

Info Capsule

President
CS Manish Gupta

Vice President
CS B Narasimhan

❖ ESG

India's Textile Sector: Navigating the Path to Sustainability amid EU's New ESG Standards (December 31, 2023)

India's textile and clothing sector, a vital cog within the country's vast machinery of Micro, Small and Medium Enterprises (MSMEs), stands on the brink of a crucial transformation. This impending shift comes on the heels of the European Union's (EU) upcoming enforcement of its environmental, social, and governance (ESG) standards, including the Carbon Border Adjustment Mechanism (CBAM). These standards, part of the EU's ambitious European Green Deal, are set to take effect in 2026, reshaping sustainable production and supply chains globally.

For details:

<https://bnnbreaking.com/world/india/indias-textile-sector-navigating-the-path-to-sustainability-amid-eus-new-esg-standards/>

❖ Banking

• Payments Infrastructure Development Fund - Extension of Scheme and Enhancements (December 29, 2023)

The Reserve Bank of India has issued "Operationalisation of Payments Infrastructure Development Fund (PIDF) Scheme" on January 05, 2021 and subsequent amendments made in the scheme. The PIDF Scheme with some enhancements is being extended by two years, i.e., upto December 31, 2025.

For details:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12584&Mode=0>

• Fair Lending Practice - Penal Charges in Loan Accounts: Extension of Timeline for Implementation of Instructions (December 29, 2023)

Some Regulated Entities (REs) has requested for additional time to reconfigure their internal systems and operationalize the circular issued by RBI on Fair Lending Practice - Penal Charges in Loan Accounts. It has been decided to extend the timeline for implementation of the instructions by three months. Accordingly, REs shall ensure that the instructions are implemented in respect of all the fresh loans availed from April 1, 2024 onwards. In the case of existing loans, the switchover to new penal charges regime shall be ensured on the next review/renewal date falling on or after April 1, 2024, but not later than June 30, 2024.

For details:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12585&Mode=0>

- **Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 (December 29, 2023)**

A review of Internal Ombudsman schemes has been undertaken by the Reserve Bank in line with the integration of the erstwhile three RBI Ombudsman Schemes as also with the objective to improve the customer service standards in regulated entities. The framework reaffirms that the Internal Ombudsman mechanism should work as envisaged and the Internal Ombudsman shall be positioned as an independent, apex level authority on consumer grievance redress within the regulated entities.

For details:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12586&Mode=0>

- **Basel III Framework on Liquidity Standards – Net Stable Funding Ratio (NSFR) – Review of National Development Banks (December 29, 2023)**

National Bank for Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI) are considered as National Development Banks (NDBs) under the extant NSFR framework. On a review, it has been decided that the other All India Financial Institutions (AIFIs) i.e. EXIM Bank and National Bank for Financing Infrastructure and Development (NaBFID) shall also be considered as NDBs for NSFR computation. Further, unencumbered loans to NDBs with a residual maturity of one year or more that would qualify for a 35 per cent or lower risk weight under the Standardised Approach for credit risk shall be assigned a Required Stable Funding (RSF) factor of 65 per cent (as against 100 per cent currently).

For details:

<https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12587&Mode=0>

Market Watch

Stock Market Indices as on 01.01.2024	
S & P BSE Sensex	72,271.94 (+31.68)
Nifty 50	21,741.90 (+10.50)

Foreign Exchange Rates as on 01.01.2024 (https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
83.19	91.84	105.94	0.58

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.