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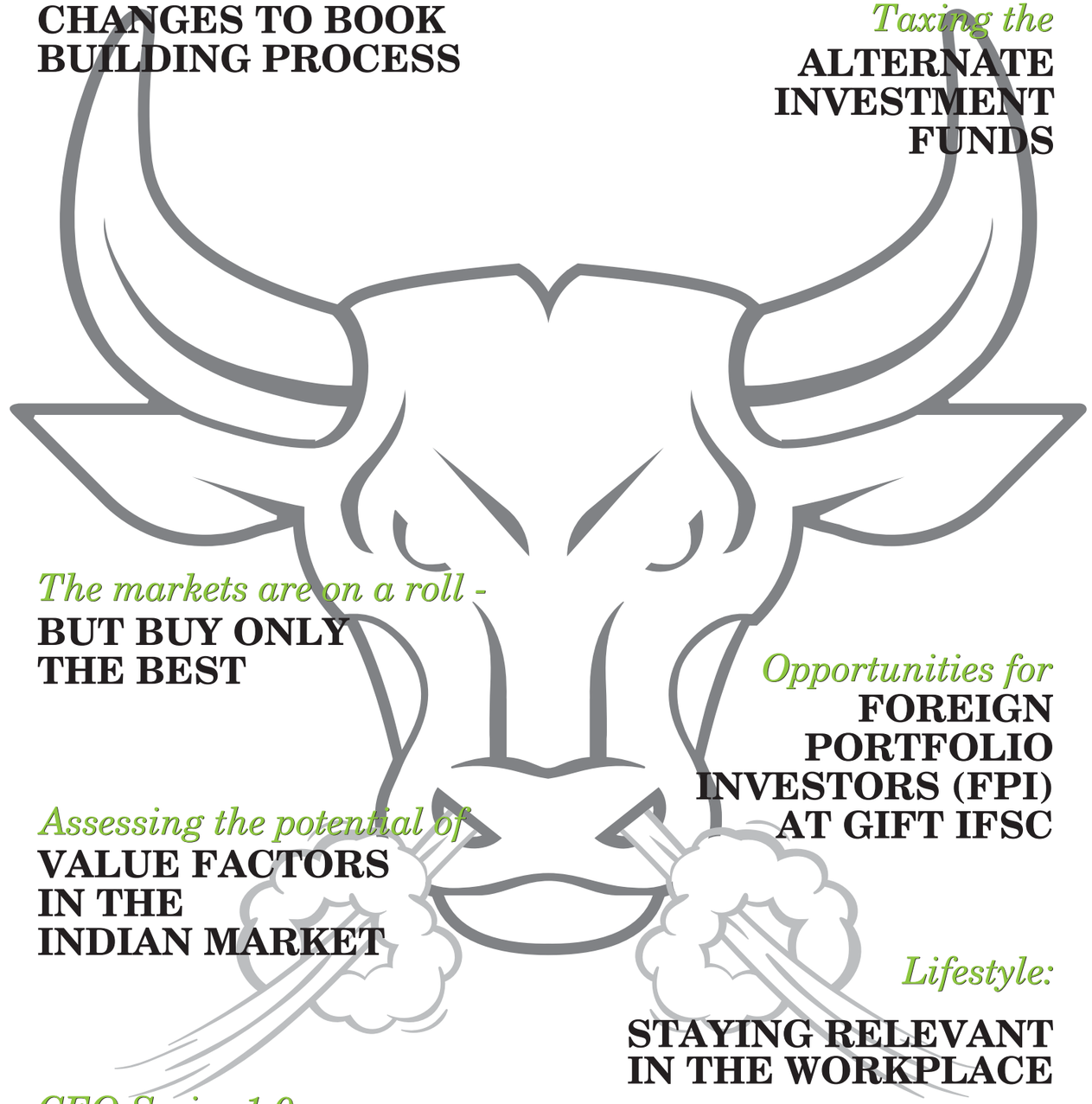

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SEPTEMBER 2018 CONTENTS

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ceo & coo message

Dr. Vispi Rusi Bhathena

Welcome

to *Forum Views* magazine.

Indian Economy to be Growth Engine for World Economy for Decades: IMF in its report has praised Indian Government for implementing reforms like the GST and the Banking Insolvency Act which will structurally change the way India economy is working. IMF has further added that Indian Economy would be growth engine of the world for decades. This comes at a time when the world economy is facing problems like the Trade War between US and China, rising oil prices and other geo political challenges. The IMF has projected GDP for India to be 7.3% and 7.5% next year which is very positive growth rate.

> "Indian Economy on the other side has its own macro-economic concerns though the growth rate GDP is rising slowly and steadily but concerns on Inflation and rising interest rates are the main headwinds."

Indian Economy on the other side has its own macro-economic concerns though the growth rate GDP is rising slowly and steadily but concerns on Inflation and rising interest rates are the main headwinds.

Dr. Aditya Srinivas

Repo Rate: The RBI in its bi-monthly monetary policy meet raised the interest rates consecutively for the second time. The Repo rate now stands at 6.5%. This means that the northwards journey of the interest rates have started. Globally also central banks have clearly indicated that the interest rates would be moving upwards.

CPI Inflation:- The CPI inflation has been steadily rising from 4.28% to 4.87% and then to 5% which means that the consumer prices are rising and this has put pressure on the RBI to increase the interest rates.

WPI Inflation: The WPI inflation increased from 4.43% to 5.77% which is again higher than the RBI limit of 5%. The rise ininflation at both level WPI and CPI has put pressure on the RBI to increase the interest rates.

IIP Data: The Index of Industrial Production has come down to 3.2% from 4.9%. This is seen as a set back as the manufacturing segment is not witnessing demand. The CAPEX cycle needs to gear up and when corporates expand, job creation will take place.

The World Economy is facing issues like the trade war tension between US and China, rising oil prices, hardening of interest rates globally; as the Central banks have indicated that liquidity tightening would be the theme for some time now.

On the BBF Front:

BBF - Seminars & Events:

Topic	
All India Seminars "GST@1-Stock Broking and Financial Sector - A way ahead"	
Date	City
8-Aug	Ahmedabad
16-Aug	Delhi
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30-Aug	Hyderabad
31-Aug	Chennai

BBF - Investor Education and Awareness Programs:

Date	Institutions
2-Jul	Allana Management Institute
2-Jul	Patkar-Varde College
3-Jul	LalaLajpatRai College of Commerce and Economics (Batch 1-2)
9-Jul	Patkar-Varde College
9-Jul	Lala Lajpat Rai College of Commerce and Economics
10-Jul	J K College of Commerce
10-Jul	St. Joseph College Of Arts And Commerce
11-Jul	JK College of Commerce
11-Jul	Lala Lajpat Rai College of Commerce and Economics
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18-Jul	JK College of Commerce
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20-Jul	Lala Lajpat Rai College of Commerce and Economics (Batch 1-2)
23-Jul	Allana Institute of Management Studies
23-Jul	Lala Lajpat Rai College of Commerce and Economics

BREAKING THE DEADLOCK: SEBI PROPOSES CHANGES TO BOOK BUILDING PROCESS

By Sumit Agrawal
Regulatory Lawyer, Ex-Asstt. Legal Advisor, SEBI

> "There could be a number of possible reasons for companies wanting to voluntarily delist."

According to the Ernst & Young Global IPO Trends Report, India recorded the second highest number of IPOs (Initial Public Offerings) in the world in the first half of 2018 with only the Stock Exchange of Hong Kong recording a bigger number. Despite 2017 also proving to be a blockbuster year for IPOs, the stock exchanges have seen a noted decline in the number of listed companies. SEBI terming certain companies suspected 'shell companies' along with its drive to weed out companies that have been suspended for trading for a substantial period has certainly had a role to play in the dwindling number of listed entities.

The Ministry of Finance allowed the delisting of companies for the first time in 1979 (vide circular No. F6/9/SE/78) after which it has been modifying the guidelines continuously to deal with the changing circumstances. It was not until 2003 when a detailed framework was conceived for voluntary or compulsory delisting called the SEBI (Delisting of Securities) Guidelines, 2003. It was through these guidelines that the Reverse Book Building method was implemented for the first time to determine the price at which the issuer/promoter was to acquire the shares. Thereafter, the 2003 Guidelines were superseded by the SEBI (Delisting of Equity Shares) Regulations, 2009, [Delisting Regulations] which are the extant regulations. As is commonly known, there are two ways in which a company can be delisted - compulsory and voluntary. Compulsory delisting is a penal tool used by stock exchanges when companies fail to comply with specified norms. On the other hand, voluntary delisting is when the promoter(s) themselves want to get the company delisted.

There could be a number of possible reasons for companies wanting to voluntarily delist: to cut down on costs related to maintenance of listing status; to exempt themselves from the cumbersome obligations that come with being a listed entity, etc. Also, from time to time, policy decisions push companies to voluntary delist as well. For example, SEBI Circular dated October 10, 2017 (CFD/CMD/CIR/P/2017/115) directing stock exchanges to reprimand listed entities in breach of the 25% Minimum Public Shareholding (MPS) norms mandated by Regulation 38 of the SEBI (Listing Obligations & Disclosure Requirements), 2015 led to an increase in the number of companies wanting to delist. Companies also go for delisting all over the world when the promoter(s) want to attain direct control over the company as we saw very recently when Elon Musk expressed his intention to make Tesla private in a series of tweets.

Under Chapter III of the SEBI (Delisting of Equity Shares) Regulations, 2009 [Delisting Regulations], a company wanting to voluntarily delist its shares has the option of either getting itself delisted from all the recognised stock exchanges where it is listed or only from some of them. This is a significant factor when it comes to deciding whether the company undergoing delisting has to provide exit opportunity to its investors or not.

The voluntary delisting process, where exit opportunity has to be provided is much more elaborate as compared to when the same is not required to be provided. Regulation 8 of the Delisting Regulations deals with the conditions and procedure for delisting where exit opportunity is required to be provided. The long drawn out process starts with obtaining the approval of the Board of Directors and shareholders followed by application to the stock exchange(s). Regulation 10 of the Delisting Regulations states that promoters have to make a public announcement in newspapers after receiving the in-principle approval from the stock exchange. It is to be noted that the appointment of a merchant banker is a must before the public announcement is made. Thereafter, the promoter is required to send the letter of offer to all public shareholders holding equity shares of the company. This is followed by the most contentious of issues in the case of voluntary delisting: the Reverse Book Building process. Shareholders have the right to participate in the book building process in accordance with Regulation 14 of the SEBI Delisting Regulations, 2009. Book building is the process by which price of shares in case of an IPO is discovered by collecting bids from investors at various prices. These prices have to be within the price band specified by the issuer. The price is then determined on the basis of the demand generated. Similarly, when the same process is employed to arrive at the price of share when a company wants to delist, it is called 'reverse book building'.

On July 26, 2018, SEBI floated a discussion paper inviting comments and suggestions on 'Delisting of Equity Shares - Review of Reverse Book Building Process'. The manner in which the book building is to be conducted to determine the offer price is provided in Schedule II of the Delisting Regulations. It is this process that is proposed to be fine-tuned by making changes to the book building process.

The price at which the shareholding of the promoter or the acquirer reaches ninety (90) per cent becomes the final offer price. It is pertinent to note that the promoter in this case includes persons acting in concert, as defined by Regulation 2[q] of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The promoter can choose to pay a price either equal to or more than the thus discovered price. The promoter can

also reject the price thereby vitiating the process. However, this method has received a lot of flak of late for a wide array of reasons.

(i) Price is influenced by arbitrage seekers. In other words, speculators entering through the secondary market disproportionately influence the price discovery by bidding at unrealistic levels, thereby making life difficult for promoters.

(ii) It is widely observed that group shareholders hold the company and promoters to ransom by bidding at exorbitant high prices to drive the premium high, which the promoters usually end up rejecting.

(iii) As only the floor price is given in voluntary delisting, it is largely left to the shareholders to bid at any price, which proves to be counterproductive as the Reverse Book Building (RBB) is largely incomprehensible to small shareholders. The 'Floor Price' is computed by the Promoter according to Regulation 8(2) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011. It is to be noted that in the case of frequently traded shares, the book value of the company is not considered.

(iv) It is not just the shareholders that take advantage of the adequate regulations to skew the delisting in their favour, promoters also systematically divest their stake to friendly shareholders to keep the price according to their needs, thus vitiating the entire process.

In the discussion paper, SEBI has proposed to allow the promoter the option of giving a counter offer in case the price reached at, after the Reverse Book Building (RBB) process is not agreeable to the promoter. By giving this option to the promoter, it provides her with a chance to save the whole exercise from becoming futile. However, this option in the hands of the promoter doesn't come without caveats. This counter offer from the promoter cannot be less than the book value and has to be accepted by such number of public shareholders that the promoter shareholding reaches 90%. If the counteroffer suits the shareholders and is accepted by them, then the voluntary delisting is successful. The objective, it seems is to avoid deadlock situations like the one that arose in the case of Schneider Electric, where right under the watch of SEBI and the exchanges, shareholders were reportedly unhappy with the price offered while the promoters were unwilling to climb down from their stand.

According to the data given in the discussion paper, during the period F.Y. 2015-16 to F.Y. 2017-18, a total of 15 (fifteen) companies got voluntarily delisted by following the reverse book building process, out of which 7 (seven) got delisted at the floor price and 8 (eight) companies got delisted at a premium ranging from 7.69 % to 242.02 %.

This proposal, if implemented, is likely to save the shareholders from the short end of the stick as time and again it has been found that promoter(s), when faced with an inconvenient price have often resorted to rejecting the price, leading to the debasement of the entire process. Shareholders with small holdings have long suffered the consequences as promoter(s) with their deep pockets, have no qualms over fighting out cases in courts. Hundreds of such cases are languishing in the Securities Appellate Tribunal (SAT). Shareholders left in the lurch because of promoter(s) rejecting the discovered price may now be better off as the proposed changes allow them a chance to salvage some of their investments.

Disclosure: RegStreet Law Advisors are representing minority shareholders against Schneider Electric in Securities Appellate Tribunal (SAT).

REGSTREET Law Advisors

Sumit Agrawal is Founder, RegStreet Law Advisors, a boutique law firm based in Mumbai. The firm's focus areas are Capital Markets & Commodities, General Corporate Commercial, Financial Regulatory Practice, Compliance & Investigation, Litigation & Dispute Resolution and Policy & Advisory Practice. More details can be seen at www.regsla.com andthey can be reached at info@regsla.com

JAYANT MANGLIK
President – Retail Distribution
Religare Broking Ltd.

The markets are on a roll - but buy only the best

> "Indices are hitting all-time-highs week after week and the bulls continue to dominate."

Indices are hitting all-time-highs week after week and the bulls continue to dominate. This despite profit taking which is inevitable in such markets, especially one where only certain stocks are moving up even within the broader index and while there is some recovery in small caps and midcaps, they are generally much lower than their peaks in the last 12 months.

Led by encouraging corporate earnings and stability in crude oil prices and currency, the indices are on an upswing. Crude prices have softened after a strong US dollar, higher than anticipated supply and lower demand combined to make it a favourable scenario for equity markets worldwide. In fact, the upside could have been even better but was capped on account of global uncertainties relating to concerns over US sanctions on Iran and the ongoing trade war escalation between US and China, the intensification of both of which is a near certainty. On the domestic front, concerns weighed on monsoon deficit increasing to 10% but IMD indicated a revival in monsoon in the rest of the period which has provided some relief. Surprisingly, this has not impacted the midcap and smallcap indices as much as one would have liked.

Delving further, it is clear that globally the US - China trade war will continue to escalate further. Following the US government's move to impose levies on Chinese goods, the Chinese government retaliated with 25% tariffs on 16 billion dollars' worth of US goods. Both sides are strong and apart from the commercials, neither would want to be seen as the one that blinked first. Moreover, recently the US government has emphasized that they intend to reimpose sanctions on Iran, which is a consequence of President Trump's decision to withdraw from an international deal that sought to limit Iran's nuclear program in exchange for easing pressure on the country's shaky economy. The sanctions, when imposed, would have a negative impact on the Indian economy because India imports some of its oil from Iran and can get hurt by US sanctions. This, in turn, would have a bearing on India's current account deficit and raise inflation concerns. Further, any development on the trade war would be actively tracked by Indian investors as US - China trade would have repercussions on global economic growth which has witnessed some momentum in the recent past. It is also possible that some countries may be forced to take sides, something with inevitable economic consequences irrespective of the choice.

The inherent strength of our economy plays an important part here and has helped immensely. There are domestic factors too which helped in the smart upmove in domestic equity markets in recent weeks and while there is a case for consolidation, the index rally is still on. Every dip has been met by buying in different select index scrips which has buoyed the indices. Money continues to flow in via mutual funds due to general optimism about our economy backed by consistent GDP growth numbers. Further, key macro data like CPI and WPI has not been unfavourable though these are moving numbers and have to be tracked regularly.

On one hand while the Q1FY19 results season will provide better clarity on the earnings growth traction of Indian companies, the downgrade of monsoon forecasts for this season by the IMD as well as SkyMet is an undesirable development, though with a caveat that things will get better. Nonetheless, with an eye on the challenges on the horizon, market participants will hope for alleviation of one or more of the concerns which could provide an additional fillip to sentiment. But that sentiment will have to be backed by hard data. Meanwhile, any unforeseen global or domestic development will induce considerable volatility in the market. Having said that, any correction at this juncture should be considered as a good opportunity by medium-to-long-term investors to accumulate fundamentally sound stocks. If I had to choose sectors, then FMCG, Consumer Durables, IT, Auto and select private sector banks are obvious ones, given the background of reasons for the increase in prices.

In any case, tracking global cues will be important as there is much happening on the international news radar. Good news could also filter in from American markets to neutralize bad tidings from European markets. The quickly unfolding Turkish crisis is a factor. Intermittent selling in response to such news will be the order of the day, but the underlying strength of our markets should hold steady. As a country, we are ready and as long as we have good GDP growth with political stability, all investor will benefit significantly over any 5 year period.

So the best way to deal with such markets it to invest instead of trade, buy quality stocks on dips and remain invested via systematic investments instead of lumpsum. India is and will remain a great investment opportunity for several years, it is in everybody's interest to cash in on it.

Views are personal

Jayant Manglik is Chair of FICCI Working Group on Commodities, on the National Executive of CPAI (Commodities Participants Association of India) and President, Religare Securities Ltd overseeing distribution & revenue management across all asset classes including equity, commodities, currencies and financial products distribution through a network of 200 branches, 1200 franchisees as well as online and mobile trading platforms. Views are personal.

KRIYANG KARIA
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Kaytes Consulting

Taxing the Alternate Investment Funds

> "The Central Board of Direct Taxes ('CBDT') has clarified that the income of an 'investment fund' shall not be subjected to withholding tax provisions."

Alternate Investment Funds ('AIF')registered with the Securities and Exchange Board of India ('SEBI') are divided into three different categories, basis the investment intent.

This article shall essentially provides a broad level understanding on tax regime of AIF Category I ('AIF I') and AIF Category II ('AIF II') ('collectively 'AIF').

Is there a specific provision governing taxation of AIFs

Taxability of AIF I and AIF II is governed by section 115UB of the Income-tax Act, 1961 ('the Act').

What are the key provisions under the Act?

- Any income (other than business income) earned by aAIF I and AIF II, is exempt from tax in the hands of the AIF under section 10(23FBA) of the Act. Such income shall be taxable directly in the hands of the investors of the AIF;
- The investors shall be chargeable to tax in the same manner as if it were the income accruing or arising to, or received by, such investor had the investments, made by the AIF, been made directly by such investor. Income taxable in investors' hands shall be deemed to be of the same nature and proportion as in the hands of the AIF;
- In case there is a loss at the fund level (i.e. current loss or loss which remained to be set off), such loss shall not be allowed to be passed through to the investors but would be carried forward at AIF level to be set off against income of future years in accordance with the provisions of Chapter VI of the Act.

Is the income of AIF subject to withholding tax?

The Central Board of Direct Taxes ('CBDT') has clarified that the income of an 'investment fund' shall not be subjected to withholding tax provisions.

Is AIF required to withhold taxes on income paid to investors

The provisions mandate withholding of tax at the time of payment or credit to the investors. At the end of each financial year, income not credited to the investors shall be treated as deemed credit and withholding shall be required on such deemed credit.

Any income paid or credited to resident investors shall be subjected to 10% withholding tax. Any income paid or credited to non-resident investors shall be subjected to withholding at rates in accordance with the provisions of the Act.

Resident investors may approach the tax authorities to obtain lower or NIL withholding tax certificate. Non-resident investors may, in addition, apply double taxation avoidance agreement benefits as may be available.

How is business income of the AIF taxed

Business income of AIF is taxable in the hands of AIF at maximum marginal rate. Such income, once taxed in the hands of AIF, shall be exempt in the hands of the investors when credited or distributed and also not subjected to withholding tax.

What are the income-tax compliance requirements for AIF

- Filing Annual Income-tax Returns;
- Quarterly Withholding Tax Returns;
- Annual FATCA & CRS Compliance;
- Annual Form 64C - Investor Information

The views provided herein are of the author's own.

Kriyang has 11 years of professional experience, including 10 years in Large Accounting Firms, specializing in cross border taxation issues, regulatory and tax compliances, double tax treaty planning and FATCA.

His experience includes advising clients in the Financial Services industry and has worked on a number of tax advisory and compliance assignments with large Mutual Funds, Banks, NBFC, and finance companies.

He has also provided income-tax and regulatory advisory services to private equity players on structuring their investments into India, including, capital structuring, jurisdictional structuring for intermediate companies, permanent establishment issues.

He has carried out more than 125 tax due diligences across various industries including Oil & Gas, FMCG, NBFCs & Micro Finance Companies, Manufacturing and Telecom.

He is a FATCA & CRS expert and has assisted large financial institutions to comply with FATCA & CRS.

He has been a speaker at BSE Brokers' Forum and ANMI for FATCA / CRS for last three consecutive years

SELECT PROJECTS

Assisted a very large global fund to conduct and coordinate multi-country tax due diligence for more than three groups in Oil & Gas Services sector .

Assisted a large motor manufacturing company with pending litigation for several years, including representing before tax authorities at all levels.

Assisted large private sector bank and multi-country fund in India to comply with FATCA & CRS regulations.

SINGAPORE'S INCREASING SIGNIFICANCE IN GLOBAL FINANCE: AN OVERVIEW

By Professor Piya Mahtaney
Economist / Author

A serious constraint to stepping up the pace of economic progress in the developing world is infrastructure building and the reason for this inadequacy despite the availability of a sizable amount of financial capital in the global economy stems from the lack of investible opportunities. Addressing this mismatch is one of the most fundamental challenges confronting the governments and financial sectors of developing and less developed nations and it underscores the need for more financial institutions that are better aligned and have a sharper focus in the realm of infrastructure financing to these regions. Related to this is the significance of having financial centres that are more attuned and proximate to the challenges that underpin development. Until about the nineties Hong Kong and some would say Tokyo were the only financial centres outside Europe and the U.S. The last two decades has witnessed Singapore's increasing importance as a financial centre and given the nation's sound institutional and regulatory framework its role as a hub of infrastructure finance.

This article of Econ Buzz will discuss the discernibly significant role that Singapore will play in spearheading both financial integration and development during the ensuing years. Singapore's antecedents as a financial centre are by no means recent and it is worth noting that its role in this connection began during colonial times when it was established as a trading post in 1819. At that point in time the world of finance was a simpler one but it was back then that for Singapore its inextricable link between trade expansion and financial services began and it is this feature that has constitutes an important aspect of the city state's rapid economic transformation. (As a matter of fact both increasing trade and an expanding financial sector proceeded concurrently and were distinctly interrelated.)

> "Asia certainly defines for it a crucial part in unlocking the potential of new growth engines."

Post its independence the establishment of the Asian Dollar market in Singapore as early as 1968 was probably one of the initial steps in the direction of its establishment as a global financial centre. Describing this a recent paper by Lee Kwan Yew School of Public policy says, ``It was with in this context of developmentalism and the economic needs of a newly-independent country that Singapore embarked on the development of a financial services industry that could serveas a driver of economic growth in its own right. This state-led and development-driven approach to financial sector development would cometo (and continues to) drive Singapore's development as a global financial hub..." Financial liberalization certainly contributed to the internationalization and diversification of the country's financial services industry and over the preceding three decades Singapore's core competence in various spheres of the financial sector such as wealth and asset management and more recently insurance makes it a successful instance of financial integration. It is as Singapore proceeds on this path of deeper financial integration that its role in the global financial system will become increasingly significant because of the part that it can play in the realm of infrastructure finance. For one its role in the ASEAN region has been a vital one almost ever since its inception is in the realm of infrastructure expansion, fostering deeper financial integration or boosting regional connectivity. In a speech at the World Bank Infrastructure summit (April 2018) the finance minister of Singapore, Mr Heng Swee Keat said,``This is a strong backdrop against which we can continue to advance financial integration, financial inclusion and financial stability – the three strategic objectives for the ASEAN finance Pillar. More specifically, we want to achieve a well-integrated and smooth functioning regional financial system, characterised by more liberalised capital account regimes and inter-linked financial capital markets. To do this, Singapore will build on the good work of previous Chairs, and focus on three areas during our ASEAN chairmanship... ." Outlining the larger vision of the ASEAN economic community the finance minister said, ``Which strives, amongst other important objectives, for a connected region where transport linkages and infrastructure improve peoples' lives and enable businesses to move efficiently and work more productively across borders; where infrastructure expands market reach and connects ASEAN to the rest of the world through ports and airports

Singapore's role in facilitating the ASEAN economies to address their unmet infrastructure requirement will evidently an important one and the core competence and resources that Singapore has when taken in conjunction with the exigency of infrastructure expansion in South Asia certainly defines for it a crucial part in unlocking the potential of new growth engines. There exists considerable economic heterogeneity among nations in developing regions but a basic commonality is the acute lack of bankable projects. Bridging this gap is an imminent challenge in a world where fiscal constraints on one hand and a fairly risk averse private sector particularly in so far as long term project commitments are concerned deter a sustained upswing in economic growth. According to estimates by the ADB (2017) over the next 15 years developing countries in Asia will require over US$ 22 billion annually. Of this South Asia will account for about 24 per cent of the expenditure required,notably these estimates are not climate adjusted and ADB calculates that if climate change mitigation investments are included infrastructure investments required will increase by 16 per cent.

Be it at the national level or in the larger regional context the capability to generate the appropriate financing mix that would enable converting a difficult and unduly risky proposition to a bankable project is critical for economic transformation. The importance of this is underscored given that private sector investment in emerging market developing economies(EMDES) have declined below the pre-2007 levels and in this context there is considerable scope for governments in developing countries to provide the institutional and regulatory support that would crowd in private sector investment and encourage more effective PPPs. This fact applies even to those countries where the public sector finds it difficult to increase its outlay toward infrastructure expansion over the short term. It is in addressing the shortfalls in and deterrents to in productive investment across the developing nation that the experience and expertise of Singapore will become an increasing useful input. Taking this line of thinking further Singapore launched itself as Asia's infrastructure exchange in 2017.The Senior Minister of State for Law and Finance describes Asia infrastructure exchange is described as the place where infrastructure demand and supply can connect, where infrastructure expertise and financing can be obtained and infrastructure needs are met. She says, `` the city-state's strategic location in the region and its strong position in world capital markets make Singapore an ideal place to develop bankable projects to mobilise private sector and institutional investments.

"Moreover, Singapore-based banks have a deep understanding of Asia's infrastructure needs and have extensive track records of working with regional governments and State Owned Enterprises on projects ranging from power to water and in the transportation sectors.."

Conclusion

Converting a constraint into a viable investment opportunity requires financial infrastructure and this also entails the capability to mobilize and channel capital into those spheres which have maximum linkages with rest of the economy. Cognizance of this imperative has fructified into the inception of the Asian Infrastructure Investment Bank in 2016, a multilateral development bank that has as its core objective investing in sustainable infrastructure and other productive sectors in Asia and other regions. AIIB has 87 members and it is likely that Singapore as one of the most developed countries will play a crucial role in this ambit.

As infrastructure spending in Asia and other regions gathers momentum it will require besides funding a diverse mix of financial management skills and it is probable we will see a distinctly new facet of the global financial landscape that will be discernibly influenced by not just the developed countries of Asia but also by the larger EMDEs such as India and China. Perhaps at this point at least as far as global finance is concerned I can say `Welcome to the new world.' In our next article for Econ Buzz we continue with our discussion about the implications of technological progress.

Piya Mahtaney completed her second Master's in Development Economics from Leicester University in England she embarked on a career in journalism with the Times of India. She was an assistant editor in Metropolis on Saturday, subsequent to which she joined as senior feature writer in Economic Times. As an economist that reported, analyzed and wrote on a wide range of socio-economic issues, writing a book about economic development and the emerging trends of globalisation seemed almost inevitable

The books that she has authored are as follows:

- India China and Globalization (2nd ed), Palgrave Macmillan (England), December 2014
- Globalization and Sustainable Economic Development, Palgrave Macmillan (U.S), August 1st 2013
- Institute of South East Asian Studies (Singapore) published an edition (August 2010) of my book India China and Globalisation.
- The first edition of India China and Globalisation was published by Palgrave Macmillan (England, 2007)
- Globalisation Con Game or Reality was published by Alchemy Publishers, India (2004) 2004.
- The first book titled Economic Con Game, Development fact or Fiction was published by Pelanduk Publications (Malaysia) in 2002.

ASSESSING THE POTENTIAL OF VALUE FACTORS IN THE INDIAN MARKET

By Akash Jain
Associate Director – Global Research & Design
S&P BSE Indices

The value factor looks to bucket stocks that have inexpensive valuation and trade at a discount to their fundamental value, with the hypothesis that inexpensive stocks should outperform overvalued stocks. Observations in empirical research suggested that the value factor performed best when the economy was in recovery and growth was accelerating from trough.[1]

We recently investigated the performance of different commonly used valuation parameters(see Exhibit 1) by market participants during the period from September 2005 to March 2018 in the Indian market. The analysis was based on hypothetical equal- and float-market-cap-weighted top quintile portfolios that were semiannually re balanced in March and September.

Exhibit 1: Valuation Parameters Evaluated in the Analysis

BACK-TESTED UNIVERSE	S&P BSE LARGE MIDCAP	S&P BSE LARGEMIDCAP (EX-FINANCIALS)
VALUATION PARAMETERS EVALUATED	Sales-to-Price (S/P)	EBITDA-to-EV (EBITDA/EV)
	Book-to-Price (B/P)	FreeCashFlow-to-EV (FCF/EV)
	12-Month Trailing Earnings- to-Price (E/P)	
	12-Month Forward Earnings -to-Price (Fwd E/P)	
	OperatingCashFlow-to-Price (CFO/P)	
	FreeCashFlow-to-Price (FCF/P)	
	Dividend Yield (Div. Yield)	

Source: S&P Dow Jones Indices LLC. Data from September 2005 to March 2018. All portfolios (except the S&P BSE Large Mid Cap) are hypothetical portfolios. Hypothetical portfolios were rebalanced semiannually in March and September. The stock had to be covered by at least three analysts for it to be in the eligible universe for the forward earnings-to-price parameter. Table is provided for illustrative purposes.

Different cyclical characteristics were observed for various valuation parameters in the analysis (see Exhibit 2).For example, the top quintile portfolios for B/P, CFO/P, E/P, Fwd E/P, and S/P significantly outperformed the equal-weighted S&P BSE **LargeMidCap** portfolio in up markets, but they significantly underperformed in down markets, displaying strong cyclical behavior synonymous with the value factor. In contrast, the top quintile portfolios for Div. Yield, EBITDA / EV, and FCF / EV weren't penalized in down markets.

Exhibit 3 shows the correlation matrix of the top quintile excess return for all the back-tested value parameters. Due to the absence of finance stocks in the back-tested portfolios for EBITDA/EV and FCF/EV, these two parameters have low-to-negative correlations with other factors that were back-tested with the inclusion of all sectors. E/P and Fwd E/P had similar performance characteristics with a high excess return correlation of 91%(Exhibit 3). As the top quintile Fwd E/P portfolio had similar performance characteristics in comparison with the top quintile E/P portfolio over the long term (Exhibit 2) and the stock coverage of the Fwd E/P data was not as broad as of the E/P data, the trailing E/P seemed to be a more effective value parameter than the Fwd E/P.

> "We recently investigated the performance of different commonly used valuation parameters by market participants during the period from September 2005 to March 2018 in the Indian market."

Exhibit 3: Correlation Matrix of Equal-Weighted Value Parameters Based on Excess Return Over the Equal-Weighted S&P BSE LargeMidCap (%)

CORRELATION	B/P	CFO/P	DIV. YIELD	E/P	FWD E/P	FCF/P	S/P	EBTIDA/EV	FCF/EV
B/P	-	78	68	84	87	61	89	-2	-53
CFO/P	78	-	58	77	79	80	80	16	-33
DIV. YIELD	68	58	-	74	67	51	65	-1	-41
E/P	84	77	74	-	91	66	78	3	-46
FWD E/P	87	79	67	91	-	64	82	0	-51
FCF/P	61	80	51	66	64	-	65	-9	-25
S/P	89	80	65	78	82	65	-	0	-54
EBTIDA/EV	-2	16	-1	3	0	-9	0	-	37
FCF/EV	-53	-33	-41	-46	-51	-25	-54	37	-

Source: S&P Dow Jones Indices LLC. Data from September 2005 to March 2018. Correlation calculated based on excess total return over the equal-weighted S&P BSE LargeMidCap concept benchmark index in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. The S&P BSE LargeMidCap was launched on April 15, 2015.

Exhibit 2: Average Monthly Excess Return Versus the Benchmark (%, Based on Equal-Weighted Portfolios)

TREND	NUMBER OF MONTHS	B/P	CFO/P	DIV. YIELD	E/P	FWD E/P	FCF/P	S/P	EBITDA /EV	FCF/ EV
Up	71	1.22*	0.95**	0.4	0.96*	1.31**	0.61*	1.40**	0.49	-0.67
Down	40	-2.13**	-1.07**	0.14	-0.93*	-1.52**	-0.36	-1.89**	0.1	1.58**
Neutral	39	-1.12*	-0.23	0.18	-0.25	-0.15	-0.15	-0.51	-0.01	0.90*
All	150	-0.28	0.1	0.27	0.14	0.17	0.16	0.02	0.26	0.34

Source: S&P Dow Jones Indices LLC. Data from September 2005 to March 2018. Excess return versus the equal-weighted S&P BSE LargeMidCap portfolio based on total return in INR. **Represents significance level at 1%. *Represents significance level at 5%. Up market trendsrefer to periods when the S&P BSE LargeMidCap monthly return was more than 1%. Down market trendsrefer to periods when theS&P BSE LargeMidCap monthly return was less than -1%. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. The S&P BSE LargeMidCap was launched on April 15, 2015.

Additionally, the top quintile portfolios of a few valuation parameters had a large sector bias from the broad market universe (the S&P BSE LargeMidCap). Most notably, the basic materials sector was overweighted in the top quintile portfolios across all the valuation parameters, whereas the finance sector was most overweighted in the FCF/P top quintile portfolio (see Exhibit 4).

Exhibit 4: Average Sector Weight Deviation of the Top Quintile Portfolio Versus the S&P BSE LargeMidCap (%, Float Adjusted Market Cap Weighted)

SECTOR	B/P	CFO/P	DIV. YIELD	E/P	FWD E/P	FCF/P	S/P	EBTIDA/EV	FCF/EV
Energy	-2	2	12	1	6	-6	8	9	-1
Utilities	5	1	4	2	0	-3	0	3	0
Information Technology	-11	-12	-6	-9	-10	-8	-11	-9	8
Telecom	2	3	-2	-2	-2	1	-2	5	2
Fast Moving Consumer Goods	-9	-9	-4	-9	-9	-9	-9	-9	-6
Finance	15	12	-1	12	14	39	1	-25	-25
Basic Materials	13	15	8	15	18	4	15	30	13
Healthcare	-5	-5	-5	-5	-5	-4	-6	-5	2
Industrials	-4	-1	-4	-1	-4	-8	6	3	0
Consumer Discretionary Goods & Services	-3	-6	-2	-6	-7	-6	-3	-3	7

Source: S&P Dow Jones Indices LLC. Data from September 2005 to March 2018. The average sector weight deviation calculated versus the float-adjusted, market-cap weighted S&P BSE LargeMidCap portfolio. For the top quintile float-market-capitalization version of the indices, a 10% stock weight capping was implemented, which aligns with the S&P BSE LargeMidCap, where the largest stock had a weight of 11% in its constituent history. Back-tested portfolios for the EBITDA/EV and FCF/EV did not include finance stocks. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. The S&P BSE LargeMidCap was launched on April 15, 2015.

Representation of Public Sector Undertaking (PSU) companies was also different across top quintile portfolios for various valuation parameters. While PSU companies represented almost 56% of the top quintile Div. Yield portfolio, they only accounted for 15% of the S&P BSE LargeMidCap. This indicates that PSU companies have been paying higher dividend yields than other companies in the Indian market.

Exhibit 5: Average Weight Representation of PSU Companies in Different Portfolios (Float-Weighted Portfolios)

VALUE PARAMETER	PSU STOCK WEIGHTS (%)
Div. Yield	55.7
Fwd E/P	54.7
B/P	54.7
E/P	52.1
S/P	45.9
CFO/P	42.2
FCF/P	33.1
EBITDA/EV	32.9
FCF/EV	21.1
S&P BSE LargeMidCap	14.9
S&P BSE LargeMidCap (ex-Financials)	12.7

Source: S&P Dow Jones Indices LLC. Data from September 2005 to March 2018. All portfolios (except the S&P BSE LargeMidCap) are hypothetical portfolios. Average excess weight calculated over the float-market-cap-weighted S&P BSE LargeMidCap benchmark index in INR.For the float-market-capitalization version of the indices, a 10% stock cap was considered. This was in line with the S&P BSE LargeMidCap, where the largest stock had a weight of 11% in its constituent history. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. The S&P BSE LargeMidCap was launched on April 15, 2015.

1. Ang, Andrew. "The five Ws of style factors." BlackRock (Dec. 5, 2017).

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WEAK LINKS IN INFORMATION SECURITY OF FINANCIAL SECTOR

By Jayesh Shah
Promoter, Prism Cybersoft Private Limited

A widely accepted definition of information security risk is the potential of a specific threat exploiting the vulnerabilities of an information asset, with the following formula used to represent information security risks: Risk = Likelihood x Impact.

The potential impact on information, processes and people is typically estimated during a business impact analysis as part of corporate business continuity planning. However, estimating likelihood of information security risks is often guesswork resulting from combined vulnerability assessments and threats assessments. While assessing the likelihood of risks, many IT security teams will categorise risk using the traffic light system for high, medium or low level. Those responsible for information security in a company should estimate risk levels for all corporate information systems and apply control measures accordingly. Estimating risk levels is a continuous process and it requires the use of tools such as vulnerability assessment scanners and/or contracting the services of companies specialized in ethical hacking.

Employees are the single most likely source of security incidents in the financial sector. Staff awareness and training was the way forward when it came to security, and was vital considering that breaches and the loss of customer information had the potential to cause heavy financial losses. The nature of the financial business - with staff constantly holding and using data - also meant that downtime couldn't be afforded and IT system failure tolerated. The poor state of data security is a serious issue for the financial markets. Financial institutions are usually ahead of the game when it came to information security awareness, however this is usually based around ad hoc training initiatives which were based on fraud, identity theft or social engineering. This isn't enough to meet legal or industry mandates, or even to reassure customers who expected their financial assets to be protected in the event of a security breach.

Asset misappropriation remains the primary type of economic crime reported by Financial Sector organizations. This is followed by cybercrime which is becoming more common, as is bribery, corruption and accounting fraud.

> "Employees are the single most likely source of security incidents in the financial sector. Staff awareness and training was the way forward when it came to security, and was vital considering that breaches and the loss of customer information had the potential to cause heavy financial losses."

"The top information security consideration amongst financials today must be..."

Reliance on Third Parties: Perhaps the greatest concern financial institutions face is controlling the cyber security risk posed by the myriad of third-party vendors they are engaged with. Banks and financial services companies continue to increase the number and complexity of relationships, outsourcing whole areas of business or products, and relying on third parties to a significant extent. Financial institutions should be careful while allowing troubleshooting their licensed software to unauthorized persons for saving cost. This can prove very costly to organization if any data is stolen or misused.

Liability Pressures: Financial services companies face a wide range of security threats which they must vigilantly defend against daily. They must protect the confidentially of client and partner data, their own intellectual property, and as seen recently, their clients' actual assets. Assessing, managing, and transferring cyber security risk through cyber insurance can seem complex but it demonstrates a standard of care in the event of a breach.

Identification and protection of critical data - The challenge of constantly keeping track of where this data is and how to encrypt it and keep the keys separate and utilize best practices for key management is key . It has been noted that while the explosion of cheap and ubiquitous storage makes data collection a breeze, the need to identify the critical from uncritical data, classify and secure after the fact is the approaching nightmare.

Navigating in a constantly changing regulatory environment - Being nimble and proactive to navigate the ever-changing regulatory framework. Top of mind is GDPR (General Data Protection Regulation) - an EU regulatory framework. The implications for financial services firms that have to operate under

this regulatory framework is enormous, and the cost of non-compliance even more so. As per GDPR, firm cannot expose their client's data on unauthorized sources / devices which can be misused. This requires enormous visibility into tracking every user's data unambiguously and protect the same and be able to shred that data upon request.

Understanding the insider 'threat' - The insider threat need not just be malice driven, negligence is equally potent to disrupt the business. Therefore, putting in safeguards to limit the scope and privileges that key administrators have to prevent this as well as being able to audit log everything for forensics post-facto is critical.

An untrained & unaware workforce. No amount of IT security spending can protect a company whose employees don't see themselves as part of a broader information security team. Employee training should be a feedback loop: Identify-Remediate-Train-Identify and so on.

Social engineering is rampant right now. Make sure your team knows what to look out for so that they do not mistakenly process transactions or disclose sensitive information to scammers. Users should use their own credentials and not share with co-workers.

Documented and practiced secure processes that define how transactions requests and orders are placed.

Active Monitoring and Management - Having the proper polices and controls designed is good progress, but monitoring for breaches and infractions of policy is required to mitigate potential intrusions or breaches. Timely response to any breach or intrusion attempt is paramount.

1. First and foremost, firms must provide training on technology and security. At the very least, financial firms should do web-based or webinar training. Provide frequent reminders at staff meetings.
2. Have solid policies and procedures. Cyber security policies and procedures used to get a mention in the Big Book of Policies and Procedures, but now should be a stand-alone manual. As the pace of innovation accelerates, financial services firms will need a separate manual that can be updated and distributed independent of all other manuals.
3. A few policies and procedures that are free or really low-cost are:

- Business email for business use only. No personal business should be done by way of the business email.
- Require strong passwords and unique user IDs. A password keeper program would help. Don't be cheap buy it for your staff. Forbid saving passwords in the web-browser.
- Inventory who has access to the firm's network and what devices are used. Restrict access to need-to-know persons and using only firm-approved devices. Maintain Audit trail of data viewing.
- Don't allow third-parties to access the firm's network unless they understand and agree to abide by firm security protocols.

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Prism has recently been awarded by STPI & CeBIT INDIA for Best IT Exhibitor of 'Make in India' Pavilion at CeBIT India 2014.

ASIA–PACIFIC MARKETS MONTHLY HIGHLIGHTS AND INSIGHTS

S&P Global
Market Intelligence

Key findings:

- **M&A Activity By Country, Sector**
- **Initial Public Offerings**
- **Private Equity Investments And Buyouts**
- **Venture Capital Investments**
- **Market Attributes: Index Dashboard**

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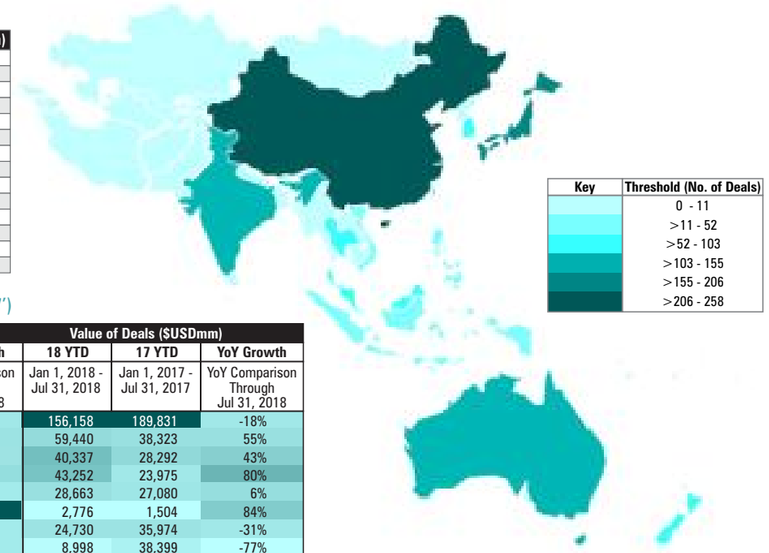
M&A ACTIVITY IN ASIA PACIFIC: SELECTED COUNTRIES

In July 2018, M&A activity in Asia Pacific recorded 848 deals totaling US$50.4bn. China has negative growth in number and value of M&A activity due to imposition of capital controls and increased trade tension. This impacted M&A cross-border deals, especially for deals involving US targets.

No. of Deals and Value by Country (Jul'18)

Country	No. of Deals	Value of Deals ($USDmm)
China	292	20,333.80
Australia	128	5,024.90
Japan	112	13,598.70
India	84	987.9
South Korea	59	1,105.70
Vietnam	30	137.1
Hong Kong	29	2,194.60
Singapore	29	1,365.30
Malaysia	21	316.6
New Zealand	21	384.2
Thailand	17	2,529.70
Indonesia	15	476.2
Philippines	6	61.6
Taiwan	5	1,870.20



No. of Deals and Value YTD Activity (18' vs. 17')

	No. of deals			Value of Deals ($USDmm)		
	18 YTD	17 YTD	YoY Growth	18 YTD	17 YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018
China	2,392	2,591	-8%	156,158	189,831	-18%
Australia	860	835	3%	59,440	38,323	55%
Japan	953	871	9%	40,337	28,292	43%
India	841	740	14%	43,252	23,975	80%
South Korea	641	680	-6%	28,663	27,080	6%
Vietnam	327	87	276%	2,776	1,504	84%
Hong Kong	273	318	-14%	24,730	35,974	-31%
Singapore	205	244	-16%	8,998	38,399	-77%
Malaysia	245	287	-15%	3,154	12,656	-75%
New Zealand	152	129	18%	3,850	901	327%
Thailand	169	186	-9%	18,780	7,457	152%
Indonesia	95	143	-34%	1,696	1,769	-4%
Philippines	59	58	2%	1,346	1,800	-25%
Taiwan	72	69	4%	4,569	3,181	44%
Total	**7,284**	**7,238**	**1%**	**397,749**	**411,142**	**-3%**

Source: S&P Global Market Intelligence as of Aug 1, 2018. Figures are based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Charts are provided for illustrative purposes.

M&A ACTIVITY IN ASIA PACIFIC: SELECTED SECTORS

Healthcare and Industrial sectors have witnessed an increase in M&A activity in the aggregate value of deals YTD.

No. of Deals YTD Activity (18' vs. 17')

Sector	No. of deals		
	'18 YTD	'17YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2018	YoY Comparison Through Jul 31, 2018
Industrials	1138	1182	-4%
Discretionary	1122	1117	0%
IT	1010	1022	-1%
Real Estate	665	773	-14%
Materials	570	564	1%
Healthcare	487	420	16%
Financials	385	450	-14%
Staples	356	360	-1%
Utilities	230	190	21%
Energy	141	110	28%
Teleco. Services	25	30	-17%
NSD	1155	1020	13%
Total	**7284**	**7238**	**1%**

Value of Deals (USDmm) YTD Activity (18' vs. 17')

Sector	No. of deals		
	'18 YTD	'17 YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2018	YoY Comparison Through Jul 31, 2018
Industrials	142,536	60,044	137%
Real Estate	66,851	114,319	-42%
Discretionary	57,461	50,145	15%
Materials	36,406	21,643	68%
Utilities	35,818	20,029	79%
IT	34,836	32,441	7%
Energy	26,361	18,253	44%
Healthcare	25,074	9,790	156%
Financials	16,758	21,093	-21%
Staples	14,575	10,820	35%
Teleco. Services	276	13,170	-98%
NSD	40,801	39,394	4%
Total	**497,751**	**411,142**	**21%**

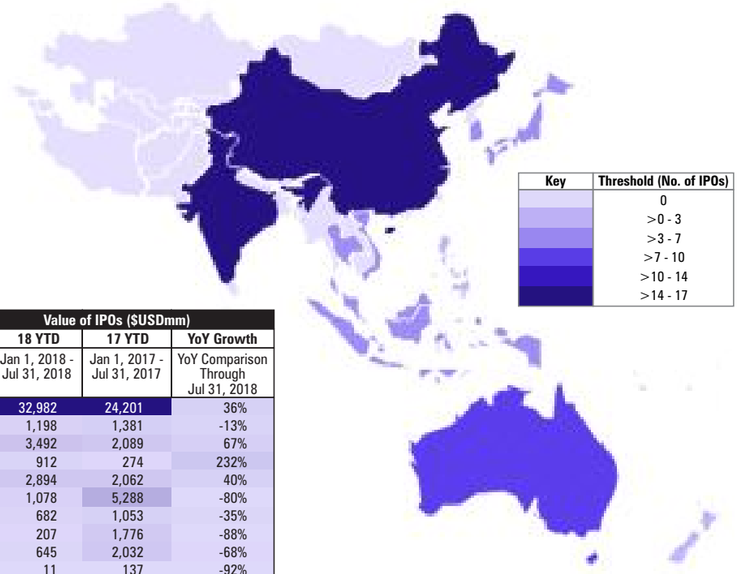
Source: S&P Global Market Intelligence as of Aug 1, 2018. Figures are based on M&A announcement dates. Includes closed and pending transactions as well as those without transaction values. NSD – No Sector Disclosed. Tables are provided for illustrative purposes. Data sorted by no. of deals and by transaction value from highest (darkest green) to lowest (lightest green).

INITIAL PUBLIC OFFERINGS BY COUNTRY

During July 2018, 96 deals were registered with US$12bn raised. The proceeds raised represented a 10% increase over YTD of last year despite a 21% decrease in the number of deals done. Both listings (China Tower Corporation Limited and Xiaomi Corporation) in SEHK played a large part in terms of proceeds.

No. of IPOs and Value by Country (Jul'18)

Country	No. of Deals	Value of Deals ($USDmm)
China	29	9,951.30
Hong Kong	12	253.6
India	11	594.2
Indonesia	9	249
Japan	9	445.5
South Korea	8	470
Australia	7	50.1
Malaysia	4	27
Singapore	4	105.9
New Zealand	1	11.1
Thailand	1	13.1
Vietnam	1	3.7
Philippines	0	0
Taiwan	0	0



No. of IPOs and Value YTD Activity (18' vs. 17')

	No. of deals			Value of IPOs ($USDmm)		
	18 YTD	17 YTD	YoY Growth	18 YTD	17 YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018
China	129	310	-58%	32,982	24,201	36%
Hong Kong	70	55	27%	1,198	1,381	-13%
India	117	78	50%	3,492	2,089	67%
Indonesia	30	18	67%	912	274	232%
Japan	47	46	2%	2,894	2,062	40%
South Korea	28	40	-30%	1,078	5,288	-80%
Australia	44	49	-10%	682	1,053	-35%
Malaysia	19	17	12%	207	1,776	-88%
Singapore	19	15	27%	645	2,032	-68%
New Zealand	1	1	0%	11	137	-92%
Thailand	8	13	-38%	418	1,339	-69%
Vietnam	25	30	-17%	1,939	56	3388%
Philippines	1	3	-67%	152	342	-55%
Taiwan	1	3	-67%	13	349	-96%
Total	**539**	**678**	**-21%**	**46,622**	**42,379**	**10%**

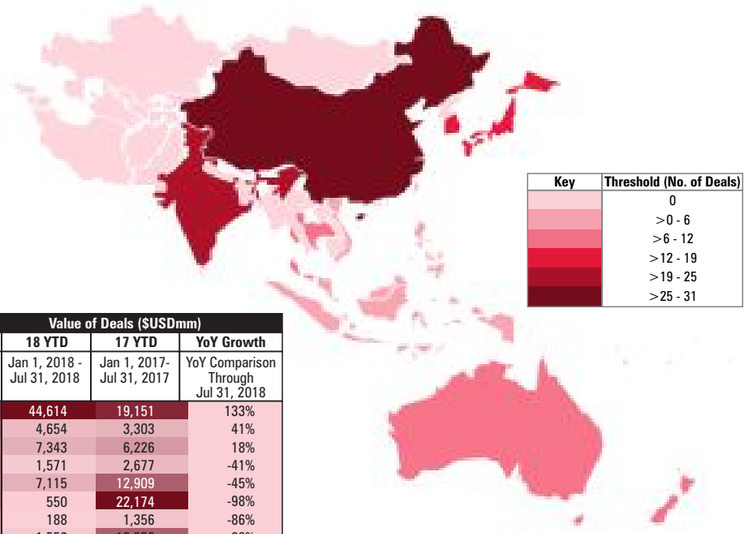
Source: S&P Global Market Intelligence as of Aug 1, 2018. Figures are based on public offerings offer date. Includes all closed transactions. Tables are provided for illustrative purposes.

PRIVATE EQUITY INVESTMENTS & BUYOUTS: SELECTED COUNTRIES

Private Equity Investments & Buyouts activity in July 2018 raised US$9bn from 161 deals. Total value of deals reached US$7.2bn YTD, a decrease of 11% relative to the same period last year.

No. of Deals and Value by Country (Jul'18)

Country	No. of Deals	Value of Deals ($USDmm)
China	73	5,627.70
India	29	604.7
South Korea	22	179.1
Japan	16	179.1
Australia	8	342.3
Singapore	7	261.2
New Zealand	3	144
Hong Kong	1	250
Taiwan	1	1,836.70
Vietnam	1	1.2
Indonesia	0	0
Malaysia	0	0
Philippines	0	0
Thailand	0	0



No. of Deals and Value YTD Activity (18' vs. 17')

	No. of deals			Value of Deals ($USDmm)		
	18 YTD	17 YTD	YoY Growth	18 YTD	17 YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017- Jul 31, 2017	YoY Comparison Through Jul 31, 2018
China	497	242	105%	44,614	19,151	133%
India	164	128	28%	4,654	3,303	41%
South Korea	110	103	7%	7,343	6,226	18%
Japan	167	149	12%	1,571	2,677	-41%
Australia	52	50	4%	7,115	12,909	-45%
Singapore	27	25	8%	550	22,174	-98%
New Zealand	6	8	-25%	188	1,356	-86%
Hong Kong	9	15	-40%	1,556	12,558	-88%
Taiwan	5	2	150%	2,270	55	4032%
Vietnam	12	13	-8%	767	314	144%
Indonesia	4	5	-20%	1,543	1	105787%
Malaysia	5	8	-38%	181	18	927%
Philippines	-	2	-100%	-	380	-100%
Thailand	2	2	0%	54	1	4721%
Total	**1,060**	**752**	**41%**	**72,405**	**81,124**	**-11%**

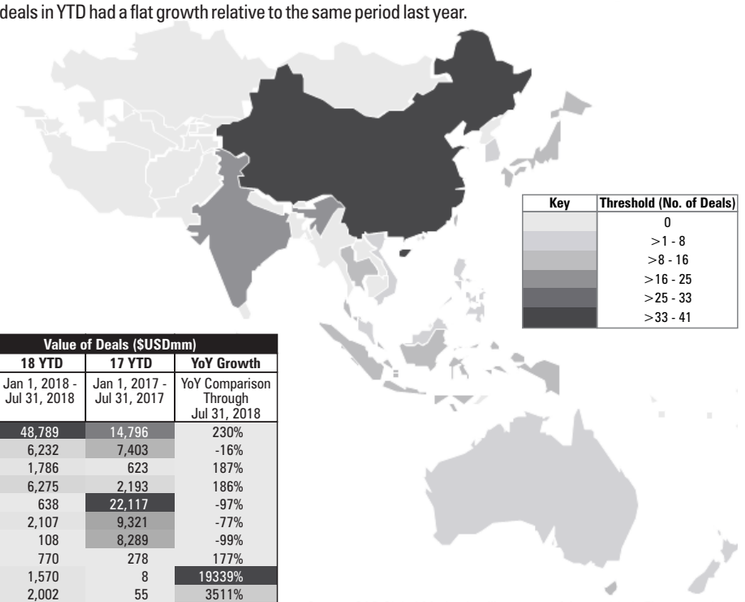
Source: S&P Global Market Intelligence as of Aug 1, 2018. Figures are based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Tables are provided for illustrative purposes.

VENTURE CAPITAL INVESTMENTS: NON BUYOUTS BY COUNTRY

245 venture capital deals totaling US$ 9.05 bn were done in July 2018. Number of deals done by China and Taiwan in YTD has increased significant by more than 100% in comparison to YTD 2017. The value of deals in YTD had a flat growth relative to the same period last year.

No. of Deals and Value by Country (Jul'18)

Country	No. of Deals	Value of Deals ($USDmm)
China	123	5,670.00
India	46	705.8
Japan	31	193.9
South Korea	14	118.8
Singapore	11	256.7
Australia	8	242.2
Hong Kong	4	20
Vietnam	3	1.2
Indonesia	2	1.2
Taiwan	2	1,836.70
New Zealand	1	8
Malaysia	0	0
Philippines	0	0
Thailand	0	0



No. of Deals and Value YTD Activity (18' vs. 17')

	No. of deals			Value of Deals ($USDmm)		
	18 YTD	17 YTD	YoY Growth	18 YTD	17 YTD	YoY Growth
	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018	Jan 1, 2018 - Jul 31, 2018	Jan 1, 2017 - Jul 31, 2017	YoY Comparison Through Jul 31, 2018
China	786	313	151%	48,789	14,796	230%
India	251	227	11%	6,232	7,403	-16%
Japan	294	232	27%	1,786	623	187%
South Korea	80	81	-1%	6,275	2,193	186%
Singapore	54	50	8%	638	22,117	-97%
Australia	59	60	-2%	2,107	9,321	-77%
Hong Kong	16	22	-27%	108	8,289	-99%
Vietnam	17	13	31%	770	278	177%
Indonesia	19	18	6%	1,570	8	19339%
Taiwan	10	5	100%	2,002	55	3511%
New Zealand	8	9	-11%	34	110	-69%
Malaysia	9	13	-31%	33	26	28%
Philippines	2	6	-67%	2	17	-90%
Thailand	6	9	-33%	54	3	1864%
Total	**1,611**	**1,058**	**52%**	**70,402**	**65,239**	**8%**

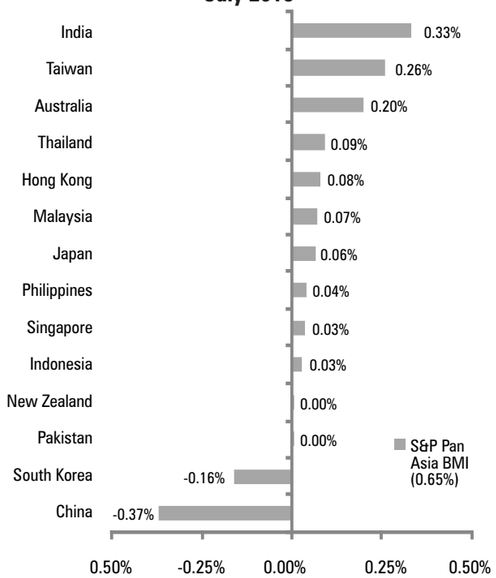
Source: S&P Global Market Intelligence as of Aug 1, 2018. Figures are based on transaction announcement dates. Includes both closed and pending transactions as well as those without transaction values. Non-buyouts will include all features except for leverage buyouts (LBO), management buyout or secondary LBO. Tables are provided for illustrative purposes.

MARKET ATTRIBUTES: INDEX DASHBOARD

Summary

- Asian equities enjoyed a largely positive month; nearly all of our single country equity benchmarks gained in July and the S&P Pan Asia BMI rose 65 basis points. China and Korea contributed negatively to the region's benchmark as lingering trade tensions continued to have an impact.
- Indian equities took the top spot in July as the country's strong economic outlook provided tailwinds. The S&P BSE SENSEX rose 6.36% and finished the month at an all-time high. The S&P Taiwan BMI's 4.45% monthly return came in second while Japan's equity benchmark, the S&P/TOPIX 150, completed the top three with a 1.83% increase.
- Nearly all of our fixed income indices posted monthly gains. The S&P Japan Government Bond Index offered the exception; it fell as speculation that the Reserve Bank of Japan would change course from its ultra-loose monetary policy caused Japanese yields to rise towards the end of July. The S&P/JPX JGB VIX closed at its highest month-end value since November 2017.
- It was a mixed month among S&P Pan Asia sectors; seven rose, four fell. Energy's 5.26% gain led the way as the sector shrugged off declines in commodities prices; the S&P GSCI fell 3.53%, led lower by a 5.28% monthly fall in the S&P GSCI Crude Oil Index. In what was a global theme for July, Telecoms performed well, closing up 4.59%. Consumer Staples brought up the rear, down 2.87% since our last report.
- Most S&P Pan Asia BMI smart beta strategies rose this month. Ethical Select Dividend Opportunities (+4.41%) topped the charts. Enhanced Value (+2.13%) also performed well, as it did globally. Growth and Momentum fell, weighed down by recent pressure on Chinese Technology companies.

S&P Pan Asia BMI Country Contribution July 2018



Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of July 31, 2018. Index performance based on total return. Numbers in brackets are closing price levels for the corresponding indices. Returns for single country indices and single country strategies are in local currency, otherwise USD. ~Sector contributions to the S&P Pan Asia BMI are calculated over the prior month. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results. For more information, please visit our website at www.spdji.com

TAKEAWAYS FROM THE SEBI BOARD MEETING DATED JUNE 21, 2018

The existing SEBI laws, inter alia, govern the conduct of participants in the securities market. The Kotak Committee Report, released in October 2017, had recommended that SEBI should be given the additional powers to impose duties and liabilities upon third party fiduciaries, such as chartered accountants, who have been entrusted with various statutory duties under the securities laws. A clear policy in this regard was proposed to be formulated. However, this idea of regulating chartered accountants by SEBI was highly opposed by the Institute of Chartered Accountants of India and other bodies, due to which the proposal did not get any traction until now.

On July 13, 2018 SEBI has issued another consultation paper aiming to regulate the conduct of fiduciaries such as, Chartered Accountants, Company Secretaries, Valuers, Appraisal Agencies, and Monitoring Agencies. The consultation paper proposes to amend all SEBI regulations dealing with issue of capital, pooling of funds, acquisitions and takeovers of listed entities, and conduct of SEBI-registered intermediaries, to insert appropriate norms in this regard. The assumption behind the proposals is that the investors have reposed their confidence in the report / certificate issued by such fiduciaries while taking their investment decisions and therefore, the fiduciary should be held liable for providing an erroneous report / certificate.

The consultation paper provides an inclusive definition of 'fiduciary' and states that the fiduciary is a professional or a firm of professionals who undertake various projects under the respective SEBI regulations for issuance of reports and certificates relating to accounting, finances, valuation, etc. An 'engagement partner' is defined as a partner or person from such professional firm who is responsible for a particular assignment or for issuance of a report / certificate.

The consultation paper further prescribes the duties of such persons and provides that the fiduciaries should exercise due care, skill and diligence while issuing their reports, and such report should be true in all 'material' respects. Further, the consultation paper recommends that the fiduciaries should be required to report any material violation of securities laws, should they come across any such violation while performing their functions. However, the consultation paper is silent on whether these professionals will be required to undergo any sort of training / certification to acquire the requisite knowledge of securities law in order to identify such violations.

Lastly, SEBI's powers to conduct an inquiry/investigation and impose liability are proposed to be extended to the fiduciaries who fail to follow the above stated provisions or provide a false certificate/ report, in violation of the SEBI regulations. However, no specific amount of penalty or nature of directions have been proposed in the consultation paper.

While SEBI has initiated issuing orders against fiduciaries as per its powers under Section 11 of the SEBI Act, such as its order dated January 10, 2018 issued against Price water house Coopers in the Satyam Computers matter for issuing "false and misleading" audit report and defrauding the investors, the consultation paper has now been issued as an attempt to formalize SEBI's powers and provide specific provisions to undertake such actions.

The consultation paper proposes that in case SEBI has reasons to believe that a false certificate/report has been submitted by a fiduciary or that the fiduciary has failed to comply with the provisions of the SEBI regulations, then SEBI may undertake appropriate inquiry / investigation and pass an order thereafter. Considering that adjudication of such matters will require specialized skills such as that of accounting, finance, etc., it will be interesting to see as to how SEBI will conduct such investigations. In the past, we have seen various cases wherein SEBI had sought external assistance for accounting and financial matters. One recent instance is the initiation of inquiries by SEBI in matters concerning shell companies, wherein a list of 331 listed companies was provided by the Ministry of Corporate Affairs to SEBI to check whether they are defunct/shell. SEBI has appointed external forensic auditors to look into the books of accounts of such companies. It will also be interesting to see the stance taken by other regulators and professional bodies on the recommendations of this consultation paper.

SEBI'S PROPOSAL TO AMEND THE LAW ON RE-CLASSIFICATION OF SHAREHOLDERS - A STEP IN THE RIGHT DIRECTION

To broaden the scope and simplify the process for re-classification of shareholders of listed companies, SEBI has issued a consultation paper titled **'Provisions pertaining to Re-classification of shareholders'**. The consultation paper has proposed a much-needed amendment to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"LODR"**).

Presently, Regulation 31A of the LODR (**"Reg 31A"**) permits re-classification of shareholders under three limited scenarios. These include cases of I) transmission/ succession/inheritance of shares by an inheritor; ii) a new promoter replacing the previous promoter subsequent to an open offer or in any other manner and; iii) a company becoming professionally managed without an identifiable promoter. Except for the first scenario, such re-classifications are permitted pursuant to satisfaction of several conditions. These include the requirement that the outgoing promotor must not be exercising control or enjoying special rights in the company and must obtain the shareholders' approval for the reclassification. As Reg 31A encapsulates only limited scenarios for re-classification of shareholders, companies in the past have approached SEBI under the SEBI (Informal Guidance) Scheme, 2003, to obtain approval to re-classify promoters as public shareholders.

Under the proposed amendment to Regulation 31A of the LODR (**"Proposed Reg 31A"**), SEBI has proposed a uniform process for re-classification of shareholders and a single set of conditions for all situations of re-classification of shareholders. Unlike Reg 31A, the Proposed Reg 31A, does not allow the concerned promoter to act as "key managerial person" in the company for any period of time after the re-classification. Additionally, the Proposed Reg 31A has introduced conditions on listed companies making a request for re-classification of shareholders. These conditions include requirements such as the company must be complaint with the minimum public shareholding requirements, and its shares must not be suspended from trading on the stock exchanges. Further, SEBI is empowered to relax any of the condition for re-classification in specific cases, if SEBI is satisfied about the non-exercise of control by the outgoing promoter or persons acting in concert.

However, there are certain concerns that may be brought to light with respect to the Proposed Reg 31A.

Is shareholders' approval necessary in all circumstances?

As provided in Reg 31A, the Proposed Reg 31A mandates obtaining a shareholders' approval for all cases of re-classification of shareholders, except for cases of transmission/succession/inheritance of shares. This requirement should not be made mandatory inall circumstances. For instance, if the outgoing promoter holds less than 10% of the voting power and does not exercise control inthe company, which has another controlling promoter, and all other conditions specified in the Proposed 31A are satisfied, seeking the approval of the shareholders might have no relevance. Further, this requirement under the Proposed Reg 31A is contrary to the stance taken by SEBI in several of SEBI's informal guidances, wherein SEBI had allowed promoters with nominal shareholdings to be re-classified as public shareholders without seeking a shareholders' approval.

Why should only promoters be allowed to initiate the process of re-classification?

Unlike Reg 31A, the Proposed Reg 31A allows the process of re-classification to be initiated only by a promoter and therefore, a company will be unable to re-classify promoters holding nominal shareholdings in the interest of the company. If a promoter holding nominal shares and having no control or special rights over a company is declared a 'wilful defaulter',the concerned company will be barred from making a public issue of equity shares under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. In such scenarios, the company should be given the power to initiate the process for re-classification of the concerned promoter to a public shareholder.

Bar on 'wilful defaulters' and cooling off period.

SEBI has not provided any reasons for imposing a blanket bar on 'wilful defaulters' from being re-classified as public shareholders. As discussed earlier, imposing such a restriction may be against the interests of the company. Further, SEBI has not provided any reason for having a six-month cooling off period between the board meeting of the directors and the shareholders' meeting with respect to the process of re-classification of shareholders. On account of the six-month cooling off period,the process of re-classification will be delayed and the recommendations of the board of directors may become obsolete and redundant by the time the shareholders are to consider the proposed re-classification and take a decision on the matter.

To summarise, SEBI's attempt to amend Reg 31A is a move in the right direction as it will broaden the scope and simplify the process of reclassification of shareholders. It will be interesting to see if and how SEBI further modifies the Proposed Reg 31A in the future based on comments received from market participants.

'SUCCESSION' UNDER THE TAKEOVER REGULATIONS

In an informal guidance issued on July 23, 2018, SEBI has stated that conversion of the status of a promoter of a listed company from a private limited company to a limited liability partnership (**"LLP"**) would be considered to be a 'succession', and the same shall be exempted in terms of Regulation 10(1)(g) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**"Takeover Regulations"**).

Fidelo Foods Private Limited (**"FFPL"**) held 18.19% shares in India Finsec Limited (**"Target Company"**). As per the informal guidance, FFPL proposes to change its status from a private limited company to an LLP. On conversion, Fidelo Foods LLP will hold the 18.91% shareholding in the Target Company and along with other promoters, who would be deemed to be persons acting in concert, would exercise voting rights over more than 25% of the shareholding of the Target Company. In this context, a question was raised whether an open offer is required to be made in terms of Regulation 3 of the Takeover Regulations.

Regulation 10(1)(g) of the Takeover Regulations exempts the acquirer of shares by way of succession, transmission, or inheritance from the obligation of making an open offer under Regulation 3 or 4 of the said regulations. In the current case, SEBI took the view that since the proposed acquisition is pursuant to conversion of a private limited company into an LLP and the ownership of FFPL is proposed to be transferred to Fidelo Foods LLP without any change in the nature of business and control, the proposed conversion would fall within the meaning of 'succession' and would be exempt under Regulation 10(1)(g).

In a Securities Appellate Tribunal order in March 2001, it was held that an acquisition cannot be considered to be by way of transmission, inheritance or succession if any purchase consideration is paid. However, apart from this, there is a lack of understanding on what constitutes a succession or transmission. In light of this, the informal guidance is a welcome clarification.

Courtesy: Finsec Law Advisors
A financial sector law firm which provides regulatory advice and assistance focusing on the securities, investments and banking industry. www.finseclaw.com

Disclosure: Finsec Law Advisors is representing Kirloskar Chillers Private Limited.

COMPLIANCE REQUIREMENT FOR THE MONTH OF SEPTEMBER – 2018

Compiled by CA Kamlesh P. Mehta
(B.Com, FCA, DISA)
M/s. Kamlesh P. Mehta Associates

Segment	Particulars	Due Date
BSE	BSE - Uploading of margin funding file for the month of August 2018	1/9/2018 to 7/9/2018
All Exchanges	Contingency Drill / Mock Trading Session (Subject to circular to be issued by respective exchanges)	1/9/2018
PMS	PMS- Submission of Activity Report- through SEBI portal	5/9/2018
Income Tax	TDS Payment for the Month of August 2018 for Corporate and Individual.	7/9/2018
NSE	NSE- Uploading of margin funding file for the month of August 2018	7/9/2018
All Exchanges	Uploading clients' fund balance and securities balances by the stock brokers on stock exchanges system as per SEBI circular of Enhanced supervision for the month of August, 2018	7/9/2018
Stamp Duty	Payment of Stamp duty: - Security and Commodity Exchanges	10/9/2018
Depositary	Investor Grievances (Report) • CDSL & • NSDL	10/9/2018
Income Tax	Payment of advance tax	15/09/2018
MSE	Uploading of margin funding file for the month of August 2018.	15/09/2018
NSDL & CDSL	Submission of Net worth Certificate and balance sheet as at 31.03.2018	30/09/2018
PMS	Submission of audit Certificate by Qualified Chartered Accountant to SEBI	30/09/2018
NSE & MSE	Annual Returns with Networth certificate and other details as at 31.03.2018.	30/09/2018
Income tax	Filling of Income tax return for corporate entity & Persons covered under Tax Audit.	30/09/2018
BSE /NSE/ MSE	Submission of Corrective Action report for any "Non compliances/ Work in progress/ Observation/Suggestion" pointed out by the auditor in System audit report for the period ended March 2018.	30/09/2018
BSE	No. of STR filed with FIU-IND for the month of August, 2018. (Including NIL STR)	Before 30/09/2018
All Equity & Commodity Exchanges	Uploading of Clients' Funds, collateral and other details lying with the member broker	Weekly basis

Kamlesh P. Mehta B.Com. FCA, DISA (Post qualification course in information system audit from ICAI) is a practicing Chartered Accountant by profession having an experience of 24 years in the field of capital market compliance consultancy, depository services audit, management consultancy, system audit and Commodity market compliance consultancy.

He is a Proprietor of CA firm M/s. KAMLESH P. MEHTA ASSOCIATES & Partner of MEHTA SANGHVI & ASSOCIATES located at Borivali, Mumbai.

He along with his associated concerns specializes in Audit and Assurance Services of various compliance areas related to Capital Market Operations and system audits of broking industry.

He is also providing compliance calendar to BSE brokers forum and ANMI regularly and same is published in their journal. Recently he and his team had drafted compliance manual for commodity brokers published by BSE brokers forum.

He is a regular speaker of the various seminars for broking and DP compliances organized by WIRC (Western India Regional Council of ICAI) and study circle group.

ANALYZING CIRCULARS (08 JULY TO 04 AUGUST 2018)

Regulator	Important Circular's Title For The Period
SEBI	**SEBI (Stock Brokers and Sub-Brokers) (Second Amendment) Regulations, 2018 -->>** Amendments w.r.t deletion in Regulation regarding definition of Sub broker ,Registration Of Sub-Brokers, Registers of accounts and agreement specifying the scope and responsibilities, Regulation regarding stock broker dealing with sub broker and unregistered sub-brokerApplication/ Suspension or cancellation of certificate of registration as a Sub broker and recognition letter, Regulation regarding Submission of returns and payment of fees is omitted
SEBI	**Role of Sub-Broker (SB) vis-a-vis Authorized Person (AP) -->>** Fresh Registration for Sub- Broker (SB) not to be granted and pending SB applications which are under process with SEBI, to be returned to concerned Exchanges for onward transmission to the applicant.~~Registered Sub-Brokers to migrate to act as an AP and / or Trading Member (TM) on or before March 31, 2019 and those who do not, their membership shall be deemed to have surrendered their registration with SEBI as Sub-Broker, further their certificate of registration shall stand withdrawn. Migration path for existing registered SB has been detailed in the given circular
SEBI	**Consultation Paper on "Revisiting the public issue process" -->>** Providing a proposed framework for providing faster and efficient alternate mechanism, for blocking and payment of funds and to increase the efficiency of the existing system and curtail the need for manual intervention at various stages in the process with the advantages of DP ID and PAN validation on real time with Automated verification of investor signature and blocking of funds and removal of physical movement of application forms. Also it would lead to Single point of contact for follow-up by RTA, hence resulting in reduction of man power cost in order to enable issuers to raise capital in the shortest possible time span and to further reduce market risk for investors as well as issuers.
SEBI	**Discussion Paper on Delisting of Equity Shares - Review of "Reverse Book Building Process" -->>** To overcome issues it was proposed and bidding within "Price Band" (Floor & Cap Price) may be detrimental to the interest of the investors RBB in the present form is amended by proposing counter offer made by promoter to the shareholders is lucrative and if accepted delisting would be treated successful provided and counter offer price is not less than the book value and accepted by such number of public shareholders where the promoter shareholding reaches 90%.
SEBI	**Consultative Paper On Revision Of Provisions Pertaining To Reclassification Of Shareholders -->>** Re-classification of status of any promoter as a public shareholder to be disclosed as a Material event to Exchanges and shall be permitted only if applicant is not a wilful defaulter , the application is received from the specific promoter and as on the date of application Not represent BOD ,Not have any special rights nor act as a key managerial person in the listed entity ,not hold more than 10% of the total voting power in the listed entity and not exercise control over the affairs directly or indirectly. The same should be complied for reclassification in case of transfer of shares by way of transmission/succession/inheritance/gift /death .Further concerned exchanges shall jointly decide on the application of the concerned listed entity subject to compliance with requisite conditions. Comments for the same should be sent on or before August 16, 2018.
SEBI	**Strengthening the Guidelines and Raising Industry standards for RTAs, Issuer Companies and Banker to an Issue - Clarification -->>** As there were several representation received about huge cost and return of posts, it has been clarified: The timeline for sending the initial letter by Registered / Speed Post to physical shareholders has been extended to September 30, 2018 to enable companies to send the initial letter along with Annual Reports/notice of AGM, Subsequently two reminders may be sent by other modes including ordinary post / courier.
SEBI	**Consultation paper for Designing a Framework for Enhanced Market Borrowings by large Corporates -->>** Government in consultation with Regulators wants to develop and deepen the bond market. At the same time, hence this paper focuses to reduce reliance on banks to finance corporates and also to develop a liquid and vibrant corporate bond market. Evolving a framework for operationalizing the intent of budget announcement: by Identifying large corporates and their financing needs and there needs to be enough leeway with a light touch to the identified corporates to meet the mandatory requirement from the bond market. ~~The paper explains Current market structure and inference drawn there from, RBI policy framework on banks' large exposures, impact on bond market in other Countries based on given changes in framework and finally In view of above this paper gives a proposal and underlines regulatory intent to operationalize the budget announcement in a manner which provides for a light touch framework and at the same time provides an appropriate time frame to the market for smooth transition to the new framework. Public comments expected by Aug 13, 2018
SEBI/BSE/NSE	**Discontinuation of acceptance of cash by Stock Brokers-->>** Members should receive/make payment from /to client only and that to in respect of their transaction either by cheque or demand drafts or by way of direct credit into the bank account through electronic fund transfer, or any other mode permitted by RBI except cash. Further stock broker should accept/issue cheques only drawn on /in favour of client only for their transactions
SEBI	**Consultation Paper on proposed SEBI (Fiduciaries in the Securities Market) (Amendment) Regulations. -->>** Consultation paper on proposed amendments to regulations governing entities who undertake third party fiduciary duties and assignments under the securities law. Amendments have been proposed to the SEBI (Fiduciaries in the Securities Market) Regulations.~~Chartered accountants, company secretaries and valuers are among the third party fiduciaries in the securities market.~~Fiduciaries such as merchant bankers, credit rating agencies, custodian and debenture trustees are regulated by SEBI. ~~In its report, panel on corporate governance had recommended that SEBI should have clear powers to act against auditors and other third party fiduciaries that have statutory duties under the securities law.

SEBI	**Core SGF and standardized stress testing for credit risk for commodity derivatives -->>** Clearing Corporations clearing commodity transactions shall comply with the provisions of SEBI circular dated August 27, 2014 w.r.t related to Core SGF, default waterfall, stress testing, back testing, etc. The said circular stipulated norms for Minimum Required Corpus of Core SGF (MRC) for each segment of each stock exchange at para 7 of the circular.~~It has also been decided to prescribe modified standardized stress testing scenarios and methodology (as given in Annexure) for carrying out daily stress testing for credit risk in commodity segment.~~Clearing Corporations shall use the same for carrying out daily stress testing for credit risk in commodity derivatives within 3 months from this circular till that time, they may continue using the stress testing norms specified vide circular dated September 16, 2016 for commodity derivatives.
SEBI	**Master Circular for Mutual Funds -->>** Master Circular is a compilation of all the existing/ applicable circulars issued by Investment Management Department of SEBI to Mutual Funds.
SEBI/CDSL/NSDL	**Investment by Foreign Portfolio Investors (FPI) through primary market issuances -->>** FPI or any Investor group can only purchase maximum 10% of equity shares of the total issued capital of the single company. If ultimate beneficial owner(s) of same FPI invest through multiple entities, such type of investment is clubbed together and consider as a single FPI Investment.~~ RTA at the time of finalization of basis of allotment during primary market issuances may use PAN for checking compliance and also obtain validation from Depositories as they monitor the investment limits of FPI at the level of investor group based on the information provided by DDPs to ensure there is no breach of investment limit.
SEBI-INFORMAL GUIDANCE	**Informal guidance in the matter of Ms. Nitesh Estates Limited under SEBI (SAST) Regulations, 2011 and SEBI (ICDR) Regulations, 2009 -->>**The current promoter group holding of target company being 47.32% and proposed an inter-se transfer of 1.88% shares among promoter group, thus proposed an inter-se transfer would be considered as a normal transfer within 5% limit if considered individually and if taken collectively with any other transaction made in the financial year crosses 5% threshold and would trigger the requirement of making public announcement of an open offer and Regulation 10 would apply in that case, subject to fulfilment of conditions as mentioned therein.~~Applicant can make preferential allotment to new investor provided he is not a promoter/ promoter group entities as for six months pursuant to the proposed selling by Hampton Investments Pvt. Ltd. to Nitesh Industries Pvt Ltd preferential allotment cannot be made as per ICDR Regulations .
SEBI-INFORMAL GUIDANCE	**Informal Guidance - In the matter of India Finsec Ltd. under SEBI (SAST) Regulations, 2011 -->>** Unable to provide any response on account of absence of failure of details of applicable legal provisions.~~As acquisition/transfer of shares in Target Company is on account of conversion of private limited company into a LLP and the ownership of business of FFPL is proposed to be transferred to Fidelo Foods LLP without any change in the nature of business and control qualify for exemption from making an open offer subject to the shareholding of Fidelo Foods LLP being the same as that of FFPL in IFL with no change in control provided it ensure compliance of other conditions as prescribed under Regulation 10 of the SAST Regulations. Upon conversion, LLP would form part of promoter groupand hold shares, there would be obligation to make necessary disclosures under PIT,SAST and any other relevant regulations
SEBI-INFORMAL GUIDANCE	**Informal guidance of Bajaj Finsev Limited -->>** ICDR Regulations apply in case of a rights issue of shares kept in abeyance when the allotment of shares in a tranche is less than Rs. 50 Lakh of the value of the specified security.~~Chapter XI of ICDR including Regulation 108 of ICDR was inserted in ICDR Regulations by SERI LODR Regulations. 2015 w.e.f December 1, 2015, hence it is not applicable but will be applicable to any allotment after December 1. 2015 including any allotment pursuant to the rights issue which happened before December 1. 2015 and would apply to all allotments pursuant the amendment dated December 1. 2015 to ICDR.~~Stock exchanges should consider mitigating circumstances before imposing a penalty for violation of Regulation 108 of the ICDR Regulation .
SEBI-INFORMAL GUIDANCE	**Informal guidance of Goldcrest Corporation Ltd -->>**As issuance of shares to GSCPL pursuant to the merger and buying back of shares of the company would not fall into the ambit of "accessing of capital market" and would fall under buying, selling or dealing in securities, Thus the said transactions would not be prohibited due to the bar on GCL under Regulation 24 of the Delisting Regulations.
SEBI-INFORMAL GUIDANC	**Informal guidance of Bhoruka Finance Corporation of India Limited -->>** Transaction would be discharged by way of issue of equity shares to the shareholders and hence, there is no involvement of cash or cash equivalents in the transactions. Further, it is confirmed that the demerged undertakings of the Transferee Company would be directly or indirectly owned and controlled by the same promoters and promoter group who held the promoters' shareholding of the Transferee Company and the Transferor Companies before implementation of the proposed Scheme of Arrangement and hence, the persons directly or indirectly holding at least 33% of the voting rights in the combined entity/demerged entities are the same as the persons who held the entire voting rights before the implementation of the scheme.~~Transfer and vesting of shares of the Target Companies in the Demerged Undertakings of Transferee Company would be exempt from the open offer obligations by virtue of Regulation 10(1)(d)(iii) of SAST subject to the approval of the scheme of arrangement by the Court/ Tribunal and also subject to the other conditions to be complied under Regulation 10 of the SEBI SAST Regulations, 2011.
SEBI-INFORMAL GUIDANCE	**Informal guidance of Force Motors Limited -->>**Pursuant to the proposed scheme, promoter group would continue to exercise (indirectly) 57.37% of the voting rights and control of the promoter companies in TC through JHI, (instead of JHI, JHIPL, Prasanna Holdings and Ahmednagar Engineering). Therefore, there would not be any change in the shares or voting rights or control of the TC by Mr. Abhay Firodia and Mr. Prasan Firodia, as a result of the proposed scheme.
SEBI-INFORMAL GUIDANCE	**Informal Guidance in the matter of Star Cement Ltd -->>** Proposed on-market inter-se transfer between the promoters taken place within 6 months in the open market, thus does not qualify for claiming defence under provision to

	Regulation 4(1) of PIT Regulations.~~Further since the proposed on-market inter-se transfer was in breach of provision to Regulation 4(1) of PIT Regulations thus it does not qualify for grant of relaxation from applicability of provisions of contra-trade, from the Compliance Officer.~~Restrictions on contra-trade apply individually to persons, including promoters, who are identified as 'designated persons'.
SEBI-PRESS RELEASE	**Clarification on news item -->>** In response to news item published in a section of media headlined "MEA, SEBI provided positive report on Mehul Choksi in 2017, says Antigua's CIU". SEBI clarified that they had neither received any request from the Citizenship by Investment Unit (CIU) of Antigua for updates on any investigation nor provided any such information to CIU".
SEBI-PRESS RELEASE	**Invitation for Counter Proposals/Revised Proposals in Furtherance of the Revised Proposal Submitted by PACL Ltd. Dated July 03, 2018. -->>** Committee has received a revised proposal vide letter dated July 03, 2018 from PACL revising the total offer value for the sale of the properties from Rs. 20,000 crores to Rs.23,000 crores. ~~ Committee provides a final opportunity to any desirous person/entity including PACL to submit their counter proposal/revised proposal in accordance with the terms and conditions as specified as per the Public Notice dated July 10, 2018.
BSE	**E-mandate - Implementation of 16 digit Virtual ID (VID) -->>**Virtual ID can be generated/ retrieved, by the customer on UIDAI portal only if user's mobile number is linked to Aadhaar and the same to be use instead of 12 digit Aadhaar Number. Further Aadhaar Virtual ID based e-Sign verification being rolled out, effective 01 August, 2018.
BSE	**Enhancements in Trading System APIs - Update -->>** Exchange to extend the date of mandatory release of IML API 7.11, IML exe version 11.00 and ETI API 1.6.1 in Currency Derivatives segment is postponed to Monday August 13th, 2018. However no change in Go-live date of mandatory release of IML API 7.11, IML exe version 11.00 and ETI API 1.6.1 for Equity and Equity Derivatives segments scheduled for Sept 03, 2018
BSE/NSE	**Additional Surveillance Measure (ASM) - Update -->>** The review criteria is revised to five Criteria based on corporate action adjusted High low price variation, Concentration of top 25 clients, CA adj Close to close price variation, marketcapitalisation, price band variation, PE factor is applicable for selection of stocks in the ASM .Securities under PSU,GSM , Derivative products, T2T is excluded from the process of short listing under ASM. PE ratio is an important factor to place scrip under T2T and ASM segment.
BSE/NSE	**Graded Surveillance Measure (GSM) - Update -->>** For Inclusion in GSM, Criteria I depends on Net worth, Net Fixed Assets, and PE Ratio and Criteria I also Exclusion from GSM which is based on specified criteria. Criteria-II highlights on points applicable for inclusion of securities directly under GSM Stage I mainly w.r.t market capitalisation, and PE with reference to Benchmark indices. The review of the mentioned criteria will be done on quarterly basis
BSE	**Clarification on Aadhaar-Update -->>** As per the UIDAI notification to accept virtual IDs in lieu of Aadhaar number, The facility of uploading of Aadhaar detail on BSE StAR MF Platform will be temporarily discontinued till further development.
BSE	**Clearing & Settlement process for delivery based Stock Derivatives -->>** The norms and detailed procedure pertaining to Clearing & Settlement Process and Risk Management process in respect of delivery based stock derivatives as aforesaid have been enumerated in Annexure - I. and Details of additional reports and file formats pertaining to delivery based stock derivatives are enclosed herewith as Annexure -II.
BSE/NSE	**Withholding of sale proceeds of securities in which unsolicited messages being circulated - Update -->>**Securities forming part of S&P BSE 500 or NSE 500 with a hair-cut of 30% or applicable VaR whichever is higher shall only be considered as collateral in lieu of funds required to be withheld. TM/ Market Participants shall replace the securities in case of any change in the composition of S&P BSE 500 / NSE 500 and ensure that any fall in value of securities shall have to be compensated by bringing in additional eligible securities from time to time and maintain audit trail of such changes. Compliance officer of members should submit the details of securities held with its market valuation and kept as collateral in lieu of withholding sale proceeds of securities in which unsolicited messages being circulated at invg@nse.co.in/investigation@bseindia.com.
BSE	**Additional Surveillance Margin for Equity Derivatives segment -->>** ASM shall be levied on given scenarios, subject to a minimum of 50% of cumulative projected loss across all clients and the same will be blocked from the collaterals of CM on T+1 day basis. Further for clients meeting both the scenarios, maximum amount computed will be collected as ASM.
BSE	**Review of Adjustment of corporate actions for Stock Options -->>** Adjustment in strike price shall be carried out when Dividends declared at and above 5% of the market value of the underlying stock or all cases of dividends, where the listed entity has sought exemption from the timeline prescribed under the provisions of SEBI LODR Regulation 2015.
BSE	**User ID wise High order to trade ratio file in Equity Segment -->>** Exchange shall provide User Id wise High OTR file on an hourly basis during trading hours in equity segment with effect from July 16, 2018. For detail of path, file name, file header and sample record please refer circular.
BSE	**High Order to Trade Ratio (OTR) in Online E boss system -->>**An hourly alert on algo order to trade ratio in equity segment is being reflected in the E boss system in addition to the equity and currency derivatives segment.For details of path for algo Order to Trade Ratio (OTR) in equity, equity derivatives, and currency derivatives refer circular.
NSE	**Multiple Lock of User Ids -->>**Exchange has announced provision of mapping a NEAT User Id up to four IPs (multiple locking) at the same location ,which was initially two Tap IPs were allowed in order to allow members to connect and route orders across multiple telecommunication lines/ infrastructure at a location and thus maximizing use of available

	infrastructure.~~Members can place a request for multiple locking of user ids through dedicated electronic interface 'ENIT' on the path and maximum permissible user ids and messages per second allotted to a 'Tap IP' will continue as per existing policy. The facility of multiple locking will be effective from August 06, 2018.
NSE	**Upgradation of NCMS version - CM Segment -->>** New EXE (version 4.0.9) will be available from CONNECT2NSE homepage from August 04, 2018.w.r.t changes of 'Prevention of Self-Trade'. Also revised format of client code modification facility provided in new EXE version of NCMS
NSE	**FAQs on Physically settled Equity Derivatives -->>**Contract note issue not mandatory at the time of final settlement. ~~ No separate statement for physically settled transactions and can be part of existing quarterly statement of accounts or monthly/ quarterly statement~Member may levy brokerage separately for physically settled derivative contracts subject to maximum % of segment wise brokerage ~~Further members need to provide details for delivery margin under the "Total upfront Margin" column of the daily margin statement issued to the clients. Margin trading facility cannot be given against the securities receivable in future against physically settled derivatives. STT will be applicable @ 0.10% on the physical settlement of specified stock derivatives payable by the purchaser and subject to amendment by CBDT in this regard and there is no change in the existing levy of STT on FNO. Additional Clarification given separately-Member may levy brokerage separately for physically settled derivative contracts subject to maximum % of segment wise brokerage
NSE	**Changes in reports due to Physical Settlement in Equity Derivatives-->>** Exercise/Assigned Value shall be populated as "Zero" for the stocks which shall be physically settled in the Position Files (i.e. PS03 and PS04), Exercise Report (i.e. EX01 and EX02) and Assignment Report (i.e. AS01 and AS02) for TM and CM.
NSE	**STT on Physical Settlement in Equity Derivatives-->>** STT will be collected on E+2 day along with pay-in for delivery settlement of equity derivatives on options identified for physical settlement and for futures buy positions to be settled by way of physical delivery.~~Further Additional reports provided for STT payable on positions for physical settlement on Expiry day for TM and CM provided in Annexure.
NSE	**Securities Transaction Tax - Physical settlement of Stock Derivatives-->>** STT will be levied @ 0.10% (i.e the rate applicable for taxable securities transaction settled by actual delivery in the CM segment) on the settlement price to be paid by the purchaser of the futures contract which are settled by way of physical delivery.~~Further in the event of any clarification or amendment issued by CBDT in addition to or contrary to the above position, the Exchange reserves the right to recover such additional STT from the members effective from the date as may be notified by the CBDT.
NSE	**Disclosure Document related to NSE Security Futures -->>** NSE launched its Single Stock Futures, Narrow-Based Security Index Futures, Cash-settled futures contracts based on certain individual securities and narrow-based security indices traded on NSE and cleared by NSCCL. These are available to trade by for the investors under 'private placement' mechanism prevalent in the U.S.~~SEC , CFTC, and NSE are authorized to offer foreign listed security products on single securities or narrow-based indices of securities, Qualified Institutional Buyers (QIB) and are also Eligible Contract Participants ("ECPs") ,provided that any offer or sale is effected through a broker or dealer registered under SEBI act and offer and sale is made in compliance with U.S. Securities Act. ~~Disclosure Document with product description and risks related to NSE Security Futures is annexed as Annexure 1 to all the eligible participants and brokers.
NSE	**FAQ on Physical Settlement in Equity Derivatives -->>** Detailed FAQ on clearing, settlement and risk management for physical settlement in equity derivatives is enclosed as Annexure 1.~~Examples of computation client level delivery obligations across various derivatives contract in a security are provided in Annexure 2.~~Sample files for new reports as specified in our abovementioned circular are made available on the FTP (/faoftp/Faocommon/Deliverysettlement)
NSE	**Surrender of Membership -->>** The minimum deposit component of Rs. 5 Lakhs retained in cash form under 3 year lock-in period by the Exchange/ NSCCL is reduced to Rs. 1 lakh.
NSE	**Consolidated circular on Market Data -->>** Exchange provides market data (price and volume related) to its TM in the form of Market by Price (MBP) and Market by Order (MBO) for Auction market, Market data broadcast is refreshed either at fixed time interval or are event driven. Some related data for Auction market like Trade Ticker, Open Interest (OI), Open High Low (OHL), Auction Inquiry broadcast, Master Updates, Market Open/Close Status message broadcast, Trade Execution Range (TER) etc is also provided with this circular.(CM/F&O/Currency Derivative)
NSE	**Master Circular for Stock Brokers -->>** Master Circular is a compilation of all the existing / applicable circulars issued by Market Intermediaries Regulation and Supervision Department of SEBI pertaining to Stock Brokers.
NSE	**Prevention of Self-Trade -->>** PAN will be introduced as part of Client code modification and will be verified to ensure modification is not resulting into self-trade.~~Members to ensure the validity of PAN at the time of modification, further PAN modification is compulsory before the actual client code modification in case original trade is without PAN.~~New EXE (version 4.0.9) from CONNECT2NSE homepage which shall be available with effect from August 04, 2018.to be downloaded.
NSE	**Mock session on account of migration of MFSS to NMF - II Platform-->>** Centralize transactions in Mutual Funds and to streamline operational activities, Web Based MFSS platform shall migrate to New Mutual Fund (NMF-II) platform and thereafter Only NMF - II platform shall be available for transactions in MFSS. Further to get acquainted to NMF - II platform the Exchange shall be conducting mock session on July 16, 2018.

CDSL	**Changes in BO Account Information -->>** CDSL has received requests from DPs for addition/modification of information of BOID master data such as Changes in length of Address field.~~Additional facility will be made available to capture the contact details, email Id and mobile number of the joint demat account holder. DPs are advised to note that the registration to TRUST will be discontinued with the release of BO changes till further intimation.~~The BO setup & modify upload file formats have been modified to incorporate the given changes. Listed report formats have also been changed as per given changes and release bulk upload facility will be discontinued and functionalities of bulk upload will be merged with File level upload and Record level upload.~~DPs are requested to ensure and properly update the phone numbers /email ids while opening /modifying the demat accounts till the date of release and educate their BOs accordingly.
CDSL	**Amendments To CDSL's DP Operating Instructions -->>** Recurring Charges for lease line maintenance is being revised to Rs 15 k p.a from 18.5k p.a and Charges are removed in case of VSAT usage charges and lease line service charges for MLDN and Non MLDN. Further Connectivity exit charges / shifting charges, which are payable to the service provider will be intimated by CDSL from time to time. In case of Request of Restatementization request form MF-RRF should be retained by the DP and not to be sent to the RTA.
CDSL	**Creation Of New Market Type And The Deadline Time For Submission Of Pay-In Instructions-->>**For NSE/BSE/MCX-SX deadline of entering through Easiest and CDSL System for pay-in instructions in Physical settlement Stock is 13.50 Hrs and in case of auction of Physical Settlement - Stock Derivatives is 0920 Hrs for creation of New market type.
CDSL	**List Of Status And Sub Status For Demat Accounts -->>**New sub-status for Scheduled Commercial Banks and Public Financial Institutions have been added for identification of categories of demat account.~~Hence While opening new accounts, DP to ensure correct status and in respect of accounts already opened in the status of Banks and IFI respectively, modification will be required in new sub status of Scheduled Commercial Bank or Public Financial Institution as applicable after written confirmation from the demat account holder latest by 25th July, 2018.
CDSL	**Amendments To CDSL's DP Operating Instructions -->>** If CDSL observes deficiency in KYC documents of any BO, CDSL will instruct the DP to freeze the BO a/c for debits by sending letter/ Email to BO about Debit freeze, if rectified documents not submitted in 30 days.~~If Freeze initiated, DP to intimate CDSL and send acknowledgement copy of freeze to the BO, who will also be informed by CDSL through SMS.~~Records of all documents including proof of dispatch as well as log file (in case of email) is to be maintained by the DP.
CDSL	**Financial Action Task Force [FATF] Public Statement Dated June 29, 2018-->>**Jurisdictions should take necessary measures to close existing branches, subsidiaries and representative offices of DPRK - Democratic People's Republic of Korea and Iran -banks within their territories and terminate correspondent relationships with DPRK and Iran banks, where required by relevant UNSC resolutions.~~Jurisdictions with strategic deficiencies and need to be monitored-Ethiopia, Pakistan, Serbia, SriLanka, Syria, Trinidad and Tobago, Tunisia and Yemen Jurisdictions no longer subject to the FATF's on-going global AML/CFT compliance process-Iraq and Vanuatu.
CDSL	**DP Operating Instructions As Of June 2018 - Chapters & Annexures-->>** CDSL's DP Operating Instructions as of June 30, 2018 after incorporating the amendments carried out in the Operating Instructions till June 30, 2018 is available on CDSL's website
CDSL/NSDL	**SEBI Master Circular on Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the PMLA, 2002 and Rules framed there under -->>** Contains compilation of all the existing/ applicable circulars issued by SEBI for Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money Laundering Act.
CDSL	**Release Of Switch - In Switch- Out Facility -->>** CDSL released a new facility of Switch In Switch Out(SISO) for mutual fund investors in which member holding MF units in demat form with CDSL will be able to avail SISO facility through their DP.~~Detailed procedure outlined with reports. DPs to ensure necessary changes if any, in their back office system to incorporate the said functionality.
CDSL	**Release Of New Functionality In DPC9 Report -->>** DPC9 report for "All BOs" can be setup in CDAS system only for current and previous business date. Users can now set up for 7 calendar days. Additionally on clicking new 'View format' button, DPC9 Report will get generated in PDF format and will get saved in report folder.
NSDL	**Reclassification of type and sub-type-->>**SEBI has also advised that the depositories shall tag the scheduled commercial banks and public financial institutions in their systems. ~~Same needs to be updated for new clients and existing clients.~~DPM system for changes of types & sub-types to be notified to DP and details for same to be kept ready with necessary details required to change type & sub-types respectively.~~DP to intimate client about new type and sub-type by providing a client master report of the demat account.
NSDL	**Amendment to Business Rules-->>**SPPED e facility provided by NSDL for client registration for submission of electronic instructions is simplified by replacing the agreement entered between clients and participants with Term and conditions and the same has also been inserted in Business Rules of NSDL.

Compiled by **Rekha Shah, Analyze N Control**

The firm specialises in helping Broking houses in Operational process set up and also has softwares focussed on compliances - regulatory search engine - www.circularsnorders.com and has a state of the art client screening product duly integrated with Anti Money Laundering and Surveillance product.

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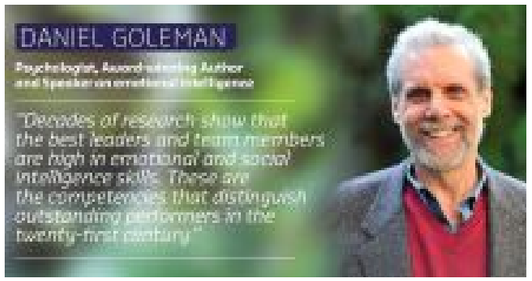
CEO SERIES 1.0: PEOPLE MANAGEMENT THROUGH EMOTIONAL INTELLIGENCE

By Prof. Vipul Vyas
HR Facilitator and Life Coach
Director, Mann – The Mind, Mumbai

Starting bi-monthly new series for the CEOs to address the most pressing issue of the 21st century: People Management.



Extremely important factor, beyond any doubt, to achieve and to sustain business growth is attracting and retaining talent. The only asset which appreciates on a daily basis if managed well, is your team - else it becomes a liability. Top companies in most sectors claim to be 'young', having more than 50% of their employees below the age of 40. Unfortunately, the finding of the Assocham Survey (2015) on the mental health of Indian Inc. about this age group is very ALARMING, as shown in the box.

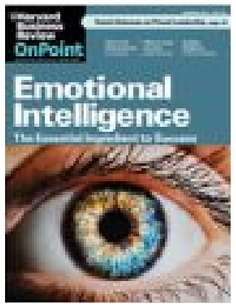
Out of the81% respondents falling under the age of 40, 43% were afflicted from Depression or Anxiety and 50% is the rate of increase in the Emotional Problems in the past 8 years.
- Indian Corporate Mental Health Survey 2015, Assocham

20th CEO Survey-Inside the minds of CEOs in India by PwC, 71% of CEOs in India are very confident about growth prospects vs. 38% for global counterpart. At the same time, "Availability of key skills" is a top concern at 87% of those companies. This year, 64% of CEOs have stated that it is difficult for their organisations to recruit people with **'problem-solving skills'**. Similarly, 74% find it a challenge to recruit talent that is **'innovative and creative'** while 66% have said that it is difficult to recruit talent that is **'adaptable'** and 73% find it difficult to recruit talent that has **'leadership'** skills. These data points reinforce the fact that availability of a skilled workforce in terms of necessary behavioural and leadership traits - continues to be a pressing issue in India.

All four main concerns of Indian CEOs with regards to getting talent with competencies of - Leadership, Problem-solving, Innovative & creative, Adaptable can be addressed with common underlying competence: **EMOTIONAL INTELLIGENCE (EI or EQ).**

> No wonder why, World Economic Forum and Sodexo 2018 Global Workplace Trend has included Emotional Intelligence as one of the top ten essential competences required at the 2020 workplace. Ironically, research findings of Prof. Daniel Goleman suggest that the new generation entering the workforce is falling behind in Emotional Intelligence.

No wonder why, World Economic Forum and Sodexo 2018 Global Workplace Trend has included Emotional Intelligence as one of the top ten essential competences required at the 2020 workplace. Ironically, research findings of Prof. Daniel Goleman suggest that the **new generation entering the workforce is falling behind in Emotional Intelligence.** He has also found that 'Mindfulness' practice is a powerful tool for improving many EI competences.

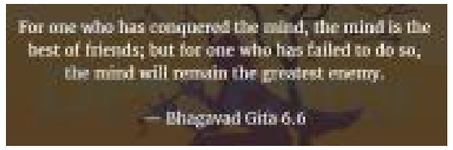


Prof. Goleman notes that there is less patience nowadays with leaders experienced as "bad bosses" - that is, bosses who do not connect, listen, respect, guide or share credit. This is especially true among Millennials and Gen Z, who represent a significant and rapidly growing proportion of the workforce. **Research by Gallup found that 87% of employees are 'not engaged' or 'actively disengaged'.** Teams with higher engagement are more likely to have: 50% lower turnover, 56% higher than average customer loyalty, and 38% above average productivity. Phil Libin, CEO, Evernote has put it beautifully; "Product is the current product. Culture is the next hundred products."

There are innumerable models of emotional intelligence, each with its own set of competences. I have re-developed an enhanced version of EI model developed by Prof. Daniel Goleman, namely **Emotional Well-being Model,** which focusses on the emotional well-being as its goal. There exists five main domains - Self Awareness, Self Management, Social Awareness, Relationship Management and Emotional Well-being - comprising of 19 learnable sub-competences that ensure improved performance without compromising on happiness index.

This is a unique and comprehensive model offering profound yet simple tips to develop Emotional Intelligence of the practitioner. The outer most circle offers one tip focusing on what to 'start' doing by the practitioner and the second tip focusing on what to 'stop' doing, to build the particular competence.

I suggest cultivating a habit of being aware of the breath and thoughts to build Self Awareness. Next, method suggests not to slip into time zones, i.e. past or future. It clouds the thought process with either conditioned tendencies or imaginations (mostly negative).'Taking pause' and 'stop reacting', are powerful tips, which need a very highly alert state of mind, can help expand Self-Management. Social Awareness is all about how well we connect with others. So, listening well without passing judgements and respecting differences, are keys to building a strong connect both at the workplace and in social life. The penultimate is Relationship Management, which requires putting personal interest last and having care and concern for others at the core of communication. A person having great Relationship Management ability will always build trust among others and establish himself/herself as a source of inspiration for others. The fifth and last domain of the EWB Model focuses on the very purpose of our existence- "Emotional Well-Being"



Next five articles in this series will be focusing on developing each of above five competencies in the self and in others.

> All four main concerns of Indian CEOs with regards to getting talent with competencies of – Leadership, Problem-solving, Innovative & creative, Adaptable can be addressed very effectively with common underlying competence: EMOTIONAL INTELLIGENCE (EI or EQ).

"Expanding emotional intelligence challenge resolved." - Prof. Vipul Vyas, Ph.D. (EI), MBA
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FIR AND ITS EVIDENTARY VALUE

By Neha Ahuja
Advocate

What is an FIR?
First information Report is an information regarding the commission of cognizable offence to the police and it can also be taken as a good piece of initial evidence which has to be backed by the narration of the eye witness. A First Information Report is the initial step in a criminal case recorded by the police and contains the basic knowledge of the crime committed, place of commission, time of commission, who was the victim, etc. The definition for the First Information Report has been provided in the Code of Criminal Procedure, 1973 by the virtue of Sec. 154. An information given under sub sec(1) of the sec 154 of CrPC is commonly known as FIR.

Essential of FIR-

1. It shall be reduced in writing: S.154 itself provides that when information relating to commission of a cognizable offence is given orally to an officer in charge of police officer, it shall be reduced to writing by him or under his direction and the same to be read over to the informant. The section imposes duty upon the police officer to record the information given to him orally and after recording the same to read it over to the information. However, an omission to read over is not a serious infirmity by the scribe. A provided in this section it is not necessary that SHO himself should record the FIR, it can be written by him or any other officer under by direction.
2. It shall be signed by the person making it: S.154 is the only section which the police officer can compel an informant to sign the information recorded by him. The failure to sign the report by the maker may affect the credit that is to be given to his report but nevertheless it will be admissible in evidence.
3. It shall be entered in a book: S.154 Cr.P.C. r/w rule 24-1(2) of the Police Rules 1934 oblige the officer in charge of the police station on receiving information as to the commission of cognizable offence to record the same in the FIR registered as well as in station diary.

If the information is given by the women against whom an offence u/s-326 A, 326 B, 354, 354 A-D, 376,376 A-E and 509 of IPC is alleged such information shall be recorded by women officer.

Further, provided that this offence have been committed or attempt is temporarily or permanent mental or physical disabled person then such information shall be receive by a police officer at the residence of that person seeking to report such offence or a special educator.

Recording of such information shall be videography.

> "The FIR is a document for bringing the investigation agency into operation, it can't be treated as substantive piece of evidence."

Few relevant case laws-
The Hon'ble Supreme Court of India, while delivering its judgment in the matter of **T.T.Antony vs. State of Kerala &Ors.** laid down certain important points regarding Sec. 154 of the Cr.P.C.:

" Information given under sub-section (1) of Section 154 of Cr.P.C., is commonly known as the First Information Report (FIR), though this term is not used in the Code….And as it's nick name suggests, it is the earliest and the first information of a cognizable offence recorded by an officer in charge of a police station".[4]

In another case the Court held that:

Dilawar Singh vs State Of Delhi (MANU/SC/3678/2007)
"After all registration of FIR involves only the process of entering the substance of the information relating to the Commission of a cognizable offence in a book kept by the officer in charge…as indicated in Sec. 154 of the Code".

What is the evidentiary value in law of the F.I.R?
FIR itself is not a substantive piece of evidence unless it contents are affirmed on oath and subjected to the rest of cross-examination. In view of the provisions of Articles 140 & 143 Qanun-e-Shahadat Order, FIR is a previous statement which can be used for the purpose of contradicting or corroborating its maker. So far as FIR is not proved in accordance with law it cannot be taken as proof of anything stated therein.

The FIR is a document for bringing the investigation agency into operation, it can't be treated as substantive piece of evidence. However, at the same it certainly furnishes a clue to the possible truth of the allegation against the accused as it is the earliest version of the prosecution case.

It is to be noted that mere mentioning of a name of a person in the FIR without other evidence in the case, would not be sufficient to connect with him with the crime, nor the omission to give the name of accused would mean that in spite of such evidence as may be subsequent came on record, such accused person cannot be put to trial.

On an analysis of the Indian Evidence Act, 1872, it can be inferred if the circumstances demand corroboration of testimonies of any kind of witness, then Sec. 157 is to be invoked which lays down that for there to be corroboration of any form the earlier statement must relate to the same fact or the same time, it must also be before an authority which has the legal competence to conduct investigation of the particular fact which is being discussed, and needs to be proven in the court. But the Apex Court has given different opinion in the matter of **Nisar Ali vs. State of U.P.**, ruling that:

"The FIR is a kind of evidence whose contradictory value is only for the person who has lodged the FIR (the informant) and it cannot be used to contradict the statement made by any other person, witness".

The decision given in the case of **Damodar Prasad vs. State of Maharashtra** further strengthens this view of the Court, which says:

"It necessarily has to be the person who is informing the police about the crime at the first instance."

The accused can utilize the FIR to make the person lodging the FIR look less credible and therefore make the value of the FIR as a piece of evidence goes down. **(Shanker vs. State of U.P., AIR 1975 SC 757)** However this is only applicable to the informant and not to any other person. Even if the informant is contradicted and the FIR loses some credibility the other witness are enough for conviction of the accused, that is, the value of the FIR is not that substantial. **Dharma Rama Bhag are vs. the State of Maharashtra, (1973) 1 SCC 537.**

The object of the FIR is to obtain an early information of alleged criminal activity. It simply puts the machinery of criminal law in motion for investigation and determination of the facts of the case.

Neha Ahuja, Advocate

- Working as an Advocate in the field of Tax, Intellectual Property, Capital Markets & Securities, Anti-Corruption, Investigation, Manufacturing, Consumer Products, Industrial Products & Durables, Communications (Telecom & Broadcasting), Energy (Power, Coal, Oil & Gas),Mining, Civil and Criminal litigation. Specialized in Criminal Litigation.
- Working at Prompt Legal, which is one of India's leading independent law firms.
- Regular faculty at Jai Hind College of Commerce and Science for the subject of Law. Lectures given on the following Acts and Bills:
  Contract Law, 1872, Companies Act, 2013, Reserve Bank of India Act, 1934, Banking Regulation Act 1949, Negotiable Instruments Act 1881, Indian Insurance Act 1938, IRDA Act 1999, Consumer Protection Act, 1986, Ombudsmen Act 1975,Indian Stamp Act 1899, Indian Registration Act 1908, Lokpal and Lokayukta Bill.
- Worked as a Constitutional expert on several books published by Lexis Nexis namely "India Needs GST" 3rd Edition. Also, written textbooks at college level on the subject of IPR & Cyber Law published by Vipul Prakashan.
- Editor for Law Textbooks on the subject of Contract Law, 1872 and Negotiable Instrument Act 1881 published by Reliable Publication.
- On the panel as a Legal Committee member to social clubs such as the Cricket Club of India.
- Completed her Bachelors in Banking and Insurance (BBI). There after obtained a Masters degree in Commerce (Mcom) and then completed Legum Baccalaureus (LLB).

OPPORTUNITIES FOR FOREIGN PORTFOLIO INVESTORS (FPI) AT GIFT IFSC

By Jyoti Nahata (ACS, B.com)
JPNR Corporate Consultants Private Limited

This is our sixth release in the series of awareness articles on IFSC

1.0. Synopsis of the previous release

In our last release, we discussed the pre-requisites for getting registered as FPI at GIFT City IFSC (hereinafter referred to as IFSC) and the related initiatives taken by government for promoting this business avenue at IFSC.

2.0. Coverage in the current release

In the current release, we shall discuss the opportunities available for FPIs in India, more specifically at IFSC. We shall also highlight the tax benefits available for FPIs at IFSC, the products being offered by international exchanges at IFSC etc. In addition, we have also included the Compliance Calendar for an IFSC unit for the benefit of readers.

3.0. Products prescribed by SEBI for trading at IFSC

3.1. Trading in Commodity Derivative Contracts

Trading in commodity derivative contracts has now been made available at IFSC exchanges even for FPIs. However, FPIs can participate only in trading of non-agricultural commodities. All contracts are required to be denominated in foreign currency and settled in cash on a settlement price determined on overseas exchanges.

3.2. Other Products

- Index based Derivatives
- Global Equity Futures
- Commodity Futures and Options on underlying commodity futures
- Derivative on equity shares of a company incorporated in India
- Global Currency Derivatives and interest rate derivatives
- Equity shares of a company incorporated outside India
- Depository receipt(s)
- Debt securities issued by eligible issuers

Presently, equity trading is not made available by IFSC exchanges. However, while introducing, tax implications on the same shall have to be explored.

> "The foreign investors shall have a win–win situation at IFSC due to the variety of products permitted by SEBI to be traded at IFSC and the tax benefits available to the FPIs for trading."

4.0. Benefits for FPIs at IFSC

4.1. Tax benefits

- No Security Transaction Tax
- No Commodity Transaction Tax
- No Long-Term Capital Gain tax on derivatives trading
- No Stamp duty on trading transactions
- Dividend distributed by a unit in IFSC shall be exempt
- Exemption from Goods and Services Tax
- Beneficial tax treatment under the Double Taxation Avoidance Agreements (DTAA) entered into by India with almost 88 other foreign countries to avoid double taxation on income sourced from India

However, Short term capital gains tax @ 15%, withholding taxes on interest income from specified rupee denominated bonds @ 5% and interest on securities @ 20% shall be applicable.

4.2. Other benefits

- Currency risk is at zero level, being transaction and settlement in USD
- Competitive pricing compared to leading global exchanges
- Capital conservation - single market access across products with cross margin benefits available
- Comprehensive price and transaction data available real time
- 22 hours access to market- opportunity to react to change through investment / hedge / arbitrage across globe and asset class as compared to 6.30 hours access at Domestic exchanges in India.

5.0. Place of effective Management (POEM)

India follows residence-based tax system under which a resident is taxed on his global income while a non-resident is taxed on his income sourced in India, i.e. 'received' or 'accrued' in India.

In order to determine tax residency, POEM for a company situated in foreign jurisdiction shall be identified i.e. the place from where the business/ investment decisions are taken. In case of FPIs, which are not required to open a unit at GIFT IFSC, their business decisions for investments shall be taken from the place where the FPI is situated i.e. foreign jurisdiction. Hence, POEM provision is not likely to apply to FPI investing at IFSC and does not establish itself as a tax resident.

However, POEM provisions shall be revisited every year to ascertain residential status. Further, non applicability of income tax on the income earned in India by FPI should not be misinterpreted with the tax levied on account of Capital Gains.

6.0. Conclusion

The foreign investors shall have a win-win situation at IFSC due to the variety of products permitted by SEBI to be traded at IFSC and the tax benefits available to the FPIs for trading. The POEM provisions provide a major relief to the foreign investors as presently stock exchanges at IFSC provide for trading in derivatives only and the income or book profit earned at IFSC India is not likely to be taxed in India.

Compliance Calendar

Presented below is the compliance calendar for the compliances to be done by a broker entity at GIFT SEZ IFSC specifically for the financial year ended as on 31st March, 2018

Sr. No	Name of Authority	Particulars	Due date
1	Reserve Bank of India-Foreign Exchange Regulations	Filing of Annual Performance Report by the holding company for the year ended 31st March, 2018	31st December, 2018
		Filing of Foreign Liabilities and Asset by the holding company for the year ended 31st March, 2018	15th July, 2018
2	Special Economic Zone Regulations	Filing of Annual Performance Report for the year ended 31st March, 2018	30th September, 2018
3	Company Law	Filing of Audited Financial Statements	Within 30 days of AGM
		Filing of Annual Return	Within 60 days of AGM
		Filing of Auditor Appointment	Within 15 days of AGM
		Drafting of resolutions and minutes for Board, Extra Ordinary & Annual General meetings and maintenance of registers	Before Annual filing
		Maintenance of books of accounts for the year ended 31st March, 2018	Before Audit
4	Goods and Service Tax (GST)	Statutory Audit for the year ended 31st March, 2018	Within 30th September, 2018
		GST Annual return for the year ended 31st March, 2018	31st December, 2018
5	Income Tax	GST Audit for the year ended 31st March, 2018, if applicable	Audit report to be filed by
		Filing of Income Tax Return for the year ended 31st March, 2018	31st December, 2018
		Filing of Statement of Financial Transactions for the year ended 31st March, 2018	30th September, 2018
		Issuance of MAT certificate u/s 115 JB for the year ended 31st March, 2018	31st May, 2018
6	SEBI	Filing of Tax Audit Report under Section 44AB for the year ended 31st March, 2018, if applicable	On or before filing of income tax return
		Submission of Annual Audited Accounts, Audit Report and Networth Certificate for year ended 31st March, 2018	30th September, 2018 31st October, 2018
7	Profession tax	Filing of Annual return for Profession Tax	15th April, 2018

For more information & queries, please contact **JPNR Corporate Consultants Private Limited**
10, Bow Street, 2nd Floor, Near Central Metro Kolkata-700012 Email ID: nharodia@jpnrgroup.com/ rkbajaj@jpnrgroup.com
Mobile No: +91 8017467202/ 9903271562

Jyoti Nahata (ACS, B.com)

She is an associate member of the Institute of Company Secretaries of India. She is presently associated with JPNR Corporate Consultants Private Limited as a Manager-IFSC SEZ. She has more than four years of experience in corporate law practices, SEBI laws and SEZ laws.

STAYING RELEVANT IN THE WORKPLACE

By Harshita Bhatnagar
Human Resources Evangelist, Mumbai

In an increasingly competitive and evolving work environment, staying relevant is no longer a choice but a necessity. There is a need of pro-active planning for continuous upskilling and reskilling of employees against constantly changing work methodologies and environment. Irrespective of the fields in which the employees are engaged in, they need to update their knowledge and skills regularly as the organizations need people who can add value to the work.

Depending on the dynamics of the industry, changing needs of the clients, aggressive competition and goal attainment, the organizations need to encourage their employees to reinvent oneself in order to stay germane to profession and for their individual career growth as well. As we move forward in the new age, functional, behavioural or technical skills upgradation and development shall continue to be an utmost priority which will aid employees and organization in attaining the goals in changing times.

> "Mentors should assist in identifying the gaps of employees through various learning tools, discussions, feedbacks, etc. The real success finally lies in adapting the relevant learning tools to fill in the identified gaps, for one's professional needs and career growth."

Organizations need to invest in establishing finest assessment centres or learning & development centres which assist in mapping the individual growth plan of employees in contrast to which they can track and assess their performance and skills possessed. Mentors should assist in identifying the gaps of employees through various learning tools, discussions, feedbacks, etc. The real success finally lies in adapting the relevant learning tools to fill in the identified gaps, for one's professional needs and career growth. It is a futuristic approach, where interventions are designed proactively for the mentee with the strong backing of the wisdom & expertise from the mentor. These interventions consider the mentee's most powerful abilities & areas where they can improve upon. In turn, these interventions play a pivotal role while building up a plan for their holistic development and upgrading skills.

Updated and Relevant workforce can enable the organization to tap new opportunities in the changing times. Hence, Benefits and Rewards of having a developed and satisfied workforce which is geared up for fronting the unseen challenges, forthcoming changes and new business opportunities are well worth it.

Learn - Unlearn - Relearn.... Stay Updated and Stay Relevant!

Harshita has spent over13 years of experience in various aspects of Human Resources spanning Process deployment, Strategic HR initiatives, HR Business Consulting, Resource Management, Talent Engagement, Development and Acquisition. During her 13 years of corporate experience, she worked with renowned companies like Tata Consultancy Services and Tech Mahindra. Currently, she serves as HR expert providing consultation to large and mid-size firms.

SEMINARS & EVENTS CONDUCTED BY BBF FOR THE PROGRESS OF STAKEHOLDERS OF CAPITAL MARKETS (JULY - AUGUST 2018)

BBF Annual General Meeting (AGM) (6th August)

All India Seminars on GST@1-Stock Broking and Financial Sector - A way ahead at Ahmedabad (8th August)

Shailesh Sheth (Advocate) addressing

Delegation form Nepal Stock Exchange Ltd and Stock Brokers' Association of Nepal (SBAN) (9th August)

Dr. Aditya Srinivas addressing

Dr. Vispi Rusi Bhathena presenting a memento to President - Stock Brokers' Association of Nepal (SBAN)

Harin Mehta (Jt. Secretary - BBF) presenting a memento to Pravakar Ghimire (Nepal Stock Exchange Ltd.)

EMBRACING CHANGE IN THE MODERN WORLD

By Jaya Row
Founder, Vedanta Vision &
Managing Trustee, Vedanta Trust

Change is inevitable. The nature of the world is that it is always transforming, modifying, altering. And this movement is random and erratic. Yet in this ever-changing world we want stability, constancy, predictability.

Change can be positive, like in business growth. It can be painful as in loss of a job. It can be your choice like when you decide to buy a new home. Orit could be beyond our control.

How you experience change depends on your attitude. You could have one of two attitudes - escape coping or control coping. You could be in denial, ignore the situation and even take refuge in alcohol and other substances. Or you could refuse to be a victim of change and decide to be a part of it.

Treat change as an ally and welcome it as a gift from the universe. Surrender to it and go with the flow. If you perceive it as an adversary it will wear you down. Follow the example of the river which follows the natural call of gravity. It goes under, over, around, or even through the rock to its destiny, the ocean. The rock pushes against the river, and resists the flow of water until it is beaten to sand. The river is conscious of its oneness with the universe. The rock represents the past and our attachment to it.

You react to change in four stages. The initial response is that of shock followed by anger, fear and resentment. Then you come to terms with it and shift focus from what is lost to what is new. You make a fresh commitment. Finally you accept the change. You will always have memories, skills and relationships to carry forward but you move on.

Find humour in the situation. Look at facts, not feelings. Emotion distorts and impairs thinking. See the upside of stress. Difficult situations bring out the best in you. Focus on values, not fears. Values are a powerful buffer that help rise above the immediate threat. Accept the past but work for the future. Be a visionary. Drive the change. Conceive of a better state and strive to get there.

In order to view change positively you must develop confidence in yourself. Who are you? Are you the best version of yourself? Are you aware of your inner being or are you simply living the image that others have of you? Get out of your comfort zone and confront your fears. You must actually want the change. Be an adventurer and go for it - stumble, fall, explore, but find your real self.

> "Change can be positive, like in business growth. It can be painful as in loss of a job. It can be your choice like when you decide to buy a new home. Orit could be beyond our control."

Fortify and strengthen your intellect to be able to control the wayward mind. The mind is the abode of feeling, emotion, likes and dislikes and impulse. The mind just flows. It is incapable of understanding what is in its interest and what is not. It opts for instant pleasure. The intellect thinks, reasons, analyses and arrives at a conclusion. It has the capacity to understand deferred gratification. A mind ungoverned by the intellect is inimical. The same mind, guided and supervised by the intellect, is your friend.

Fix a goal that is beyond your self-serving, selfish interests. A higher ideal unlocks your potential, releases energy and gives peace. When you work in a spirit of sacrifice nature conspires to serve you. Emotionally, reach beyond your narrow circle of love to embrace those who are different from you. Look for a common chord. The larger the focus, the greater is your happiness. Gain knowledge of the permanent. Look for that which persists through the changes. When you get anchored in the changeless entity beyond the world, you will be amused by the changes that occur around you. You will be a master, untouched by the vagaries of the world.

Jaya Row will speak on
Bhagavad Gita Ch 18
at Kamani Auditorium, Mandi House, Delhi
from 27th to 30th September
daily 6.30 to 8 pm.
All are welcome. www.vedantavision.org

Jaya Row, Articulate, effective and engaging, Mrs. Jaya Row brings alive the wisdom of the Vedas in a modern context. Combining her experience in corporate life with 40 years of study and research of Vedanta she provides useful insights to life.

Charming oration which transforms complex Vedic principles into brilliant management mantras is the hallmark of her discourses. Her clarity, wit and zeal have captivated audiences far and wide and inspired people from all walks of life.

She has the rare gift of being able to connect with and address the concerns of a wide range of people from varied walks of life - from CEOs, corporate executives and policy makers to industrialists, scientists & doctors, lawyers, academicians, homemakers and university students.

Apart from her popular discourses in India, she is a well loved speaker in the United States, UK, Europe and other countries for the last several years. She has been invited to speak at prestigious organizations such as:

- World Economic Forum Davos
- Google, California
- Intel, California
- MasterCard, New York
- World Bank, Washington DC
- Deutsche Bank, New York
- Stockholm School of Economics
- Princeton University, New Jersey
- Shell UK, London
- Coca Cola Company, Atlanta
- Young Presidents' Organization
- Maersk Liner Graduate Programme

She has specially designed world-class educational programs on basic human values for school children and the youth. She has published books on life values for 5 to 8 year olds.

POSTURE PERFECT

By Dr. Namita Jain
Managing Director, Kishco Limited

Q: I tend to slouch and am not able to maintain correct posture. How can I maintain good posture when standing, sitting or walking? What are ways to improve postural awareness and prevent nagging aches and pains related with poor posture?

A: Posture is the position of the parts of your body in relation to each other. It constantly changes depending on the activity, but there is always a correct way of holding and moving the body efficiently.

Maintain good posture while standing, sitting or walking

Standing
When you are standing, keep your shoulders relaxed and the spine tall in a neutral position. The chest should be upright, the abdomen tucked in, neck and head aligned with the spine. Body weight should be equally distributed on the feet.

Walking
In general, your standing posture is the one you exhibit while walking. For example, if you slump when standing you will exhibit the same poor alignment when you walk. So first stand upright before you walk.

Sitting
When you sit, position yourself to maintain correct alignment – the pelvis, spine, chest and head should remain in a straight alignment. If you slouch when you sit – reposition your body to sit upright.

Your posture is second nature to you, a taken-for-granted habit. It is amazing how good posture can make you look taller, slimmer and more confident!

Standing slouched, rounding your back, sedentary living; are all factors responsible for poor posture.

It isn't surprising then that when you sit slouched over a desk for long hours the back often feels strained. Or when you repeatedly carry a heavy bag on one shoulder the shoulder feels stressed. Or that lying in your bed with the head propped up causes stiffness in the neck.

Exercises will help achieve good posture?

- For good posture you need to strength train. Weak muscles can result in poor posture. For example, if your upper back muscles are weak, strengthening those muscles will improve posture.
- Stretch regularly. Most postural problems are a result of incorrect alignment caused by tightness in the muscles. Stretching can help realign soft tissue structures, reducing the effort it takes to maintain good posture.

> "Posture is the position of the parts of your body in relation to each other. It constantly changes depending on the activity."

Improve your posture, now!

Always focus on body alignment
When you are standing, sitting or walking keep your shoulders relaxed and the spine in a neutral position. The chest should be upright, the abdomen tucked in, neck and head aligned with the spine. The body should look tall and upright.

Develop posture awareness
Re-educate the mind and body and use correct body alignment in all daily activities. As you repeatedly improve your alignment, your mind computer will 'store' the improved alignment. That's when good posture will become a habit.

Keep a check on your weight
Extra weight puts excess pressure on the spine and can weaken the abdominal muscles, compromising posture. Exercise regularly and watch what you eat!

Use proper bedding
Your mattress should be firm to support your spine when you sleep. A good mattress will conform to the spine's natural curves and keep the spine in alignment.

Watch your posture when you sleep

- When you lay on the side, place a pillow between slightly bent knees. This position will help maintain the natural curves of the spine.
- When you lay on the back, place a pillow under knees for support. Lying on the back with straight legs can cause low back pain.
- Sleeping on the stomach may increase the curve of the lower back, and place stress on the spine.

Examine your work space

- Sit on a chair that supports your lower back. The height of the seat should allow your feet to rest flat on the floor.
- The screen of the computer should be at eye level so that the spine and neck are not strained.

Choose footwear that offers good support
Prolonged use of footwear that is not comfortable can affect the body's center of gravity straining the knees and spine. Choose footwear that offers good support and comfort.

Relax the mind
Many scientists have researched that emotional and muscular tension are related - this can result in headaches, joint and muscle strain contributing to poor posture.

Namita Jain, MD Kishco Ltd. has been actively involved in the wellness space for over 25 years. She is qualified from the American College of Sports Medicine, the American Council of Exercise, the Aerobic and Fitness Association of America, the Reebok and the Pilates UK institute. She has authored over 10 best-selling health and wellness books.

In the field of rehabilitation, she offers consultations at Bombay Hospital. This column addresses concerns faced by many and her insights for facing the challenge. Learn the powers and perils of lifestyle changes through this Q &A column.

For information and registration on specialized workshops conducted by Namita Jain, contact prism healing institute at - prisimmbs@gmail.com.

REFLEXOLOGY

By Priti K Shroff
Founder and Managing Director
PRISIM – The Healing Temple

The most traditional form of therapy simply required the hands of the healer along with the knowledge of the human body and a few effective techniques. Massages, acupressure, acupuncture are all very well-known in terms of being effective to heal our bodies the natural way. It is rightly said then, that our bodies have the capacity to heal themselves .

The power to release the body's natural healing energy lies, literally, at your finger tips. Reflexology is mainly based on the idea that areas on the foot and palm correspond to body organs and systems, and by manipulating these we can improve our health.

Ancient Chinese and Indian diagnostic and therapeutic systems of reflexology teach that the soles and other areas of the feet, as well as the palms, are blueprints of the whole human organism. By stimulating certain points on them with massage and pressure point therapy, a physiological effect can be produced along corresponding nerve pathways. Imagine there is a connection between zones of your feet and hands that represent certain areas of your body that can be adjusted or managed through these zones. Using the thumb or forefinger to apply fine, deep pressure to appropriate reflex points, you can remove blockages in energy pathways and open the channels for natural healing.

The history of Reflexology dates back to China. A soldier with a condition called psoriasis was hit by an arrow during the war, after which his psoriasis was cured. He researched for the reason behind this miracle and came across the points in the body which could be pressed to improve health conditions.

This Chinese alternative medicine can be used to cure innumerable health conditions, right from acute back pains to chronic conditions such as PCOD. Babies with colic, toddlers with temper tantrums, teenagers with premenstrual blues, work-weary wage earners, older folk with stiff, arthritic joints - all can be helped with this safe and simple form of healing. It increases the white blood cells count which play an important role in the body's immune system. It can gradually cure and provide relief to problems related to the liver, kidney, diabetes or pains and aches.

Some of the other benefits include :

- Increased nerve function
- Fights anxiety and depression
- Improves circulation
- Relaxation and better sleep
- Strong immune system
- Reduces PMS, menopause symptoms and other period problems
- Lowers blood pressure
- Pain relief even for cancer patients
- Detoxification

> "Reflexology is mainly based on the idea that areas on the foot and palm correspond to body organs and systems, and by manipulating these we can improve our health."

Reflexology, like acupuncture, is used in functional disorders and is helpful in the treatment of ailments like asthma, stress, headaches, neck and back pains, sinus and other problems. Along with the numerous physical health benefits, it also aids the person emotionally. It helps to increase the energy levels of the body allowing the person to go back to his/her routine with a more balanced mind, body and soul.

Only a single reflexology session can have tremendous outcomes. The number of sessions required depends on the severity of the problem. Regular treatments lead to increased vitality, boost the body's immunity, and keep your family healthy.

Most everyday ailments can be relieved, and in many cases the symptoms removed altogether, by frequent reflexology treatments by a professional. Even more important, reflexology has the power to promote and nourish an ongoing state of wellbeing.

"Hands are made for healing, and the healing power of touch lies at all our fingertips. You only have to use it !"

Massage Therapy

Massage involves working and acting on the body with pressure - structured, unstructured, stationary, or moving - tension, motion, or vibration, done manually or with mechanical aids. Massage can be applied with the hands, fingers, elbows, knees, forearm, feet, or a massage device. Massage can promote relaxation and well-being, and can be a recreational activity.

Shiatsu

Shiatsu is derived from two Japanese words: 'shi' which means finger and 'atsu' which means pressure. Translated, 'Shiatsu' means 'pressure with the fingers'. The session often begins with gentle stretching and manipulation techniques to help stimulate the movement of energies and to relax the muscles. Pressure can be applied to both wide areas as well as precise points and varied according to the body's needs. Sometimes the pressure is gentle and calming and sometimes it is deeply stimulating. The amount and type of pressure depends on the specific needs of the individual.

Thai Massage

The Thai massage is an extraordinary method of aligning the energies of the body and dates back to the time of the Buddha. It uses a wide variety of stretching movements and pressure points to produce a uniquely relaxing yet energizing and highly effective therapeutic treatment. It is an ancient holistic therapy that thrives to promote wellness and vitality by helping the body to return to a state of balance, harmony, flexibility and health.

Swedish Massage

The Swedish massage increases oxygen flow in the blood and releases toxins from the muscles. It shortens recovery time from muscular strain by flushing out lactic acid, uric acid and other metabolic waste from the tissues. It increases circulation and stretches the ligaments and tendons which keeps them supple and pliable. It reduces stress, stimulates the skin and nervous system and soothes the nerves themselves at the same time.

Thai - Shiatsu Combination Massage

The Thai Yoga Massage is an ancient healing body science. The therapist will stretch a person with specific, assisted yoga poses, which improves circulation, reduces stress and boosts the immune system.

Stone Massage

Stone massage therapy melts away tension, eases muscle stiffness and increases circulation and metabolism. Each hot stone massage therapy session promotes deeper muscle relaxation through the placement of smooth, water-heated stones at key points on the body.

At **Prisim** there are two extremely talented and gifted Reflexologists. and Massage therapists.

Mr Rao and Miss Rekha are blessed with an immense sense of touch due to their lack of vision. It is a known fact that a person with eyes uses eighty percent of his mind-energy through the eyes. So if he wants to know something about light, he will go out and see the sun, where as the blind people have only one way to know something- through understanding. So for them more energy is available to their other senses.

More energy is available to their sense of touch, and when a hundred percent energy is available, a blind man's touch has more warmth, more emotion. It says something. For people who are sighted, only twenty percent is available to the other senses, so every sense is starving because the eyes are monopolizing their whole energy. Their incredible energy and sense of touch can relieve even the most chronic symptoms, with more ease than a sighted reflexologist. In fact, Mr Rao has been successful in curing a girl who had not been getting her period for around 10 years only though regular sessions of reflexology. It's no less than miraculous.

About the therapists

Raosaheb Gangadhar Roham
After completing a government certified six months' course in massage from National Association For The Blind, in the year 2006. Raosaheb joined Prisim in the year 2008 and has been with us ever since. He has received training from 6 different institutes and has also worked at Taj Wellington and has been providing his services since 12 years.

Rekha Jairam Patel
Rekha completed her training in massages from the Victoria Memorial School for the Blind and is also a trained reflexologist. She has previously worked at a Spa center in Andheri and has been practicing since 8 years.

Prisim Healing Institute is an alternative health center that believes in healing one individual at a time.

We have various complementary therapies that help an individual to reach to their optimal health.

- 10 Day Detox Programme
- Brahma Satya Energy Healing
- Aura Scan & Analysis
- Aura Cleanse & Chakra Alignment
- Crystal Healing Workshops & Crystal Grid
- Yoga & Zumba
- Sujok & Acupuncture
- Sound Therapy
- Art Therapy & Zentangle
- Emotional Catharsis
- Fairy / Angel Card Reading
- Healing Meditations - Chakra Meditation, Naadabrahma etc.
- Numerology
- Hypnotherapy / Past Life Regression
- Clearing of Spaces
- Reconnective Healing & The Reconnection
- Heartlight Ascension
- Raw & Vegan Foods by Prana Kitchen

HD VIDEO STREAMING IS A SMART WAY OF DOING ONLINE MARKETING FOR BUSINESSES

By Siddharth Bera
Managing Director
Epitome Corporation Pvt. Ltd.

EPITOME
Webcast Simplified

Technology has brought about a transformation in the world that we are living in today! Science has changed the face of technology to just heights that today no human is able to lead a happy life without it. Rapid technological advancement has become the game changer in the 21st century. One of the greatest evolvement that technology has brought about is the Internet. Yes, these days it is virtually impossible for people to lead a fast but smooth life without the help of the Internet. To find out, valuable information people are depending more on the Internet rather than on books.

Young entrepreneurs are launching their business online for conducting a more successful entrepreneurship business. They are being able to global within a fraction of seconds. Businesses are being able to generate a wider customer base with the help of the Internet. They are being able to target potential customers not only within the national territory but also across international borders.

One of the greatest factors that are being included in the online marketing strategy of most of the online businesses is **HD video streaming.** Yes, this is one of the most effective ways to gather the attention of your potential customers. Showing videos is a great way to pass on your marketing message to your targeted audience or customers. Visual effects are easier to retain by human minds than normal textual messages.

> "Young entrepreneurs are launching their business online for conducting a more successful entrepreneurship business. They are being able to global within a fraction of seconds. Businesses are being able to generate a wider customer base with the help of the Internet."

Most of the marketing gurus are aware of this fact. This is the reason more and more companies are making use of videos for launching a successful marketing campaign. There are a lot of benefits that one can get from **HD video streaming.** So, what are those benefits? Well, here is a quick glance at them.

HD video streaming can help businesses pass on their marketing message globally within minutes. You can target a wider global customer base with the help of video streaming. The investment for applying this technique is also very less and you can get quick, effective results with the help of this method of marketing.

One can watch videos not only on their personal computers but also on other devices like tabloids, smart phones and iPhones. These days, most of the people are in the habit of using smart phones as it has a lot of inbuilt features. Surfing the Internet is one of the common features that all smart phones provide. Thus, streaming online videos related to your business can definitely build a strong customer base for your organization.

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