market mutual funds to cater to rural investment needs.

## Insurance

- Agricultural, livestock and weather insurance are potentially large markets in rural India.
- Harnessing existing networks of MFIs and NGOs can speed up the process.

**Note:** MFI - Micro Finance Institutions; NGO - Non Governmental Organisation; SHG - Self Help Groups

# Favourable policy measures and government initiatives... (1/2)

1

## Budgetary measures

- Under the Union Budget 2024-25, the government allocated Rs. 1,858,158.52 crore (US\$ 223.28 billion) to the Ministry of Finance.
- The STT on futures has been increased to 0.02%, and on options to 0.01%.
- The Long-Term Capital Gains (LTCG) tax has been raised to 12.5% from 10%.
- The Short-Term Capital Gains (STCG) tax on certain assets has been increased to 20%.
- The angel tax has been abolished for all classes of investors.

2

## International Financial Services Centres Authority (Banking) Regulations, 2020

- In November 2020, the IFSC Authority has approved the International Financial Services Centres Authority (Banking) Regulations, 2020.
- Key highlights of the regulation include the following:
  - Outlining the criteria for establishment of the IFSC Banking Units (IBUs).
  - Permission to open foreign currency accounts in any freely convertible currency at IFSC Banking Units for people residing outside India (IBUs).
  - Allowing individuals residing in India to open foreign currency accounts at IFSC Banking Units (IBUs) in any freely convertible currency to pursue any permissible current account.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend approach towards development of sustainable finance hub and provide road map for the same.

3

## FDI requirement for fund based and non fund based financial entities

- In April 2018, the Government issued minimum FDI capital requirement of US\$ 20 million for unregistered /exempt financial entities engaged in 'fund-based activities' and threshold of US\$ 2 million for unregistered financial entities engaged in 'non-fund based activities'.
- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.

*Source: Union Budget 2022-23, Company websites, Media sources*

# Favourable policy measures and government initiatives... (2/2)

## 4

### Tax incentives

- Insurance products are covered under the EEE (exempt, exempt, exempt) method of taxation. This translates to an effective tax benefit of approximately 30% on select investments (including life insurance premiums) every financial year.
- Reduction in securities transaction tax from 0.125% to 0.1% on cash delivery transactions and from 0.017% to 0.1% on equity futures.
- Indian tax authorities plan to sign bilateral advance pricing agreement with a number of companies in Japan. The agreement is aimed at avoiding conflicts with multinational companies over sharing of taxes between India and the countries where these firms are based.

## 5

### Other initiatives




- In August 2020, the IRDAI modified its dividend criteria for investment—in which insurers are now permitted to classify investments in preference and equity shares as part of "approved investments", if such shares have paid dividend for at least two out of three consecutive years immediately preceding. This relaxation is valid from April 1, 2020 to March 31, 2021.
- In May 2021, the Union Cabinet, chaired by Prime Minister Narendra Modi approved signing of a Memorandum of Understanding (MoU) between the Institute of Chartered Accountants of India (ICAI) and Qatar Financial Centre Authority (QFCA). The MoU would enhance cooperation between the institutes to work together to strengthen the accounting profession and entrepreneurship base in Qatar.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution.
  - e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.
- In September 2021, Bank of India announced it has entered a co-lending arrangement for micro, small and medium enterprise (MSME) loans with an Ahmedabad-based non-bank financier MAS Financial Services Ltd.

*Source: Company websites, Media sources*

# Key Industry Contacts



# Key Industry Contacts

	Agency	Contact Information
 Insurance Brokers Association of India	Insurance Brokers Association of India (IBAI)	Maker Bhavan No 1, 4th Floor, Sir V T Marg, Mumbai - 400 020 India Phone: 91 11 22846544 E-mail: <a href="mailto:ibai@ibai.org">ibai@ibai.org</a> Website: <a href="https://ibai.org/">https://ibai.org/</a>
	Association of Mutual Funds in India (AMFI)	One Indiabulls Centre, Tower 2, Wing B, 701, 841 Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013 India Phone: 91 11 24210093 / 24210383 Fax: 91 11 43346712 E-mail: <a href="mailto:contact@amfiindia.com">contact@amfiindia.com</a> Website: <a href="https://www.amfiindia.com/">https://www.amfiindia.com/</a>
 Finance Industry Development Council	Finance Industry Development Council (FIDC)	101/103, Sunflower, 1st Floor, Rajawadi Road No.2, Ghatkopar (East), Mumbai - 400 077 (India) Phone: 91-22-21027324 E-mail: <a href="mailto:info@fidcindia.com">info@fidcindia.com</a>



# Glossary

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- AUM: Assets Under Management
- CAGR: Compound Annual Growth Rate
- FII's: Foreign Institutional Investors
- GDP: Gross Domestic Product
- HCV: Heavy Commercial Vehicle
- HNWIs: High-Net-Worth Individuals
- IRDAI: Insurance Regulatory and Development Authority of India
- LIC: Life Insurance Corporation
- NBFCs: Non Banking Financial Company
- NSE: National Stock Exchange
- BSE: Bombay Stock Exchange
- RBI: Reserve Bank of India
- SEBI: Securities and Exchange Board of India
- US\$ : US Dollar



# Exchange rates

**Exchange Rates (Fiscal Year)**

Year	Rs. Equivalent of one US\$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80
2024-25**	83.42

**Exchange Rates (Calendar Year)**

Year	Rs. Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024*	83.22

*Note: \*- Until June 2024, \*\*- April-June 2024*

*Source: Foreign Exchange Dealers' Association of India*

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