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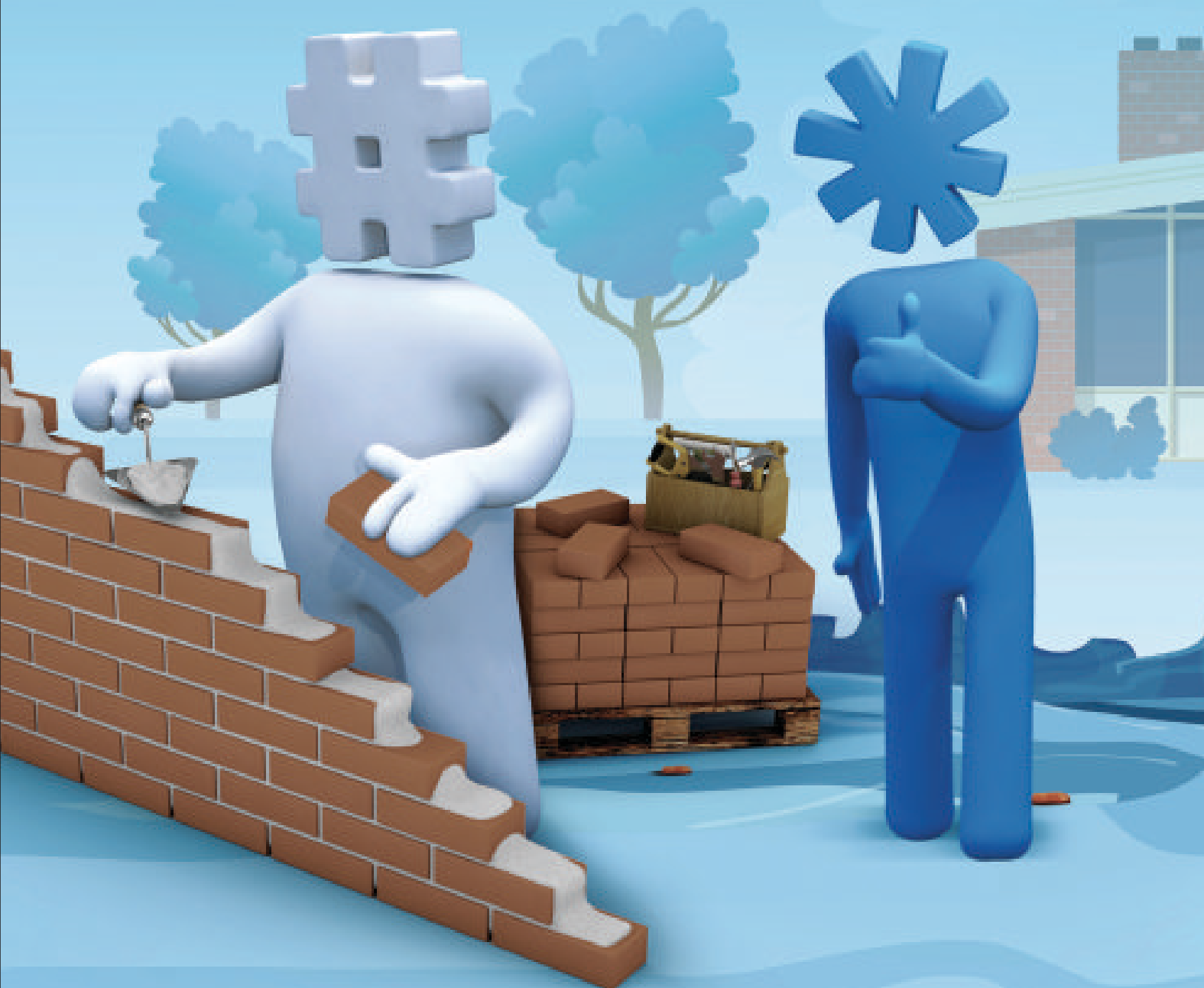
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BBF PRESENCE AT THE 14TH ASF TOKYO ROUND TABLE HOSTED BY
 JAPAN SECURITIES DEALERS ASSOCIATION (JSDA) | (10 - 14 SEPTEMBER | TOKYO, JAPAN)



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Printed, Published and Edited by **Dr. Vispi Rusi Bhathena, PhD (h.c.)** & **Dr. V. ADITYA SRINIVAS** on behalf of **BSE BROKERS' FORUM**, printed at **KSHITIJ PRINTERS**, 49, Parsi Panchayat Road, Ashok Ind. Estate, 1st, Floor, Andheri (East) Mumbai - 400 069. and published from **BSE BROKERS' FORUM**, 808 A, P. J. TOWERS, DALAL STREET, FORT, MUMBAI - 400 001. Editor: **Dr. V. ADITYA SRINIVAS**
Design by: **Harshad Gajera** | Photographer: **Sanjeev Dubey**

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Dr. Vispi Rusi Bhathena, PhD (h.c.)

Welcome

to *Forum Views* magazine.

INDIAN ECONOMY ON GROWTH TRACK: Indian Economy and Stock Markets both are on the rising spree as the macro economic data suggest that world's largest democracy is on the way to become Super Economic Power in the coming years.

GDP Data: The recent GDP data is at 8.2% which makes India the world's fastest growing economy in the world. The IMF has also appreciated structural reforms like the GST and Banking insolvency Act. IMF has the view that for many decades Indian economy would be the growth engine of the world.

Inflation: CPI inflation is at 3.69% which has soften. This would put brakes on the RBI move to increase the interest rates. RBI has already increased the interest rates twice in this year. As the festive season sets in, demand and consumption would rise and softer interest would induce consumers to go for buying of house, car and capital goods.

Exchange Rate: The Indian Rupee has depreciated 13% in 2018. Weaker rupee has created problems for the balance of payment as we import 77% of the total crude oil requirement. The currency weakening started with the Turkish currency LIRA going for a free fall with US imposing sanctions on Turkey. This caused all major currencies of the world to become weak and Indian rupee is no exception.



Dr. Aditya Srinivas

Current Account Deficit: The CAD is at 2.4% of the GDP. The higher deficit would put pressure on the Balance of Payment which becomes weak. The import bill is rising mainly due to the high oil import and this has adverse impact on the price of petrol and diesel which are rising continuously.

Fiscal Deficit: The fiscal deficit is at 3.5% of the GDP. The Government is committed to ensure that the fiscal deficit target of 3.3% is met. The revenue in the form of GST has been average above of Rs. 93000 crores but missed the Rs. 1 lakh crore mark which it had met in April 2018. Higher fiscal deficit would be deterrent in inviting the foreign investors.

Internationally factors like the Trade war between USA and China are weighing heavy on the world economy and stock market. Indian stock market is heading

northwards due to the continuous flows of Indian mutual funds. In 2018, so far the Indian mutual funds have invested Rs. 72000 crores while the FII flows have been mostly negative. Indian markets this time are riding on the wave of domestic money which is very positive sign and the dependence on the foreign money is reducing. On monthly basis systematic investment plans have contributed Rs. 5000 crores into the stock market which shows that the retail investors are having faith in the market and the long term India Growth story.

On the BBF Front:

BBF Representations:

Date	City
10-Sep	Comments on "SEBI - Supervision Guidelines for use of technology related Artificial Intelligence (AI) and Machine Learning"
12-Sep	Securities Transaction Price Index (STPI) - NSE circular on SEBI directions
12-Sep	BBF Report Card PMLA all India seminars Aug Sep 2018

BBF Seminars/Events:

All India Seminars on All India seminars on Anti-Money Laundering (AML) under PMLA Act 2002

Date	City
23-Aug	Mumbai
28-Aug	Ahmedabad
30-Aug	Delhi
4-Sep	Kolkata
7-Sep	Chennai
11-Sep	Hyderabad

All India All India seminars on GST@1-Stock Broking and Financial Sector - A way ahead

Date	City
17 Aug	Delhi
21 Aug	Kolkata
30 Aug	Hyderabad
31 Aug	Chennai

BBF - Investor Education and Awareness Programs:

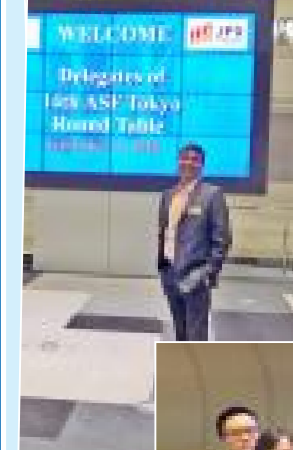
Date	Institutions
2-3 Aug	Vivekanand Education Society's Institute of Technology (VESIT)
2-3 Aug	S. K. Somaiya Degree College of Arts, Science And Commerce
6-Aug	Ramniranjan Jhunjhunwala College of Arts, Science & Commerce (Batch 1-2)
7-Aug	Hinduja College of Commerce (Batch 1-2)
8-Aug	All-India Khilafat Committee College of Education (Batch 1-2)
8-Aug	Ramniranjan Jhunjhunwala College (Batch 1-2)
10-Aug	Meghnad Desai Academy Of Economics
13-Aug	Mulund College of Commerce
14-Aug	Swami Vivekanand College
15-Aug	Allana Institute Of Management Studies
16-Aug	Mulund College of Commerce (Batch 1-3)
17-Aug	Allana Institute Of Management Studies (Batch 1-2)
20-Aug	Ashoka Centre for Business & Computer Studies (Batch 1-2)
21-Aug	Allana Institute Of Management Studies



Kamlesh Shroff (BBF - Treasurer) addressing the gathering



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With Shigeharu Suzuki
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With Koichi Ishikura (Director
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THE DEATH KNELL IS RINGING FOR LIBOR – IT'S TIME TO PLAN FOR THE CONSEQUENCES



RICHARD HOPKIN
Managing Director
Head of Fixed Income

The days of IBORS such as Sterling LIBOR, USD LIBOR and EURIBOR have been numbered since 2012 and reforms proposed in the aftermath of the so-called LIBOR rigging scandals. LIBOR is primarily a measure of the cost of borrowing between the world's largest banks, and is calculated based on submissions from a panel of such firms.

The BBF is a key member of ICSA, the global organization of nineteen securities industry associations. Founded in 1988, ICSA provides a forum for member associations to understand developments, exchange views, and collaborate to work for better global capital markets. (www.icsa.global).

ICSA members have been invited to submit contributions to Forum Views. The following is from the Association for Financial Markets in Europe.

Against a growing chorus of warnings, banks need to begin planning in earnest for the transition to new risk-free reference rates.

The UK's Financial Conduct Authority Chief Executive Andrew Bailey has recently cautioned on the dangers for firms of continuing to rely on LIBOR as a reference rate both for existing financial contracts as well as when writing new business. Despite firms being put on notice that they will need to transition to new risk-free reference rates, he stated that there was a continued 'inertia' and 'misplaced confidence' that LIBOR would continue in some form, putting both individual firms and wider financial stability at risk.

He is right to be concerned, it is a big issue which requires concerted attention from industry and regulators alike. Interbank offered rates or 'IBORs' - of which LIBOR (London InterBank offered rate) is the most well-known - are used as reference rates for financial contracts such as bonds, securitisations and derivatives worth in the order of €100tns globally.

The days of IBORS such as Sterling LIBOR, USD LIBOR and EURIBOR have been numbered since 2012 and reforms proposed in the aftermath of the so-called LIBOR rigging scandals. LIBOR is primarily a measure of the cost of borrowing between the world's largest banks, and is calculated based on submissions from a panel of such firms.

Reforms were introduced off the back of that scandal in order to make the IBORs more robust, including that the data that banks submit should be based on real transactions, as much as possible. But with volumes of unsecured lending between banks far below their peak, there is no longer enough data to sustain a rate based on these markets.

Work has been taking place to identify alternative reference rates since 2014. But arguably the final death knell came last year when Andrew Bailey announced that by the end of 2021 the FCA would no longer compel panel banks to submit the data necessary to calculate LIBOR. Thus signposting regulatory expectations that by 2021 firms should be ready to shift to new risk-free reference rates (RFRs) instead. SONIA has been identified by The Bank of England as the new, unsecured overnight risk-free rate.

AFME, along with many of its members and other bodies, has been engaged in those efforts, but much more needs to be done to ensure the industry is ready.

For instance, a recent report we published along with ISDA, ICMA and our sister organisation, SIFMA, suggests that while there is widespread awareness that transition planning is needed, many firms, issuers and investors are yet to begin serious preparations

The IBOR Global Benchmark Transition Report surveyed 150 capital markets participants including banks, corporates and law firms. It found that while 87% of market participants are concerned about their exposure to IBORs and are familiar with the matter, only 11% have allocated budget to resolving the issue and just 12% have developed a preliminary project plan.

The survey also found that part of the reticence for taking action comes from industry lacking 'a clear sense of direction' from regulators and RFR working groups about both the desired end state as well as how firms should approach key issues such as tackling legacy transactions, which are linked to an IBOR.

In this context, it is welcome that ISDA has released its consultation on technical issues related to the introduction of fallback arrangements for derivatives contracts, which reference certain IBORs. The continued work of the various RFR working groups on refining plans for the new RFRs will also provide additional clarity over time.

But while it goes without saying that until many more details are finalised it won't be possible for firms to put concrete arrangements in place, waiting for every i to be dotted before taking action isn't really an option.

The issue in June by the EIB of a £1 billion floating rate note linked to SONIA was also a major step forward, which showed that a bond linked to the new RFR could be successful.

Immediate action from market participants to identify the specific risks and challenges for their own organisation will ensure they are prepared and can avoid any nasty surprises further down the line. Questions firms should start to ask themselves include 'what is our level of exposure to IBORs?' and 'how would a permanent cessation of IBORs affect us and our clients?'. The IBOR Global Benchmark Transition Report includes a fuller checklist which firms can use for IBOR transition planning. Making these preparations now will ensure firms are ready to react as more details are finalised, and help to avoid a disorderly, and potentially costly, transition.

Richard Hopkin is Head of Fixed Income and a Managing Director in the Securitisation Division. He joined AFME in June 2010 after a 25 year career in the law and finance during which he held leadership positions at J.P. Morgan, Deutsche Bank and Société Générale. He has originated, structured and distributed securitisations funding the real economy through a wide variety of asset classes including mortgages, credit cards, auto, consumer and SME loans, from across Europe, Australia and the U.S. Born and brought up in Wales, Richard read law at Cambridge University and qualified as a solicitor with leading international law firm Clifford Chance.



ARUNKUMAR GANESAN

MD & CEO, India INX Global Access IFSC Ltd. (India INX GA)
Head of Business Operations, India International Exchange (IFSC) Ltd.

India INX Global Access – First platform to trade global markets from IFSC

India International Exchange (IFSC) Limited (India INX), India's first international exchange located at International Financial Services Centre (IFSC) in the Gujarat International Finance Tec-City (GIFT) has launched a 100% wholly owned subsidiary **India INX Global Access (IFSC) Limited (India INX GA)** to facilitate access to global exchange markets through a single centralized platform. India INX's **Arunkumar Ganesan**, Head of Business Operations, India INX and MD & CEO, India INX GA discusses how members can immensely benefit through easy access to global exchanges such as CME Group from GIFT IFSC.

1. Why India INX Global Access? What is its vision and purpose?

India INX GA is a pioneering venture of India INX, the first of its kind from India and GIFT IFSC. It offers India INX's members easy access to a diverse range of multi-asset class products traded on international exchanges without having the need to set up abroad. India INX GA's vision is to become the leading provider of financial services by offering centralized access to international financial markets for the benefit of India INX's

Members from GIFT IFSC. Access to CME Group is the first of India INX GA's initiatives and many more international exchanges such as LME, ICE, etc. will be added into India INX GA's offerings based on client requirements. This would provide clients efficient and cost effective access to global exchanges.

2. What is the modality for accessing global exchanges?

India INX GA facilitates access to CME Group and other exchanges through Marex Spectron group, which is a Futures Commission Merchant (Clearing Member) of CME Group exchanges. India INX GA's clients can open separate sub-accounts for trading on global exchanges. In this structure, India INX GA is classified as a Foreign Broker as per CFTC Regulation 3(10)(c)(2) with an Omnibus account with Marex. This would facilitate India INX GA's clients to access derivatives products available on international exchanges, to start with, one can access CME Group's COMEX, NYMEX and CBOT.

3. What are the key benefits of trading through Global Access?

Some of the major benefits of trading on India INX GA include single-window interface to multiple global exchanges from GIFT IFSC, access to multi-asset class products and state-of-the-art technology using Marex Spectron's Neon Trader. Members can also immensely benefit from hedging and arbitrage opportunities between India INX and COMEX,

NYMEX and other international exchanges on Gold, Silver, Crude Oil and other products.

A centralised single-window interface for trading on international exchanges decreases overall costs of accessing global markets from GIFT IFSC. Technology is a key enabler in the vastly competitive exchange market space and India INX GA's clients can access multiple exchange markets and manage their equity funds using Marex's software Neon Trader or other software from empaneled ISVs.

4. What is the risk management and surveillance mechanism deployed by India INX GA?

We have a 24-hour risk management and surveillance team that monitors client positions, margin exposure limits utilisation and MTM on a real-time basis using Marex's Neon Trader and Neon Risk. This is done in close coordination with Marex Spectron's 24-hour support team based in London. The key feature of the risk management and surveillance mechanism is the order-level risk management through blocking of margin as soon as a trader places an order in Neon Trader. Initial margin is blocked from the client's net equity. MTM and margin is tracked and adjusted with the individual Client's net equity real-time and alerts generated by the system. This ensures highest levels of safety and security for our clients.

5. Who can become clients of India INX GA?

India INX members and their clients who are non-US persons and whose beneficial owners are also necessarily non-US persons can register with us for accessing international markets from GIFT IFSC. Applicants are required to complete the KYC on-boarding process with us.

6. What is the client on-boarding process?

Our clients are required to complete the KYC application form and provide supporting documents such as the Certificate of Incorporation, Board of Directors Resolution, executed Professional Client Agreement, W-8BEN-E form, FATCA declaration, etc. for completing the on-boarding process. Minimum deposit required for trading on India INX GA is USD 50,000 with margin exposure provided for 75% of this deposit. Any additional deposits would be provided with a 100% margin exposure.

7. What are the costs associated for trading global markets through GA platform?

Costs of trading are extremely competitive as compared to what you get from brokers in other IFCs such as London, Singapore and Dubai. There is a minimum monthly commitment of USD 1000, which is adjusted against actual transaction charges. This is separate from the technology charges of Marex Spectron and exchange access and market data fee charged by CME Group. For example, India INX GA's transaction fee for buying / selling one lot of 100-troy ounce CME Gold futures is only at USD 1.99 per lot, which is inclusive of the CME transaction charges. The charges are comparable with discount brokers providing access to trading on CME and other international exchanges.

Arunkumar Ganesan is currently the Head of Business Operations at India INX and MD & CEO of India INX Global Access. He has more than 22 years of experience in the area of Trading Operations, Clearing and Settlement, Custody Operations and Internal Controls. He has previously worked in National Stock Exchange (NSE), Dubai Gold and Commodities Exchange (DGCX), HSBC, Bahrain Financial Exchange (BFX) and L&T in various roles. He is a qualified Chartered Accountant and Cost Accountant.



ILLIQUID OPTIONS & MANIPULATION – A MARKET DISRUPTOR

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

“While legislation obviously is political, we now have allowed regulation to become politicized, which we believe will likely lead to some bad outcomes.”

-Jamie Dimon

Illiquidity in common business idiom means the inability of an asset or a security to be sold quickly due to shortage of interested buyers or a lack of an established trading market in exchange for cash without potential for losing a significant percentage of its value. Illiquidity, be it in equity or derivative (futures & options) segments, is closely associated with penny stocks. However, through manipulative and fraudulent practices, an artificial liquidity is created in such illiquid stocks/options.

As history depicts, in developing capital markets like that of India, investors are susceptible to fall prey to artificial market created for such illiquid penny stocks/options. Given the limited number of participants who actually trade in such illiquid stocks/options, it is easier to manipulate the trading volume and the consequential market price of such illiquid stocks/options by undertaking synchronized trading and attracting genuine investors with every artificial increase in the market price and trading volume.

Securities and Exchange Board of India (SEBI) in order to keep a check on the volatility in illiquid stocks vide its circular dated February 14, 2013 no. CIR/MRD/DP/6/2013 imposed restrictions on trading in illiquid scrips. Subsequently, based on industry feedback vide its circular dated December 19, 2013 bearing reference no. CIR/MRD/DP/38/2013, streamlined the criteria for identification of illiquid stocks as the existing norms for categorization into illiquid stocks had raised concerns regarding sharp fall in trading interest, even in the scrips of genuine companies.

Illiquid Stocks as per revised SEBI norms:

As per SEBI circular dated December 19, 2013, illiquid stocks shall be those whose average daily turnover is of less than Rs. 2 lakhs calculated for previous two quarters and the scrip is classified as such by all the exchanges where it is traded.

Exceptions: Even scrips which are covered by above norms shall not be categorized as illiquid stocks if they otherwise meet any of the following:

- Average market capitalization of more than Rs. 10 Cr, or
- Payment of dividend in at least 2 out of last 3 years, or
- Profitability in at least 2 out of last 3 years and not more than 20% of promoters shareholding is pledged in the latest quarter and book value is 3 times or more than the face value.

However, ambiguities still remain regarding stocks which are listed for a period of less than 3 years with regard to criteria for payment of dividend and book value requirements. Even though SEBI has tried to rationalize the criteria for illiquidity of scrips, yet there will be many genuine companies who may be facing difficulties due to sectoral problems, business cycles, gestation period, etc. and accordingly, may not be able to meet the exemption criteria of capitalization, dividend and profitability. This is particularly true in the cases of companies involved in research and development, projects that require years to complete and start generating revenue etc. Categorization of such scrips as illiquid stocks without giving any opportunity to the concern company will further dig the grave for such genuine companies as it will become increasing difficult for such companies to raise capital at cost effective rate from the capital market. Such blanket categorization is likely to fuel litigation and distract SEBI from weeding out non-genuine illiquid stocks where the focus is needed.

Further, there may be scrips which may not be genuine but may have already created liquidity through synchronize trading and other manipulative methods to meet the aforesaid value criteria of average daily turnover of Rs. 2 Lakh. In such cases it may be difficult for SEBI/stock exchanges to bring them under the category of illiquid stock and exercise check. It is unclear how SEBI's circulars would deal with it.

Trading in illiquid stocks:

SEBI has directed that trading in illiquid scrips in the equity market can only be done through periodic call auction sessions. Under call auction sessions, the seller quotes the minimum price at which the scrip will be sold and the buyer quotes the maximum price at which he is willing to buy the scrip. Stock exchanges are required to identify illiquid stocks that meet the aforesaid norms of illiquidity at the beginning of

each quarter and move them to periodic call auction mechanism. On the basis of the aforesaid list of illiquid stocks, members are advised to exercise additional due diligence while trading in these securities either on their own or on behalf of their clients. All trading members are obligated to refer to list of illiquid stocks issued by exchanges on quarterly basis in order to avoid penal actions. One session of call auction shall be for duration of one hour divided into following activities:

- First 45 minutes shall be for order entry, order modification and order cancellation. The session shall close randomly through system driven mechanism between 44th and 45th minute.
- Next 8 minutes shall be for order matching and trade confirmation.
- Remain 7 minutes shall be a buffer period for closing the current session and facilitating the transition to next session.

Obligation on trading members of stock exchanges

In order to ensure that artificial demand is not created for illiquid stocks, SEBI has stated that pursuant to call auction in illiquid stocks, if the maximum of buy price entered by an client is equal to or higher than the minimum sell price entered by that same client which results in to execution of trade, then a penalty shall be imposed on such trades. In such case the trading members shall be under an obligation to pay the penalty amount to the exchange on behalf of the clients who has executed the trade through the concern trading member. Though trading member may recover the penalty from the concern client.

Further, in order to deal with abnormal and non-genuine transactions in illiquid securities/contracts/options contracts, National Stock Exchange of India Limited (NSE) had issued circular dated March 10, 2005 and February 03, 2006. Pursuant to the said circulars, members of NSE were advised to desist from entering into orders involving reversing transactions in illiquid securities/contracts/options contracts at abnormal price differences that had no relevance to the movement in prices in underlying securities at the given point of time, either on their own account and/or on behalf of their clients and members were advised to put in place appropriate internal systems and procedures for identifying such non-genuine orders. Further, non-compliance with the aforesaid requirement also made the concern member liable for strict penal and disciplinary action by the Exchange.

Recently, SEBI's Whole Time Member (WTM) Ms. Madhabi Puri Buch passed an Order (WTM/MPB/IVD-ID8/161/2018) dated April 05, 2018 thereby directing continuation of adjudication proceeding against 57 entities/persons for their involvement in non-genuine/manipulative transactions in illiquid options. Let us look at the background behind this regulatory action.

THE 2015 ORDER:

SEBI had conducted preliminary examination in the matter of illiquid stock options segment of BSE for the period April 1, 2014 to March 31, 2015. During the examination it was observed by SEBI that a set of entities consistently made significant loss and other set of entities made significant profit by executing reversal trades, either on the same day or the next day in an orchestrated manner with a common objective of intended execution of non-genuine trades. On analysis of the aforesaid trading activities, SEBI noted that these reversal trades in illiquid stock option contracts was prima-facie a fraud on the securities market and misuse of securities market.

In view of the above, SEBI passed an ex-parte ad interim order dated August 20, 2015 and following observations were made in the said ad interim order:

1. The set of loss making entities sold illiquid stock options at prices less than their intrinsic value.
2. On the day of the above sell transaction or on the next day, these loss making entities squared up their positions by reversing these trades i.e. purchasing the same quantities of the aforesaid stock options from the same counter parties.
3. The subsequent purchases were made at prices much higher than the initial prices at which they were sold without any corresponding change in the underlying price to justify such difference in the traded price of the two legs of the transaction which resulted in heavy losses to these entities.
4. The profit making entities bought illiquid stock options at prices less than their intrinsic value.
5. On the day of the above buy transaction or on the next day, these profit-making entities squared up their positions by reversing these trades i.e. selling the same quantities of the aforesaid stock options from the same counterparties.
6. Very high percentage of orders placed by these set of entities ended up getting converted into trades. In 15 of the 25 profit making entities, time difference between placement of client orders and counterparty orders for reversal transactions is less than 60 seconds on a huge number of occasions. This could not have been done without a prior understanding or arrangement.
7. Majority of the profit-making entities had opened specific accounts for exclusively carrying out suspicious transactions in stock options and immediately started trading in suspicious reversal trades after opening these accounts.
8. Other than their suspicious reversal trades, these entities were not seen trading in stock options segment of other stock exchanges.
9. The trading accounts were opened and operated by these entities merely to facilitate the loss making entities execute their motive.

In the peculiar facts and circumstances of the case, it was held that the loss-making entities were deliberately making repeated losses through their reversal trades in stock options

which did not make any economic sense, and the profit-making entities were facilitating them by becoming their counter parties and were acting in concert with a common object of intended execution of these suspicious and non-genuine trades. According to SEBI, the reasons for executing such trades by these entities could be either of the following:

- Showing artificial volume and trading interest in these instruments, or
- Tax evasion, or
- Portraying artificial increase in net worth of a private company/individual.

According to SEBI, no rational investor will keep trading despite making losses or no entity will forever be able to make only profit; The scheme, plan, device and artifice employed in this case is prima facie a fraud on the securities market as it includes manipulative transactions in securities and misuse of the securities market.

In view of the foregoing, SEBI vide The 2015 Order, directed that pending investigation and passing of final order in the matter, such suspected entities/persons shall be restrained from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions. Separately, SEBI also took actions against 22 Stock Brokers vide ad interim ex-parte order dated February 17, 2016 who dealt for the clients. Pursuant to the February, 2016 order, the said Stock Brokers were restrained from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, except as a stock broker for their existing clients in the cash segment, till further directions. Further, these Stock Brokers were restrained from accepting registration of any new client until further directions. According to SEBI, "these brokers have, prima-facie, facilitated their clients to use and employ a pre-meditated manipulative device or contrivance while dealing in securities market and indulged in non-genuine and deceptive transaction." However, after a spate of litigation at Hon'ble Securities Appellate Tribunal and Supreme Court, SEBI vide its order dated August 12, 2016, has decided not to intervene in this matter by way of ad-interim directions against the stock brokers at this stage and have stated that the final view for appropriate action in accordance with law should be taken after completing the ongoing investigation in the matter.

The 2016 Confirmatory Orders

The 2015 Order was confirmed by SEBI vide orders dated July 30, 2016 and August 22, 2016 after providing certain relaxations. Through the confirmatory orders, the scope of investigation was enhanced to cover all entities that had indulged in executing reversal trades in BSE's Stock Options segment during the investigation period being April 01, 2014 to September 30, 2015. Through the investigation it was apparently found that 14,720 entities were involved in executing non-genuine trades in BSE's stock options segment. Out of the 59 entities against whom interim order was passed, 57 entities along with other 14,663 entities, were found to be involved in executing non-genuine trades thereby violating Regulations 3(a), (b) (c) and (d) and 4(1) and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

In light of the order of Hon'ble Supreme Court in the matter of **Rakhi Trading Private Limited v. SEBI** (Civil Appeal No. 1969 of 2011 decided on February 08, 2018), SEBI has decided to take appropriate action in respect of all 14,720 entities in a phased manner.

Apex Court in Rakhi Trading judgment has held that the traders, who had executed non-genuine synchronized trades in the derivatives (futures and options) segment of the stock exchange with intent to make predetermined gains/losses, are to be punished as synchronized trading takes the color of fictitious trades intended to deceive lay investors and therefore violating the PFUTP Regulations. Essentially, Supreme Court held that incurring willful losses in the market to achieve some objectives (such as tax benefit) will be fraudulent, but totality of facts and preponderance of probabilities have to be resorted to as full evidence may not be forthcoming.

Also in the same judgment, the Supreme Court dismissed the appeals against the brokers due to lack of evidence suggesting any negligence or connivance on the part of the brokers while executing such non-genuine synchronized trades on behalf of their clients-traders. Therefore, SEBI has to investigate the role of brokers specifically, to obtain at least the circumstantial evidence for 'aiding and abetting'.

In the Order dated April 05, 2018, the SEBI WTM noted that in terms of disgorgement proceedings, SEBI can disgorge only to the extent of illegal profit and interest thereon. In this instance, initiation of Adjudication Proceedings which can result into a more severe monetary penalty, if the violations are established, would act as a strong deterrent on the perpetrators of such unfair trade practices. Considering that imposition of monetary penalty would meet the ends of justice, Adjudication Proceedings have been initiated by SEBI in the 1st phase against 567 entities including 56 out of the 57 entities as referred to in the 2016 confirmatory orders. Action against one entity would be taken up in the subsequent phases of enforcement.

WTM also considered the fact that BSE has undertaken a series of corrective measures to prevent occurrence of such non-genuine trades in its Stock Options segment and noted that it would be reasonable to anticipate that in view of the regulatory intervention by SEBI and the various corrective/preventive measures taken by BSE in its Stock Options segment, there is low probability that the entities shall indulge in execution of reversal/ non-genuine trades in Stock Options. Considering the above and without going into the merits of the case, WTM concluded that there was no need to continue the direction issued against the entities mentioned in the interim order dated August 20, 2015 and confirmatory order dated July 30, 2016 and August 22, 2016 and further state that Adjudication Proceedings initiated by SEBI would adequately meet the ends of justice and regulatory objectives.

Impact of these Orders

Given that the order clearly specified that SEBI shall undertake appropriate actions against all 14,720 entities in phases, it shall be interesting to see the number of entities against whom penal action will be taken and the amount of penalty imposed which is sure to generate commendable revenue for the central government.

In the political scenario, where there is a focus on black money, such mass-scale regulatory action on investors and brokers both had captured headlines for the moment, whether it will pass muster of courts or test of law is yet to be seen. One will also note that SEBI Order dated April 05, 2018 is distinguishable on various counts with what Hon'ble Supreme Court held in Rakhi Trading Judgement.

It must be noted that any person found to be in violation of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, is liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty five crore rupees or three times the amount of profits made out of such practices, whichever is higher. Interestingly, a "non-genuine" transaction is not defined in SEBI Regulations or SEBI Act, 1992 or Exchange Circulars. As the cliché goes - when a law is unclear, execution of it is retarded. The function of market itself is price discovery and the regulatory role is not to act as an investment advisor but to ensure disclosure and compliance of its laws. SEBI might have to show in each such order more than usual bid-ask spread and the price impact factor.

Further, it must also be noted that for the purpose of trading in stock options, there is Daily Price Range (DPR) set and the purchase /sale of options must confine to such DPR. Upper DPR limit or Lower DPR limit is decided by the Stock

Exchanges. Daily price range is the maximum price advance or decline permitted for a futures contract in one trading session compared to the previous day's settlement price.

The moot question is - When an option is traded within the allowable daily price range, can a trader still be exposed to the risk of regulatory action for transacting at non-genuine price. Also, who is to decide if a trade is being done far away from an intrinsic value of stock and on what criterion?

CONCLUSION:

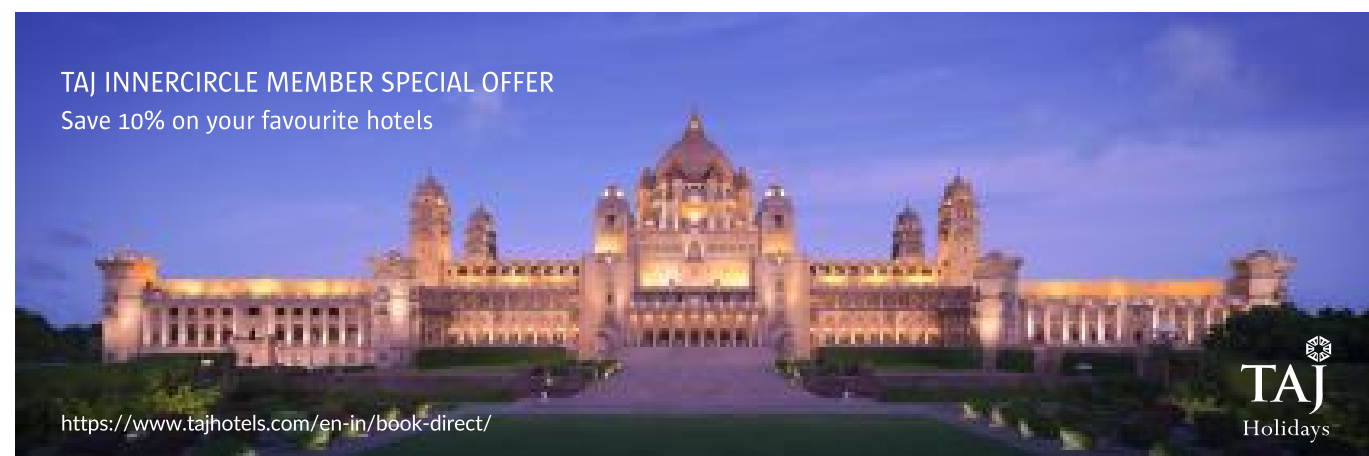
It shall be a waiting game to find out how SEBI implements actions against these 14,720 entities and their stock brokers. Another question that arises from this SEBI Order is whether SEBI will also investigate the involvement of the companies whose shares are underlying securities for such stock options in order to identify whether such management or promoter of some of the companies were hand in glove in creating artificial demand and increasing the trading volume by displaying an unreal picture of the market.

It shall also be interesting to see how SEBI gives comfort to brokers/clients who may be reluctant while trading in illiquid stock as the same might attract penal action on them especially where otherwise the illiquid stock option/stock might be a genuine one.



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U.S – CHINA TRADE WAR: THE WINNERS, LOSERS AND LARGER IMPLICATIONS

By Professor Piya Mahtaney
Economist / Author



Introductory Exposition

Exactly 29 years ago during June 1989 China was confronted with a challenge, the Tiananmen Square protests that resulted in the imposition of diplomatic and economic sanctions by the U.S and a number of other advanced countries. China at the time seemed caught in a bind. Although Tiananmen square protests was an event that symbolized the clamour for democracy in China then, the imperative of institutional reform and greater democratization continues. However it is also true that it is the aggressive push towards economic liberalization by China during the Post Tiananmen era which propelled its rapid economic ascent over the preceding three decades. This has clearly been one of the main highlights of the global economy for the preceding two and half decades.

This excerpt about recent economic history is one among more than a few instances which illustrate that China seems rather deft in transforming adversity into opportunity. This article is not a narrative about China; its subject is the U.S China trade war the outcomes of which will in part most undeniably be shaped by the resilience of the Chinese economy.

In the present scenario China has to grapple with the direct onslaught of an increasing degree of protectionism by the U.S which has far manifested as a clamp of higher tariffs on a range of China's exports to the U.S. It is also worth noting that the current situation that the Chinese economy finds itself in is not merely the consequence of the changing rules of the game of international trade but it is perhaps even more importantly the outcome of a transition that China is making from an investment driven to a consumer driven

society and to a more sustainable economy. At this point it would seem that U.S has a bargaining edge over China because it is the industries in the latter than stand more to loose from the trade war. This would be a hasty inference given the fact that should the tentacles of this trade war spread to other countries it would be a zero sum game (where no one gains). As some analysts say a fundamental principle of trade wars is that there is one group of beneficiaries and two groups of victims. A further substantiation of this follows:

This excerpt about recent economic history is one among more than a few instances which illustrate that China seems rather deft in transforming adversity into opportunity.

Most of the present economic issues confronting the world result from short term political populism overriding economic logic and the present increased degree of U. S protectionism are a recent instance that provides an illustrative corroboration of this fact. Firstly for a moment if U.S trade policy were to leave every other consideration but think of the impact that it would have on the domestic economy it becomes rather obvious that a protectionist stance of the kind that it is adopting will have economic blowback effects that will be unfavourable for the U.S economy. For one the losers extend

beyond the purview of Chinese consumers and producers and it includes American consumers and those companies that have outsourced production to China. For instance China's retaliatory tariffs on U.S agricultural products will be unfavourable for its farming states and it is worth noting that many of these voted for the present government in the U.S. Furthermore U.S companies that export to China such as Caterpillar, Apple, Intel and General Motors will also be impacted. Clearly the net outcome will be a loss on both sides and the global economy both of which does not augur well for the American economy.

Taking a slightly broader view of factors underlying the U.S trade deficits is necessary at this point because to assume that changing trade policy with respect to certain countries in this case the main one being China will be reduce US trade deficit is a misguided and damaging notion. For one the US trade deficit which is about \$ 500 billion is a macroeconomic feature that has resulted from a combination of factors - structural and macroeconomic addressing which requires the implementation of measures that will increase the competitiveness of the U.S economy. Pursuing a course that is overtly protectionist is a step towards reversing a process that has being directed towards freer trade is regressive because it is retracting from over 70 years of trade liberalization. Moving from protectionist trade policies to a rules based trading system has been one the pivots of prosperity for the U.S prosperity and a number of nations. Admittedly this system had its glitches and did not work in the best interest of the poorer nations, however attempts to reverse it runs completely counter to the

economic interests of the world and certainly proves costly for the nation. According to a report (June 2018) by the Tax Foundation (which is the leading independent tax policy research organization in the U.S), "Trade barriers such as tariffs raise prices and reduce available quantities of goods and services for U.S. businesses and consumers, which results in lower income, reduced employment, and lower economic output". In essence this would result in more polarization.

In a lecture (July 2018) by the Bank of England (BOE) Mark Carney he cites that according to simulations by the Bank, "the impact of narrow, bilateral tariff increases through direct trade channels would tend to be small - reflecting the small share of overall exports affected - and would be largely confined to the countries directly involved. However, a larger, increase in tariffs of 10 percentage points between the US and all of its trading partners could take 2½ per cent off US output and 1 per cent off global output through trade channels alone, although the impact on the UK is smaller reflecting a great exchange-rate driven boost to net exports. The hit to global and UK GDP would be substantially greater if everyone put up tariffs against everyone else."

Conclusion

Viewed from a slightly longer term perspective what we see play out currently is part of a much larger process that was foreseen years ago when it was evident that the emergence of a multipolar world was inevitably going to impact the structure and composition of trade. The increasing role played by developing nations in world trade and concomitantly, the dominance of other regions in shaping the trading regime is a direction that we are moving towards. As Mark Carney says in his lecture, "there are some breath-taking opportunities currently disguised as intractable problems. There are growing pressures on the international trading system that has brought prosperity to so many. But in those challenges lie huge opportunities - to change the trading system to be more inclusive by bringing freer trade to SMEs and to services...."

Getting back to the more immediate issue of the trade war it is likely that if there are a few vested interests that push for higher level of protectionism then is pressures to countervail this are also building. Over the next few months the ramifications of this will unravel and it is possible that the trade war could very well compel expanding opportunities of trade that are better aligned with development. That said as the uncertainty about a fair range of issues

ranging from Brexit to the impending trade agreement between U.S and Mexico reduces as it inevitably would when there is more clarity as to how these would finally be finalized it is probably that the headwinds from the ongoing trade war will dissipate. In the next article for Econ Buzz I will continue with my discussion about technological progress.

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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.

INDEXING ROUTE TO LARGE CAPS

By Koel Ghosh
Senior Director – Head of Business Development, South Asia
S&P Dow Jones Indices



The below quote is proof that Ben Stein seems to understand the merits and traits of indices and index-linked products. There is a varied range of investment strategies that are at play today that can help achieve targeted objectives. Coupled with constantly shifting market dynamics, these strategies are continuously changing as well, though some of the basics are the same-whether the strategy is active or passive, dynamic or tactical, core or satellite. Asset allocation strategies are always interesting, as they vary based on investment objectives, market dynamics, investor profile, and so on. At times, there are stock-specific strategies, or sometimes strategies are based on sectors, themes, or even factors. However, index-based strategies or investments offer the advantages of a diversified basket of stocks that is designed by an independent index provider based on a transparent, rules-based methodology. The advantage of indexing is now being further highlighted with statistics that support how active funds are being outperformed by their benchmark indices. The **SPIVA® India Scorecard**, which has been publishing data since 2013, displays this growing trend.

Trying to pick individual stocks is a trap. I can't do it. Warren Buffett can, but hardly anyone else can beat the indexes over a long period of time.

-Ben Stein

One of the areas where this trend is escalating in India is the large-cap segment. Exhibit 1 displays significant out performance in the five-year category over the past four years. In the last two years, more than 50% of active funds underperformed the benchmark S&P BSE 100.

Exhibit 1: SPIVA India Reports-Percentage of Indian Equity Large-Cap Funds Outperformed by the S&P BSE100

PERIOD	ONE-YEAR (%)	THREE-YEAR (%)	FIVE-YEAR (%)	TEN-YEAR (%)
Year-End 2013	78.53	66.67	69.23	-
Mid-Year 2014	34.18	60.36	54.36	-
Year-End 2014	23.81	57.94	52.94	-
Mid-Year 2015	28.3	49.59	60.5	-
Year-End 2015	35.79	46.79	56.52	-
Mid-Year 2016	53.26	39.42	58.62	-
Year-End 2016	66.29	30.52	54.6	54.95
Mid-Year 2017	52.87	34.19	50.93	58.47
Year-End 2017	59.3	53	43.4	53.54

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2017. Table is provided for illustrative purposes.

This offers an opportunity to evaluate the large-cap segment using a passive strategy. The S&P BSE suite of indices offers options in this segment via the S&P BSE SENSEX, S&P BSE SENSEX 50, S&P BSE SENSEX Next 50, S&P BSE100, and S&P BSE LargeCap. These indices provide options from choosing a core set of 30 constituents, as in the S&P BSE SENSEX, to increasing that exposure to 50 stocks in

the S&P BSE SENSEX 50, to further extending to 100 with the S&P BSE 100 if the goal is more diversification. Even though they all belong to the same large-cap segment, each index displays different returns and trends based on its characteristics. Hence, for shifting asset allocation strategies, there is a complete range to choose from.

Exhibit 2: S&P BSE Indices in the Large-Cap Segment

INDICES	ANNUALIZED RETURNS (%)			
	1-YEAR	3-YEAR	5-YEAR	10-YEAR
S&P BSE SENSEX	9.54	13.89	9.84	15.08
S&P BSE SENSEX 50	9.93	14.44	10.52	14.48
S&P BSE SENSEX Next 50	10.44	16.83	10.52	4.44
S&P BSE 100	9.71	14.61	10.47	12.82
S&P BSE LargeCap	9.61	14.22	9.98	13.19

Source: Asia Index Private Limited. Data as of May 31, 2018. Index performance based on total returns. Past performance is no guarantee of future results. Table is provided for illustrative purposes and reflects hypothetical historical performance. The S&P BSE SENSEX 50 was launched on Dec. 6, 2016. The S&P BSE SENSEX Next 50 was launched on Feb. 27, 2017. The S&P BSE LargeCap was launched on April 15, 2015.

The recent guidelines from the Securities Exchange Board of India have formalized the large-cap space as the top 100 stocks by market capitalization. Hence, it's worth considering the indexing route to large-cap exposure as a low-cost, transparent, and flexible mode to achieve allocation to the large-cap segment.

Learn more about SPIVA on a global scale on INDEXOLOGY®.

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Prior to joining S&P Indices in 2009, she gained wide experience in the asset management and financial industry. She previously served at IL&FS Mutual Fund and UTI Asset Management Company where she gained insights on the asset management industry through her marketing and sales roles. She extended her experience further in the investment management industry in her role at Thomson Reuters.

Recently, she has the additional responsibility as Head of Business Development at Asia Index Pvt. Ltd. (BSE & S&P DJI Venture). Koel is a Chartered Accountant and a member of the Institute of Chartered Accountants of India.



MANAGING THE WEAK LINKS IN INFORMATION SECURITY

By Jayesh Shah
Promoter, Prism Cybersoft Private Limited

How to Manage The Weak Links in IT Security Environment?

In today's information security environment, there can be little doubt that the human element is the weakest link in information security. From both a management and IT perspective, technology is widely seen as the foundation and solution for sophisticated security threat protection. Equipped with the latest authentication, encryption and threat monitoring technologies, executives have a misguided sense of invincibility, especially when the potential for human error, trickery and malicious intent are factored into the equation.

Organizational leaders and policy makers face the daunting task of devising measured responses to the human element in information security. Ignoring sloppy practices or relying on technological assets invites security penetrations from the growing ranks of hackers who target human behaviors.

It is clear that security awareness programs still continue to fail until they get the same emphasis and support as technical controls. To address this, we have to better educate senior leadership that cyber security is far more than just bits and bytes; it also includes the human element. "An expansion of security awareness and accountability throughout the organization is required. The majority of those in charge of security awareness programs have highly technical backgrounds and lack the necessary communication or human behavior skills. To effectively change behavior regarding information security, employees and executives must feel a sense of urgency and understand not only that they are targets, but also that their actions play a key role in securing the organization.

Rather than engaging in proactive security behaviors, users mistakenly trust that IT departments and organizational leaders departments have implemented foolproof measures to prevent data theft or security intrusions, sometimes ignoring common sense practices that are effective in preventing major breaches.

Since security threats are constantly evolving, leadership responses to human security vulnerabilities must likewise exist in a context of constant evolution. Resistance to change, closer individual scrutiny and human curiosity are inherent obstacles to rolling information security improvements.

Organizational leaders and policy makers face the daunting task of devising measured responses to the human element in information security. Ignoring sloppy practices or relying on technological assets invites security penetrations from the growing ranks of hackers who target human behaviors.

To Manage the Weak Links in Information Security, effective organizations follow these practices:

1. Build an engaged, security-aware workforce

General security awareness activities (newsletters, a security awareness

month, etc.) are important to remind the workforce of security best practices and of imminent threats. Testing users for their ability to avoid phishing scams will help reduce the threat of this common attack vector to the enterprise. Role-based security training programs are essential as well. For example, "...most vulnerabilities stem from a relatively small number of common, well-understood software programming errors." Developers need training on software security best practices to effectively build more secure applications. Use incentive mechanism to foster the Employee for attention towards security aspect. Provide workforce incentives (e.g., spot bonuses, reward points) to put a spotlight on examples of security awareness behaviors you want to see. Likewise, it's necessary to penalize those who place your organization at risk.

2. Develop clear policies, procedures and audits that prioritize the protection of data and IT assets

Policies and procedures are always important, but they are essential for information security. You need to create and publish your policies to gain consensus on how you will handle specific security issues, including policy exceptions. Policy rules need to be clear, simple, understandable, and achievable by the workforce. Comprehensive security policies, procedures and protocols form the baseline for a leadership response to the human element in cybersecurity. Periodic reviews and audits are essential for highlighting organizational weaknesses and keeping sound information security behaviors top-of-mind in the organization. Periodic Vulnerability Assessment and Penetration Testing (VAPT) reduces threat-posture of your organization.

3. Have the support of executive leadership

Translate information security issues into terms of risk-that's the language upper management understands. Make it personal and show how they'll be impacted. Stage realistic security incident exercises that bring in other stakeholders such as outside counsel, communications, and solution providers. On an industry level, more research is needed to identify the behaviors and motivations of employees at various levels of information security. By better understanding how technology users view and respond to security threats, organizations can better implement countermeasures and establish human element protocols. Additionally, there is a need for further study in the area of human-machine interactions. We need to understand how machines can better indicate potential threats to humans, producing cues that are presently absent in the machine-human interface.

4. Work together and respond to security incidents collaboratively

Practice makes perfect, and you should exercise the incident response team on a regular basis to ensure that roles are understood and they aren't learning on the job during an incident. The incident response plan needs to be accessible to all parties. Don't forget to communicate

with employees, key business partners, and customers in a timely manner post-incident. Obtain critical intelligence by sharing information externally with trusted partners and government agencies. You can also leverage commercial platforms to establish your own trusted communities to share threat intelligence data.

5. Training

Random or high-level training is less productive than frequent, granular training opportunities and exercises that have been designed to address specific behaviors and practices. Senior leadership and supervisors should be required to attend training events to demonstrate the importance of responsible security behaviors and to better protect themselves from cyber-attacks. In-depth training should be provided to your employees to ensure the awareness of different attack vectors.

6. Social Engineering

Social engineering is an act of exploiting the human behavior to fulfill malicious intent. Most cyber-crime is just social engineering. Criminals invest time and energy getting to know key organizational stakeholders. In a similar manner, senior leaders need to familiarize themselves with their people, nurturing an awareness of user-specific access

rights and internal contacts capable of delivering access to sensitive information.

Security is a shared responsibility

We need to take some of the blame. Too often, communication between the IT department and the rest of an organization is less than perfect. Yes the geeky techie unable to cope with people is a ridiculous stereotype, but there is perhaps a grain of truth in it.

In the IT industry we want to believe that a technical problem will have a technical solution, and we really do not want to have to explain it all to someone who probably will not understand the details anyway.

The rest of the organization would just like the IT department to sort it all out so that it works with as little hassle as possible.

This gap has to close.

Jayesh Shah holds B.S. and M.S. in Computer Engineering from University of Bridgeport, USA. He has more than 25 years of experience in field of IT.

He promoted Prism in 1996 and as its MD and CEO provides Vision, Direction and also takes care of Strategic Affairs, Marketing and Commercials.

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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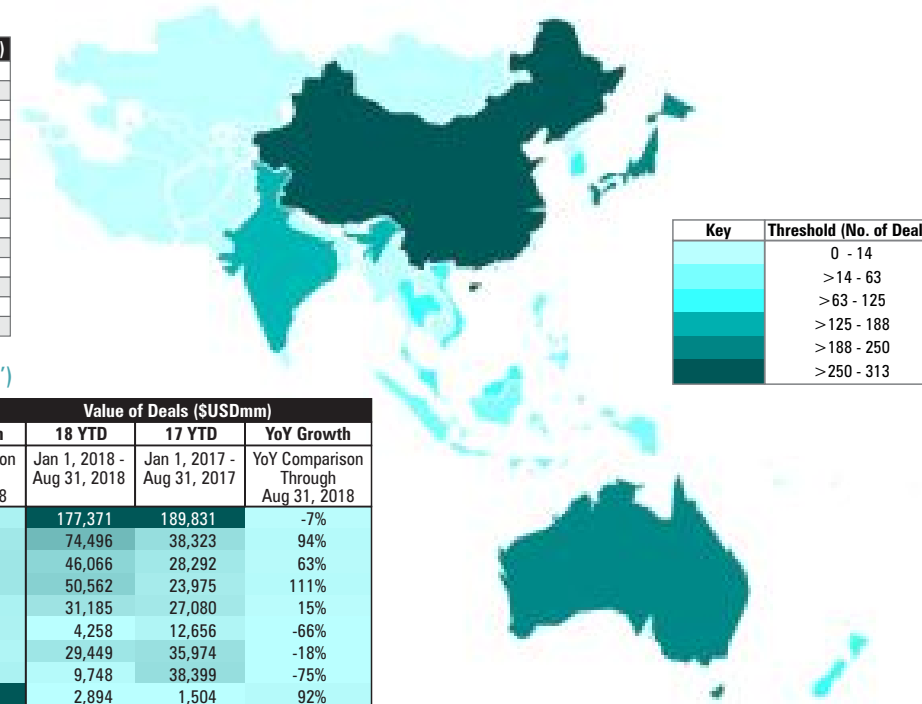
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M&A ACTIVITY IN ASIA PACIFIC: SELECTED COUNTRIES

In August 2018, total deal count and deal value in Asia Pacific are 1,024 and US\$56.09 Billion respectively. 2018 YTD, Vietnam bagged the highest growth in deal count but lagged behind the Philippines, which has seen the highest growth in deal value.

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

Country	No. of Deals	Value of Deals (\$USDmm)
China	313	23,604.20
Australia	160	14,869.70
Japan	152	4,943.90
India	109	2,217.80
South Korea	61	2,636.30
Malaysia	43	1,134.20
Hong Kong	42	2,254.10
Singapore	40	735.7
Vietnam	26	114.3
Thailand	22	450.9
New Zealand	18	470.3
Indonesia	14	2,398.00
Philippines	14	195.3
Taiwan	10	63.4



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 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018
China	2,694	2,591	4%	177,371	189,831	-7%
Australia	1,042	835	25%	74,496	38,323	94%
Japan	1,114	871	28%	46,066	28,292	63%
India	954	740	29%	50,562	23,975	111%
South Korea	704	680	4%	31,185	27,080	15%
Malaysia	287	287	0%	4,258	12,656	-66%
Hong Kong	315	318	-1%	29,449	35,974	-18%
Singapore	252	244	3%	9,748	38,399	-75%
Vietnam	354	87	307%	2,894	1,504	92%
Thailand	192	186	3%	19,219	7,457	158%
New Zealand	177	129	37%	4,321	901	379%
Indonesia	109	143	-24%	9,443	1,769	434%
Philippines	75	58	29%	101,610	1,800	5546%
Taiwan	84	69	22%	6,334	3,181	99%
Total	8,353	7,238	15%	566,957	411,142	38%

Source: S&P Global Market Intelligence as of September 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

As of August 2018, M&A activity has seen the highest year-on-year deal value growth in the healthcare sector, followed by industrials and utilities.

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

Sector	No. of deals		
	'18 YTD	'17YTD	YoY Growth
	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2018	YoY Comparison Through Aug 31, 2018
Industrials	1331	1339	-1%
Discretionary	1314	1304	1%
IT	1164	1160	0%
Real Estate	763	855	-11%
Materials	653	639	2%
Healthcare	539	465	16%
Financials	435	523	-17%
Staples	432	410	5%
Utilities	262	217	21%
Energy	159	125	27%
Teleco. Services	33	32	3%
NSD	1268	1140	11%
Total	8353	8209	2%

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

Sector	No. of deals		
	'18 YTD	'17 YTD	YoY Growth
	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2018	YoY Comparison Through Aug 31, 2018
Industrials	155,241	155,241	86%
Real Estate	72,768	72,768	-40%
Discretionary	70,181	70,181	25%
Materials	46,142	46,142	38%
Utilities	39,046	39,046	76%
IT	35,807	35,807	-33%
Energy	29,438	29,438	58%
Healthcare	25,989	25,989	143%
Financials	21,674	21,674	-18%
Staples	20,815	20,815	57%
Teleco. Services	1,686	1,686	-87%
NSD	48,171	48,171	14%
Total	566,957	566,957	15%

Source: S&P Global Market Intelligence as of September 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

In August 2018, total IPO count and IPO value are 46 and US\$8.8 Billion respectively. China led the pack raising US\$7.9 Billion of IPO proceeds. 2018 YTD, Vietnam has seen the highest year-on-year growth of IPO value within the region.

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

Country	No. of Deals	Value of Deals (\$USDmm)
China	9	7,941.70
India	8	172.8
South Korea	6	117.3
Australia	5	159.5
Hong Kong	4	280.5
Indonesia	4	60.3
Japan	3	26.2
Singapore	3	32.3
Vietnam	3	4.9
Thailand	1	4
Malaysia	0	0
New Zealand	0	0
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 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018
China	138	310	-55%	40,924	24,201	69%
India	125	78	60%	3,665	2,089	75%
South Korea	34	40	-15%	1,196	5,288	-77%
Australia	49	49	0%	841	1,053	-20%
Hong Kong	74	55	35%	1,479	1,381	7%
Indonesia	34	18	89%	972	274	254%
Japan	50	46	9%	2,920	2,062	42%
Singapore	22	15	47%	677	2,032	-67%
Vietnam	28	30	-7%	1,944	56	3397%
Thailand	9	13	-31%	422	1,339	-68%
Malaysia	19	17	12%	207	1,776	-88%
New Zealand	1	1	0%	11	137	-92%
Philippines	1	3	-67%	152	342	-55%
Taiwan	1	3	-67%	13	349	-96%
Total	585	678	-14%	55,422	42,379	31%

Source: S&P Global Market Intelligence as of September 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

Asia-Pacific private equity investments and buyouts in August 2018 amounted to US\$16.93 Billion with 169 deals. China and Australia have the most active markets in terms of deal value.

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

Country	No. of Deals	Value of Deals (\$USDmm)
China	90	8,835.30
India	22	342.1
Japan	20	87.1
South Korea	18	185.2
Australia	11	6,898.90
Vietnam	3	101
Hong Kong	2	454.8
Singapore	2	6.2
Taiwan	1	20
Indonesia	0	0
Malaysia	0	0
New Zealand	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 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018
China	587	242	143%	53,450	19,151	179%
India	186	128	45%	4,996	3,303	51%
Japan	187	149	26%	1,658	2,677	-38%
South Korea	128	103	24%	7,528	6,226	21%
Australia	63	50	26%	14,014	12,909	9%
Vietnam	15	13	15%	868	314	176%
Hong Kong	11	15	-27%	2,011	12,558	-84%
Singapore	29	25	16%	556	22,174	-97%
Taiwan	6	2	200%	2,290	55	4068%
Indonesia	4	5	-20%	1,543	1	105787%
Malaysia	5	8	-38%	181	18	927%
New Zealand	6	8	-25%	188	1,356	-86%
Philippines	-	2	-100%	-	380	-100%
Thailand	2	2	0%	54	1	4721%
Total	1,229	752	63%	89,336	81,124	10%

Source: S&P Global Market Intelligence as of September 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

In August 2018, venture capital investments in the region accounted US\$4.54 Billion with 242 transactions. 2018 YTD, China and Japan markets are the most active in terms of deal value growth, supported with a robust deal count growth.

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

Country	No. of Deals	Value of Deals (\$USDmm)
China	118	3,227.00
Japan	41	265.1
India	40	315.1
South Korea	14	104.8
Australia	7	30
Singapore	7	17.7
Indonesia	6	4
Vietnam	4	101
Hong Kong	3	454.8
Taiwan	2	25
Malaysia	0	0
New Zealand	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 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018	Jan 1, 2018 - Aug 31, 2018	Jan 1, 2017 - Aug 31, 2017	YoY Comparison Through Aug 31, 2018
China	904	313	189%	52,016	14,796	252%
Japan	335	232	44%	2,052	623	229%
India	291	227	28%	6,548	7,403	-12%
South Korea	94	81	16%	6,379	2,193	191%
Australia	66	60	10%	2,137	9,321	-77%
Singapore	61	50	22%	656	22,117	-97%
Indonesia	25	18	39%	1,574	8	19389%
Vietnam	21	13	62%	871	278	213%
Hong Kong	19	22	-14%	562	8,289	-93%
Taiwan	12	5	140%	2,027	55	3556%
Malaysia	9	13	-31%	33	26	28%
New Zealand	8	9	-11%	34	110	-69%
Philippines	2	6	-67%	2	17	-90%
Thailand	6	9	-33%	54	3	1864%
Total	1,853	1,058	75%	74,946	65,239	15%

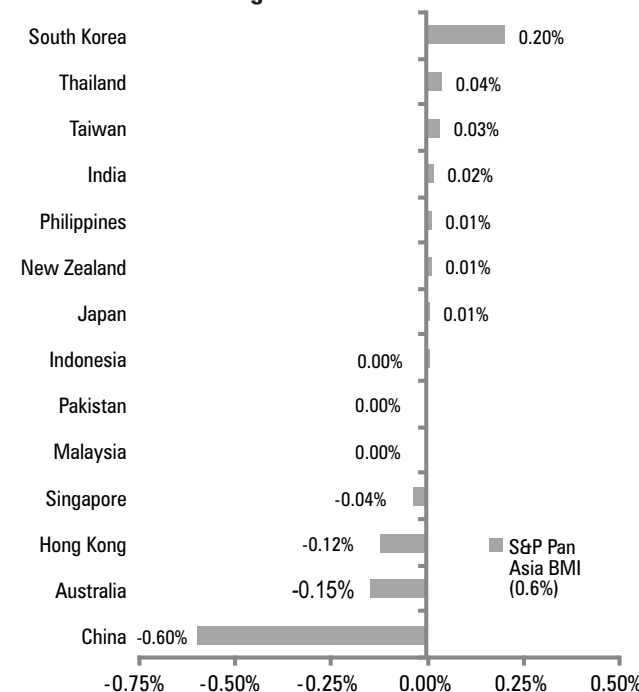
Source: S&P Global Market Intelligence as of September 1, 2018. Figures are based on transaction announcement dates. Includes both closed and pending transactions as well as those without transaction values. Non-buyouts will include all features except for leverage buyouts (LBO), management buyout or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

MARKET ATTRIBUTES: INDEX DASHBOARD

Summary

- August was a mixed month for Asian equities; there was a fairly even split among our single-country equity benchmarks, while the S&P Pan Asia BMI closed August down 0.60%.
- India was one of the best-performing equity markets this month. The S&P BSE SENSEX shrugged off an emerging market sell-off and a fall in the Indian rupee to record eight new all-time highs since our last report and closed August with a 2.88% gain. Korea, Australia, and Taiwan also hosted monthly rises, while New Zealand's S&P/NZX 50 Portfolio Index led the way with a 3.27% increase.
- Chinese equities fell for the second consecutive month amid continued trade tensions; the prospects of co-operation between the U.S. and China were dimmed after they failed to make any headway at a meeting in Washington D.C. Combined with uncertainty over the health of the Chinese economy, the S&P China 500 fell 4.49% this month and the country's equity market contributed most negatively to the S&P Pan Asia BMI.
- As was the case in July, nearly all of our fixed income indices rose this month. The S&P/NZX Government Bond increased 1.29% after the Reserve Bank of New Zealand opted to keep rates on hold and reduced expectations for imminent hikes. The S&P Japan Government Bond Index fell amid speculation that the Reserve Bank of Japan would continue to change course from its ultra-loose monetary policy.
- The Dow Jones Commodity Index fell by 1.71% in August as a strengthening U.S. dollar weighed on many commodity prices. Crude oil was an exception to the rule; larger-than-expected declines in U.S. inventories in recent weeks helped the S&P GSCI Crude Oil Index to rise 2.76%, which in turn lifted the S&P GSCI by 1.08%.

Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of August 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

S&P Pan Asia BMI Country Contribution
August 2018

REPORT OF THE FAIR MARKET CONDUCT COMMITTEE

Against the backdrop of the recent leakage of crucial financial numbers over WhatsApp and increasing instances of insider trading and financial frauds in the securities market, the T. K. Viswanathan Committee ("**Committee**") submitted its report on 'Fair Market Conduct' on August 09, 2018 ("**Report**") suggesting amendments to the SEBI (Prevention of Insider Trading) Regulations, 2015 ("**PIT Regulations**") and the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**"). The Report is divided into four parts. Some of the recommendations are as follows:

Market Manipulation and Fraud: The major proposals focus on Regulation 4(2) of the **PFUTP Regulations**, which provides for various kinds of dealings that are deemed to be fraudulent. The recommendations are essentially incremental to the existing framework but fail to address the poorly defined description of fraud. This leaves what constitutes fraud as inchoate and unclear. Further, the Committee has recommended the inclusion of 'market manipulation' under Regulation 4(2), in line with recent orders of the Supreme Court regarding market manipulation.

Considering the concerns surrounding SEBI's powers to look into manipulation of books of accounts and siphoning of funds in listed

entities, the Committee has sought to bring fraud relating to financial statements and misutilization of issue proceeds specifically within the purview of the PFUTP Regulations. Nevertheless, such an inclusion may result in a jurisdictional conflict between SEBI and the Serious Fraud Investigation Office, which would have to be resolved.

Insider Trading: Considering that all material events which are required to be disclosed as per the Listing Regulations need not necessarily be price sensitive, the Committee has recommended the removal of the phrase "material events in accordance with the listing agreement" from the deeming provision for price sensitive information. Further, the Committee recommends that the requirement of pre-clearance and application of contra-trade related restrictions should not be made applicable to trades in accordance with the trading plans. It seems that the Committee's approach is a legalistic analysis of the existing regulatory framework with little reference to corresponding international practices, IOSCO principles, and the effectiveness of SEBI in addressing past violations. In addition, on a bigger canvas, the committee misses a golden opportunity to redefine insider trading so as to catch only dis-honest conduct. The current wording of the prohibition includes all kinds of honest trades and even due diligence as not being fully kosher. A clear definition excluding

honest conduct through special safe harbor rules would have been very helpful.

Code of Conduct under the PIT Regulations: The Committee has recommended that there should be a separate code of conduct for listed entities and intermediaries, as was present in the erstwhile PIT Regulations of 1992. Further, the Report provides for inclusion of a broad definition of 'designated person', instead of leaving it to the discretion of the listed entities. Although providing an indicative list is a welcome move, however to implement such changes, the definitions of certain terms will need to be reconsidered, for instance, the term 'promoter' includes 'promoter group'; however, all members of promoter group should not be considered as designated persons.

Surveillance, Investigation, and Enforcement: One of the recommendations under this chapter is to expand the existing powers of SEBI from seeking call records to intercepting conversations. In the light of recent judgment of the Supreme Court holding 'Right to Privacy' as a fundamental right and the pending Personal Data Protection Bill of 2018, it will be interesting to see as to whether this recommendation will see the light of the day. We believe, this power should not be given to SEBI, as it would cause insurmountable privacy problems.

TIGHTENING THE FPI REGIME - IS IT A MOVE IN THE RIGHT DIRECTION?

SEBI vide a circular dated April 10, 2018 ("**April Circular**"), inter alia barred non-resident Indians ("**NRIs**") and overseas citizens of India ("**OCIs**") from being beneficial owners ("**BOs**") of a foreign portfolio investor ("**FPI**"). The April Circular raised apprehensions among the NRI/OCI community as foreign funds managed/controlled by NRIs/OCIs may have had to exit the Indian securities market

The April Circular borrowed the definition of BOs from Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 ("**PMLA Rules**"). To determine whether an individual is a BO, two primary tests have been laid down in the April Circular, namely, i) the economic interest test, and ii) the control test. Under the economic interest test, an NRI/OCI is considered to enjoy economic interest over an entity if he holds a minimum controlling ownership interest in the entity. Under the control test, an NRI/OCI will be considered to exercise control over an entity if he has control over the affairs of the FPI, including having management rights. Imposing a blanket ban on NRIs/OCIs based on the

aforesaid tests may have unintended consequences. For instance, an OCI who is an investment manager and has intricate knowledge about the Indian securities market will now be barred from managing an FPI, even if he has no economic interest in the firm except for receiving remuneration for managing the fund.

The working group headed by Mr. H R Khan constituted to review inter alia the April Circular, has in its interim report ("**IR**") addressed some of these concerns of the stakeholders. The IR has recommended that the definition of BO should be used to identify NRIs/OCIs strictly for the purposes of KYC requirements and such NRIs/OCIs should not be restricted from being constituents of FPIs. According to the new eligibility criteria recommended in the IR, NRIs/OCIs should be permitted to be constituents of FPIs provided their percentage holdings in the asset under management of the FPIs stays below the prescribed threshold.

However, the IR endorses the "control test" and recommends that NRIs/OCIs should not be in control of an FPI. Under such

circumstances, NRIs/OCIs who satisfy the "control test" by inter alia holding 'management shares' or 'management rights' in an FPI shall be barred from managing such an FPI, even if they enjoy no controlling ownership interest.

Further, both the April Circular and the IR seems to have clubbed the terms 'NRI' and 'OCI' in the same basket even though they are substantially different from each other. While NRIs are citizens of India living abroad, OCIs are individuals who are foreign citizens with an Indian lineage and who voluntarily opt for an OCI card for various benefits including hassle-free travel to India. Based on the major difference in the definitions of 'NRI' and 'OCI' and the fact that the SEBI (Foreign Portfolio Investors) Regulations, 2014 ("**FPI Regulations**") only bars NRIs and not OCIs, no restrictions under the FPI Regulations should be imposed on OCIs for controlling/managing FPIs.

Although the IR has allayed the fears of market participants, the concerns highlighted above ought to be considered by SEBI.

REVIEW OF SEBI'S ENFORCEMENT AND SETTLEMENT MECHANISM

A high-level committee under the chairmanship of Justice A. R Dave (retd.) ("**Committee**") has reviewed the enforcement and settlement mechanism of SEBI and suggested changes to the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 ("**Settlement Regulations**"). The Committee submitted its report on August 10, 2018 ("**Report**") along with a proposal for replacing the Settlement Regulations with the new SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2018 ("**New Settlement Regulations**"). The primary objective of the Committee was to enhance settlement as a tool of enforcement and to address concerns regarding accountability and responsibility in a more cost-effective, less time-consuming manner. Here are some key take aways from the Report and the New Settlement Regulations.

Broader applicability: The Committee proposes that the settlement mechanism of SEBI should be applicable to all laws administered by SEBI as opposed to a limited set of laws. This will make SEBI's settlement mechanism comprehensive

towards all issues that arise under the securities laws of the country.

Limitations on settlement: Certain serious violations (such as those involving fraud, insider trading, front-running, misstatements in offer documents, etc.) are often excluded from settlement as the ability to settle may lead to a moral hazard and encourage willful violations. At present, the Settlement Regulations provide a broad list of violations which cannot be settled. However, the Committee felt that the determination of defaults which cannot be settled should be made principle-based (depending on the facts and circumstances of each case) as opposed to a blanket ban on settlement. The test would consider whether an alleged default (a) has market wide impact, (b) has caused losses to a large number of investors, or (c) affected the integrity of the market. Nevertheless, settlement of serious violations would be subject to various conditions. The Committee has also proposed a limitation period for filing a settlement application to avoid forum shopping and to encourage timely resolution.

Efficiency: Recommendations have been made with respect to increasing the efficiency of the settlement process by clarifying the interplay between and the effect of a settlement application on ongoing proceedings and the Committee emphasized the need for issuing interim directions to protect the interests of investors and maintain the integrity of the securities market, irrespective of a settlement application.

Confidentiality: Currently, the Settlement Regulation do not have a provision for settlement with confidentiality. The Committee has recommended a provision for settlement with confidentiality. As per the Committee, confidentiality would be multi-faceted and depend on the nature of assistance provided to SEBI.

The Report has highlighted some of the major shortfalls of the Settlement Regulations and the New Settlement Regulations are a positive step towards a robust settlement mechanism which would facilitate adequate sanction and deterrence without long drawn litigation.

SEBI CLARIFICATION ON DEMATERIALISATION OF SECURITIES

In line with its sustained move towards dematerialisation and considering the recent Sharepro scam, SEBI has recently amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") to mandate that any transfer of securities shall be processed only if such securities are held in a dematerialised form.

Dematerialisation is a process wherein the physical certificates of securities of an investor are converted into an electronic form. Pre-amendment, both the Listing Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

required only promoters and the promoter group to maintain their shareholding in a dematerialised form. Now, the amendment prohibits any transfer of securities, even those of public shareholders, if the securities are not held in a dematerialised form.

On receiving various queries regarding the amendment, SEBI issued a clarification on August 10, 2018 stating that, while transfer of only dematerialised securities will be permitted from December 05, 2018 (when the amendment shall come into force), investors are not prohibited from holding securities in the physical form. Any investor

holding physical certificates after December 05, 2018 can transfer the securities by converting them into the dematerialised form. Further, it is reiterated that, as stated in the amendment, transmission and transposition of securities can still happen in the physical form.

Dematerialised shares significantly reduce the risk of fraudulent or manipulative transactions that may go undetected in case of physical share certificates. SEBI's decision to only permit the transfer of dematerialised securities will increase the ease, convenience, and safety of transactions for the investors.

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ANALYZING CIRCULARS (05 AUGUST TO 08 SEPTEMBER 2018)

Regulator	Important Circular's Title For The Period
SEBI-Public Comments	Interim Report of working group on KYC Requirements for FPIs-->> SEBI initiated a public consultation process for finalising new guidelines for suggested changes- allowing NRIs, Overseas Citizens of India (OCIs) and Resident Indians to be allowed to hold non-controlling stake in FPIs and no restriction should be imposed on them to manage non-investing FPIs or SEBI-registered offshore funds, as also in case of registered investment managers.~~The panel suggested that erstwhile PIOs (Persons of Indian Origin) should not be subjected to any restrictions, while it has recommended allowing clubbing of investment limits for well-regulated and publicly held FPIs (foreign portfolio investors) having common control.~~It has also favoured doing away with additional KYC documentation requirements for beneficial owners in case of government-related FPIs.~~Changes have also been suggested regarding identification of senior managing official (SMO) of FPIs and for beneficial owners (BO)of listed entities, as also regarding disclosure of personal information.~~However, all new rules to apply equally to those investors using the ODIs (P-Notes).~~Panel has suggested giving 6 months to FPIs for compliance to new rules, after they are finalised, while the non-compliant investors can be given further 180 days to wind down their existing positions.~~Panel is also examining separately whether any recommendation to merge the FPI and NRI/OCI routes of investment can be made to the government and RBI.~~Also recommended that SEBI to clarify suitable actions that FPIs need to take for divestment or re-classification of holdings as per the FDI limits, after consulting with RBI.~~Further SEBI to consult government to evolve a more objective criteria for defining high-risk jurisdictions~~Public comments expected latest by September 17, 2018
SEBI	Master Circular for Commodity Derivatives Market -->> Master Circular is a compilation of all the existing/applicable circulars issued by Investment Management Department of SEBI to Commodity Derivatives Market.
SEBI/BSE/NSE	Extension of Trading hours of Securities Lending and Borrowing (SLB) Segment -->> Trading hours in the SLB Segment is extended and will be between 9 AM and 5 PM in order to facilitate physical settlement of equity derivatives contracts and Exchange/Clearing Corporation should assure risk management system and infrastructure commensurate to the trading hours in place. Further for CP code/Client Code modification timings are extended to 5:15 PM/Custodial confirmation upto 6pm and finally Final obligation to Participants and Custodians will be upto 7pm
SEBI/BSE/NSE/CDSL/NSDL	Amendment to SEBI Circular No. CIR/IMD/FPIC/CIR/P/2018/64 dated April 10, 2018 on Know Your Client Requirements for Foreign Portfolio Investors (FPIs) -->> Timelines for submissions is extended to December 31, 2018 instead of within six months of April 10, 2018, for specified submissions on KYC Requirements for FPIs.
SEBI/BSE/NSE/CDSL/NSDL	Streamlining process of public issue under the SEBI (ILDS) Regulations, 2008, SEBI (Issue and Listing of Non -Convertible Redeemable Preference Shares) Regulations, 2013, SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 -->> SCSBs or intermediaries shall provide guidance to their investors on making applications in public issues and are advised to take necessary steps to ensure compliance with the requirements necessary to be complied with within timeliness specified in Annexure to reduce the time taken for closure of the issue to 6 working days as against the present requirement of 12 working days and to develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of applications and allotments through SMS and E-mail alerts to the investors.
SEBI	Electronic book mechanism for issuance of securities on private placement basis - Clarifications -->> Additional facilities for rationalizing and ease the process of issuance of securities on EBP platform such as, Permitting closed bidding on EBP platform without real time dissemination of bids, Permitting investors to place multiple bids , Allotment to be done on the basis of "yield priority",but in case of multiple bids allotment will be done on the basis of time priority and will be pro rata for same yield/time, Pay-in of funds towards an issue on EBP be permitted through clearing house or an escrow account and same will be processed in T+1 or T+2 days.
SEBI-Public Comments	Report on Settlement Mechanism by the High Level Committee to Review the Enforcement and Settlement Mechanism -->> Study is to review the enforcement and settlement mechanism of SEBI and primary objective being enhancing settlement as a tool of enforcement.~~Report is structured to cover: Part I: brief background of the evolution of settlement proceedings and need for the present review;~~ Part II: Discusses the global scenario in relation to enforcement proceedings.~~Part III: key recommendations and their rationale in view of the issues deliberated.~~Part IV: Details the comparison between the existing SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and the proposed Regulations; and~~Part V: Contains the draft of proposed Regulations.~~Further public comments on Recommendations to invited latest by September 1, 2018

SEBI	Enhanced monitoring of Qualified Registrars to an Issue and Share Transfer Agents -->> SEBI constituted a Committee to review the regulations and relevant circulars pertaining to Market Infrastructure Institutions (MIs) where QRTAs are advised to formulate and implement a comprehensive policy framework, approved by the Board of Directors ("BoD") of the QRTAs, which shall include the following aspects: Risk Management Policy, Business Continuity Plan, Manner of keeping records, Wind-down Plan, Data Access and Data Protection Policy, Ensuring Integrity of Operations, Scalable infrastructure, BoD/ Committees of BoD of QRTAs, Investor Services and Service Standards, Insurance against Risks
SEBI-Public Comments	SEBI seeks public comments on Report submitted by the Committee on Fair Market Conduct -->> The mandate was to review relevant SEBI regulations to deal with market abuse and current SEBI surveillance, investigation and enforcement mechanisms, for enhancement of effective protection of market integrity and investors from market abuse, with the following terms of reference:~~Review of SEBI (PIT)Regulations, 2015 and SEBI (PFUTP) Regulations, 2003 more particularly w.r.t Trading Plans, handling of UPSI during takeovers and alignment of Insider Trading Regulations with the Companies Act provisions.~~Suggest short term and medium term measures for improved surveillance of markets as well as issues relating to high frequency trades, harnessing of technology and analytics in surveillance.~~The report includes changes needed to be carried out in the SEBI Act or the relevant Regulations as follows: 1. Market manipulation and suggestions relating to the SEBI (PFUTP) Regulations. 2. Insider trading and suggestions relating to SEBI (PIT) Regulations. 3. Recommendations related to the Code of Conduct for market intermediaries, listed companies and other fiduciaries. 4. Regulatory measures to enhance surveillance, investigation and enforcement. Comments to be given latest by August 24, 2018.
SEBI-PRESS RELEASE/NSDL	Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a depository -->> The amendment does not prohibit the investor from holding the shares in physical form, and has the option to held in physical form even after December 5, 2018.~~Amendments is not applicable for transmission and transposition of shares and Further applicant desirous of transferring shares held in physical form after December 5, 2018 can do so only after the shares are dematerialized.
SEBI-INFORMAL GUIDANCE	Informal Guidance - in the matter of Hawkins Cookers Limited under SEBI (Prohibition of Insider Trading) Regulations, 2015 -->> As per PIT regulation, director is required to submit a trading plan which would be reviewed by the compliance officer and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.~~Further in absence of an approved trading plan, designated persons are subject to the requirements of code of conduct formulated company in terms of regulation 9 read with schedule B to the PIT Regulations.
BSE	Amendment to Capital Market Segment Regulations of the Exchange -->> Exchange has inserted new regulation that it may offer on its platform for buying/selling/ subscribing /redeeming/ transacting in various types of units, products or securities other than those specifically covered in Regulation 3.1.1, in accordance with the regulatory framework which shall apply to dealing in such units, products and securities offered by Exchange through its platform(s).
BSE	Trading system APIs for Commodity Derivatives segment – Update -->> On account of introduction of Commodity Derivatives segment, new segment identifier has been added to some of the messages wherever required in "Activity time" & "Algo ID" in order and trade related messages .~~Thus new version of APIs have been made available for Commodity Derivatives segment in the simulation test environment –ETI API ver. 1.6.2 (including ETI template), IML API ver. 7.12 & IML exe ver.11.10
BSE	Transaction charges for Futures and Options contracts on Cross Currency Pairs -->> Exchange decision regarding non levy of transaction charges on the trades done in futures and options contracts on Cross Currency Pairs (EUR-USD, GBP-USD and USD-JPY) till August 31, 2018 has been extended for a further period of one year from September 01, 2018 to August 31, 2019.
BSE/NSE	Additional Surveillance Measure (ASM) - Update-->> The review criteria is revised to Six Criteria based on corporate action adjusted High low price variation, Concentration of top 25 clients, CA adj Close to close price variation, market capitalisation, price band variation, PE variation monthly and average volume variation compared to NSE+BSE+Niftyconstituents and concentration and delivery % in top 25 clients (bulk/block excluded) , for failure to above criteria scrip will be moved out from ASM with effect from T+5 days. PE factor is applicable for selection of stocks in the ASM .Securities under PSU, GSM , Derivative products, T2T is excluded from the process of shortlisting under ASM. PE ratio is an important factor to place scrip under T2T and ASM segment.
BSE/NSE	Securities Transaction Tax (STT) on physical settlement of stock derivatives -->> STT for delivery based equity transaction i.e. @ 0.10% shall also be applicable on the physically settled stock derivatives (both Futures and Options) and said STT will be payable by both Purchaser (receiver) as well as by the Seller (giver) of the securities. The same shall be effective from July 26, 2018.~~ The Structure of STT file for TM (STT03) and STT file for CM (STT04) are modified w.e.f. August 30, 2018.

BSE/NSE	Standardisation of Register of Securities, Holding Statement, Bank Book and Client Ledger -->> Standardized formats across exchanges, effective from December 01, 2018, for maintenance of books of accounts / records to ensure uniformity across all Stock brokers, a standard format for Register of Securities, Holding Statement, Bank Book and Client Ledger is finalised and enclosed in Annexure A~~The standardisation will entail changes in back office~~Exchanges in due course with frequency information may seek periodic upload of data relating to funds and securities in the manner prescribed in the formats.~~Detailed guidelines for across exchange information, column wise and conceptual understanding enclosed for each of the format of Register of Securities (ROS), Holding statement, Bank book, Fund ledger.
BSE	Reversal Trade Prevention Check (RTPC) - Update -->> RTPC to be made applicable on all contracts in the Equity Derivatives except for Futures contracts on Stocks & S&P BSE Sensex for all market participants.~~Further, relevant provisions on Introduction of LES on Monthly Single Stock Options and Index options with respect to RTPC for Market Maker, shall remain unchanged.~~For Market Maker , it was detailed as RTPC exemption will be only in monthly option contracts of current and near month only of Equity Derivatives segment. to be provided to market maker on registration for securities for which application has been done to act as a market maker.~~Quoting obligation specified will be mandatory for market makers to be eligible for RTPC exemption and is applicable at client level and not at member level.~~Condition of Suspension and Prohibition of Market Makers is also detailed in the annexure.
BSE	Mock Trading on Saturday, September 01, 2018 -->> Exchange has scheduled a mock trading session on Saturday, September 01, 2018. New version of BOLT TWS, ver. 77.00 (CD) /BOLT TWS, ver. 77.00 / IML API 7.11 and Exe version 11.00 (F&O) & (CM) shall be released for live trading with effect from Monday, 03rd September, 2018.
BSE	Change in derivative asset code of derivatives contracts on S&P BSE SENSEX50 in equity derivatives segment -->> Existing Asset code of derivatives contracts on S&P BSE SENSEX50(SX50) will be changed to INDIA50 (IN50) in equity derivatives segment with effect from August 31, 2018.
BSE	Revision in transaction charges in Eq.Derivatives Segment -->> Transaction charges in Index/Stock options in Eq. derivatives segment shall be waived off and Further there is no change in Index/Stock futures transaction charges structure w.e.f Sept 01, 2018.
BSE	Acceptance of Fixed Deposit Receipts (FDRs) in electronic form towards Base Minimum Capital -->> Exchange shall be accepting Fixed Deposit Receipts in electronic form (E-FDR), issued by HDFC Bank in favour of BSE Limited towards Base Minimum Capital (BMC) w.e.f September 1, 2018.~~Process for withdrawal of E-FDR will be same as the existing process for withdrawal.
BSE	Indicative list of penalties/actions for audit observations in the Internal Audit Report for half year ended March 31, 2018 -->> Exchange has provided a penalty structure to broker for adverse observations accepted by the management in internal audit reports filed for the first time and for the immediately succeeding half yearly period.~~Penalty ranges from Rs 1000 as normal penalty per observation and Rs 1500 as incremental penalty, detail are given in annexure.
BSE/NSE	Graded Surveillance Measure (GSM) - Update -->> It is further clarified that securities shortlisted under Criteria II w.r.t market capitalisation, and PE with reference to Benchmark indices. for placing directly under GSM Stage I, shall attract all provisions of GSM framework as applicable to securities shortlisted under Criteria I. This will be applicable from ensuing quarterly review.
BSE/NSE	Applicability of Additional Surveillance Measure (ASM) - Update -->> The review criteria is revised to Six Criteria based on corporate action adjusted High low price variation, Concentration of top 25 clients, CA adj Close to close price variation, market capitalisation, price band variation, Monthly and average volume variation (new criteria), PE factor is applicable for selection of stocks in the ASM .Securities under PSU, GSM , Derivative products, T2T is excluded from the process of shortlisting under ASM. PE ratio is an important factor to place scrip under T2T and ASM segment.
BSE	Introduction of Liquidity Enhancement Scheme (LES) on Monthly Single Stock Options and Index options -->> Exchange shall be launching the Liquidity Enhancement Scheme (LES) on Monthly Single Stock Options and Index options of equity derivative segment and monitor performance of the programme including presence of market makers and their compliance with the quote obligations through a mix of online and offline monitoring tools w.e.f September 01, 2018.
BSE	Introduction of new file for Regulatory Indicators -->> New file containing security-wise identifiers for ASM, SMS and IRP will be available on daily basis w.e.f EOD- August 10, 2018.~~ Further existing indicators related to GSM will be included in this file and new file will be available in Extranet as well as on the Exchange website along with the scrip master file for Equity segment. It is important that Members update these categories in surveillance system to track and control suspicious activities
BSE	Role of Sub-Broker (SB) via-a-vis Authorised 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.
BSE	Release of BOLT TWS ver. 76.30 -->> New version of BOLT TWS ver. 76.30 to be released & made live with effect from August 13, 2018, COMPULSORY version release for members using BOLT TWS for Trading in Currency Derivatives and OPTIONAL version release in Equity and Equity Derivatives segments.~~Warning alerts for GSM/ ASM/ Unsolicited SMS/ IRP before order placement and Enhancement in scrip blocking feature using BOLT TWS Admin are being introduced in new version.
BSE	SEBI renewal fees for sub brokers registered during the period (April 01, 2013 to March 31, 2014) and (April 01, 2008 to March 31, 2009.) -->> Existing sub brokers required to pay renewal fees to SEBI for financial year 2018-19 and accordingly, the Exchange to debit SEBI sub broker renewal fees of Rs.2000/- per sub broker from the settlement account of the resp. TM on August 13, 2018 and remitting the same to SEBI.
BSE	Amendment in Existing Criteria of Migration from SME Platform to the Main Board -->> Migration to the main board from the SME Board within two years of listing on SME platform of BSE has to fulfil conditions namely having the increase in post issue face value capital beyond Rs 25 crores which should arise only because of merger/acquisition or for expansion purposes, minimum TO of Rs. 100 crores, minimum PAT of Rs 10 crores for two years out of three and no action against the company by any regulatory agency w.e.f. August 13, 2018.
BSE	Mock Trading on Saturday, August 11, 2018 for Currency Derivatives segment -->> The Exchange has scheduled a mock trading session for Currency Derivatives segment on August 11, 2018.~~COMPULSORY version release- New version of BOLT TWS, ver. 76.30 for live trading, New IML API 7.11 and Exe version 11.00 shall be released in Currency Derivatives segment with effect from Monday, 13th August, 2018. New ETI API version 1.6.1 shall be made mandatory release in live environment from 13th August, 2018.
NSE	Revised Dominant Promoter Norms -->> Detailed elaboration of Constitution of DPG for Exchange membership for <ul style="list-style-type: none"> • Unlisted Corporate Trading Member • Listed Corporate Trading Member • It further details how Corporate shareholder are allowed to be identified as dominant shareholders (DPG) and how Banks, central or state government owned Finance and/or Development Institutions can be part of DPG. • There is comprehensive explanation as to how Foreign Entities seeking Exchange Membership through their Indian subsidiary under the automatic approval route by government subject to RBI approval. • Prior Approval from Exchange mandatory for any change in the shareholding / sharing pattern of the TM, corporate/ firm or the corporate shareholder (s)/ identified as dominant promoter (s). • Circular details conditions when change in shareholding is not construed as change in control / reconstitution of TM and also explains scenarios of Change in shareholding construed as change in control / reconstitution of TM.
NSE	Delivery margins for Physical Settlement in Equity Derivatives -->> Delivery margins shall be levied on potential ITM long option positions 4 trading days prior to expiry of derivative contract for delivery settlement which shall be computed on daily basis based on closing price in the underlying Capital Market on respective day and ITM positions shall be valued at strike price for delivery margins.~~Further Delivery margin on potential ITM long option positions shall be levied at client level and collected from CM in a staggered manner at 20%, 40%, 60%, 80% of Delivery margins computed on Expiry 4,3,2,1 EOD.~~ Delivery margins on potential ITM long option positions collected to be included in the client margin reporting for CM and TM.
NSE	NEAT Corporate Manager password reset through ENIT for SLB -->> Members can now submit request for password reset of NEAT Corporate Manager Id for CM Segment through ENIT for faster processing and online tracking from Monday, September 10, 2018.~~Path to login ENIT and access the module is Trading> Corp Mgr Password Reset.
NSE	Revised file format of Daily File for Exposure Margin -->> Daily File for Exposure Margin (ael_ DDMMYYYY.csv) is modified to include information regarding Index Futures and Options.~~ The revised file format (changes highlighted) and sample file is provided in Annexure I and Annexure II respectively.
NSE	Data required for computation of Securities Transaction Price Index (STPI) -->> Members are requested to provide the data every quarter on regular basis by 12th of succeeding month for construction of the STPI as per format prescribed in annexure.~~Further members to ensure that frequency of providing data would be quarterly in excel form and name of excel file should be a combination of member code and quarter in the format prescribed. Data for period Apr-June 2013 quarter to Apr-June 2018 quarter latest by September 14, 2018 and for Quarter thereafter to be provided subsequently on regular basis by 12th of next month.
NSE	Introducing Surrender Module on ENIT NEW COMPLIANCE -->> Exchange announces launch of new 'Surrender Module' on ENIT NEW COMPLIANCE w.e.f. September 04, 2018.~~Module to update status of application at different stages of a the entire surrender procedure Application will be verified on the module itself in order to avoid any deficiency when the physical copy is submitted to the Exchange. Discrepancy at any stage, will be updated on the module along with a mail intimation to the member

NSE	STT on Physical Settlement in Equity Derivatives -->> An information pertaining to additional STT for physically settled contracts to be collected from Member along with applicable interest, shall be provided on September 04, 2018 as per specified file formats of TM/CM as given in annexure
NSE	Extension in waiver of membership registration fee for membership of NMF II platform -->> Waiver of One-time non-refundable membership registration fee of Rs.2000/-(plus applicable taxes)is extended for another three months i.e. period from September 11, 2018 to December 10, 2018 on account of encouraging response received from market participants.
NSE	Revision of documents for Enablement of Tri party repo product on Debt Segment -->> Members can avail trading rights on the Tri-Party Repo market platform of the Debt Segment by submitting documents of Existing TM and CM of Debt segment intending to get enabled for Tri Party Repo Market, Agreement and Board resolution/Authorization letter.~~ The mentioned documents are available in Annexure and on the Exchange website URL: https://debt.nseindia.com/membership/content/submitDocs.htm
NSE	Additional Surveillance Margin in Equity Derivatives Segment->> ASM shall be levied on all gross open positions on futures contracts and on short positions in options contracts and restricted to 2% only in Out-of-the-money index option contracts.ASM shall be added to the applicable EM.In view of same, ASM based on the scenarios of market rise (17.74%) and market fall (20%) shall be discontinued with effect from September 28, 2018. ~~Clearing Corporation shall continue to monitor all client- level positions as well as open interest in derivatives based on sectoral indices (particularly where top 3 stocks collectively constitute more than 50% of the weightage in the index), and, if required, may impose higher margins.
NSE	Formats for acceptance of collaterals -->> On account of recent change in name of Clearing Corporation from “NSCCL” to “NCL”, members to provide any fresh/renewal of collaterals as per the revised formats which for various collaterals are provided in Annexure.~~For FDR provided by member as collateral and deposited with Clearing Corporation, FDR should be issued in favour of “NSE Clearing Ltd A/c Member name”
NSE	Transaction charges for Cross Currency Futures and Options Contracts -->> Exchange decided that no transaction charges will be levied on the trades done in Cross Currency F&O contracts in the CD segment of Exchange till August 31, 2018 and the same is extended for a further period of 7 months from Sep 01, 2018 to Mar 31, 2019.
NSE	New ENIT - Connectivity modules -->> All existing member service modules (TCP IP, Colocation, Enablement etc.) shall be migrated to new technology in a phased manner.~~In the first phase, the 9 mentioned modules are being migrated and Members can access from ENIT-NEW-TRADE.~~Existing users having access to existing ENIT-Trade tab can access to new modules by default w.e.f. September 3, 2018.
NSE	New Windows UDP Server -->> Exchange is issuing new Windows UDP server~~New Windows UDP server with setup name UDPSEVER v4.01.00.exe made available from August 31, 2018 17:00 hours onwards on Extranet path: /common/UDP401~~ Existing Windows UDP server version required to be replaced with the New Windows UDP server (version v4.01.00) by October 05, 2018 and existing Windows UDP server version shall be discontinued w.e.f October 06, 2018.~~Instructions for installation and configuration given in the manual on extranet specified path.
NSE	Additional Report in SLBM Scheme -->> In Addition to all existing reports, a provisional report shall be downloaded w.e.f 27th Aug, 2018, only to Borrowing Participants on 'T' day specifying Lending Price value along with the provisional margin amounts on shares borrowed which shall be levied on T+ 1 day.
NSE	Mock trading on Saturday, September 01, 2018 - -->> Exchange is introducing new version of NEAT CDS 3.2.3 (CD)/ NEAT F&O 9.4.5 and NEAT+ 7.2.9.(F&O)/ NEAT 9.36.0 & NEAT+ 7.2.9. (Cash) and conducting mock trading session on September 01, 2018. Installation procedure / Precautions and other details are available in Annexure.
NSE	Proposed File Formats for Commodity Derivatives Segment -->> Commodity Derivatives Segment is being launched in order to permit trading of commodity derivatives and other segments of securities market on single exchange ~~ Proposed formats for the enclosed as ANNEXURE.~~Members to ensure relevant changes to introduce new exchange segment in resp. Front,Back office,Surveillance and RMS systems.
NSE	File format for SPAN Risk Parameter and Portfolio file -->> Format of “undPe” and “Pe” tags in “pos” files have been changed from 'YYYYMM' format to 'YYYYMMDD' format w.e.f. August 27, 2018.~~ The changes in SPAN file shall be as per Annexure and Effective date for implementation of revised file format of “undPe” and “Pe” tags in “pos” files is postponed and will be applicable from September 03, 2018.
NSE	Revision in member wise bank wise limits prescribed for acceptance of Bank Guarantee towards collaterals (SLB/DEBT/Equity/F&O/CD) -->> The maximum member wise bank wise bank guarantee limit Applicable total limit per clearing member across all the segments / schemes for PCM in F&O and CD segment and Custodian Clearing member in CM Segment, TCM in F&O and CD segment, Other categories is Rs 250 Crores, Rs 125 Crores, Rs 50 Crores respectively with effect from August 16, 2018.~~The maximum value of bank guarantees that can be issued by the primary clearing bank on behalf of their CM to PCM in F&O and CD segment and Custodian Clearing member in CM Segment, Trading Cum Clearing Members in F&O and CD segment, Other categories is Rs 312.50 Crores, Rs 156.25 Crores , Rs 62.50 Crores respectively with effect from August 16, 2018.

NSE	Digital submission of 'Colocation as a Service'(CaaS) application -->> Vendors are requested to login on https://www.connect2nse.com/ENITInternal/VendorLogin.jsp and submit the applications for “CaaS” and upload the Undertaking as per format mentioned in Annexure I and Service Provider Agreement in Annexure II while submitting the request for rack allotment and TM enrolment respectively.~~Applicants for IPs under the “CaaS” scheme may submit their request via ENIT (path: ENIT > Membership > Colocation> IP Activation)
CDSL	Capturing Consideration Payment Details In CDSLSystem -->> If reason for off-market transfer mentioned in DIS by client is ‘For Off-Market Sale/Purchase’ where ‘Consideration Amount’ is mandatory, DPs required to mandatorily obtain, Payment Mode, Bank Account Number, Bank Name, Branch Name, Transferee Name, Date of Issue / Transfer, Cheque / Reference Number details in the DIS from the client.~~DPs to take note of report formats undergoing changes. Revised formats are enclosed as per details. There is no change in file format of DPM6 and DPM7 reports and DPs need to and initiate appropriate changes for the same in their back-office latest by Oct 5, 2018 failing which EOD and Loading of DP57 report in back-office will be failed.
CDSL	Files Available In Billing Folder -->> Various files/reports placed in the billing folder in reports module of CDAS System will be available for DPs to download at the end of period of six months from the month they are placed in the billing folder, Further members to take necessary back up, since restoration of back-dated reports will attract restoration charges.~~The files/reports placed prior to 01-Mar-2018 will not be available for DPs to download with effect from September 10, 2018.
CDSL	Compliance Manual for Depository Participants -->> Updated version of Compliance Manual- a one-point reference for compliance related matters pertaining to depository business updated till June, 2018 enclosed with highlighted changes as Annexure A.
CDSL	Upgradation Rel-Id Client Software At User End -->> Upgradation of CDSL Secure App client software at user end for enhancement of operation of authentication system.Client end upgradation will be initiated in batches with effect from 20th August 2018.
CDSL	Rematerialisation of Securities -->> DPs should ensure mentioning of correct value of ‘number of securities per certificate’ so that Remat tariff which is charged either on the basis of number of certificates (i.e. Rs 10/- per certificate) or number of securities being rematerialised (i.e.Rs 10/- per 100 securities subject to maximum fee of Rs 5Lakhs) whichever is higher is charged correctly and thus avoid additional amount of remat charges in the DP monthly billing.
CDSL	Introduction Of Online Payment Facility -->> User can opt to make the payment / update the payment details if payment has already been made through NEFT / RTGS / Cheque / Demad Draft / Pay Order Pay by Bill No or Login Credentials or Online payment through NEFT / RTGS / Cheque / Demand Draft / Pay Order etc.
CDSL	Updation Of Nil Bank Account Details In Demat Account -->> The list of demat accounts with NIL bank details BO IDs have been kept in the respective billing folder of DPs with the file name as BLNG_Bank_NilDetails.tar. DPs to take necessary steps towards updation of bank details in clients demat account.
NSDL	Submission of additional information along with Demat Request Form (DRF) -->> Participants along with DRF need to enclose duly certified Client Master Report printed or covering letter generated either from the DPM system or from Participant’s BO system.~~Further covering letter generated from the DPM system for forwarding the demat request is being enhanced to incorporate the same.
NSDL	Internal and Concurrent Audit for depository operations. NSDL/POLICY/2018/0042 -->> Addition of control points in Internal audit report and revised format applicable for audit period April 1, 2018 to September 30, 2018 and onwards.~~Internal and Concurrent Audit for depository operations-DP should submit the audit report to NSDL for period April 1 to September 30 on or before November 15.~~The audit report format has been modified and enclosed as Annexure 1 in track change mode and as Annexure 2 (without highlighting the changes).
NSDL	Facility for upload / download of Investor Grievance related correspondence through e-PASS. -->> NSDL developed a facility for upload and download of Investor Grievance related correspondence through online portal provided by NSDL i.e. ePASS (https://www.epass.nsdl.com/epass/) in order to reduce time involved in sending physical letters to Participants regarding investor complaints and the same shall be effective from August 6, 2018 and current procedure of sending the complaints via letters/ emails will be discontinued. The procedure for upload/download of Investor Grievance related correspondence through e-PASS is enclosed at Annexure 1 and scan copy of replies/ responses for Investor Grievances need to be uploaded by Participants on e-PASS in .PDF format only.

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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OPPORTUNITIES FOR FOREIGN PORTFOLIO INVESTORS (FPI) AT GIFT IFSC

By Vishal Garodia (ACS, B.com)
Assistant Manager – IFSC SEZ

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

1.0. Synopsis of the previous release

In our last release we discussed on various products offered by the Stock Exchanges located at IFSC for FPIs in India and the related tax and other benefits available for FPIs.

2.0. Coverage in the current release

In the current release, we shall discuss about various circulars released by SEBI in relation to FPIs, the understanding of which is critical to the existing and potential FPIs. We shall also discuss about the Segregated Nominee Account (SNA) Structure which has been implemented in IFSC.

3.0. Other SEBI Circulars for FPIs

3.1. Enhancement of long term position limit in Interest Rate Future (As per SEBI Circular No. IMD/FPIC/CIR/P/2018/46 dated March 08, 2018)

As proposed by the Reserve Bank of India, SEBI has enhanced the limit to INR 5,000 crores to take long term position in Interest Rate Futures for FPIs in order to facilitate further market development and also to ensure that FPIs access to bond futures remains uninterrupted during the phase when FPI limits on Government securities are under auction.

For each interest rate futures instrument, position of FPIs with a net long position will be aggregated. FPIs with a net short position will not be reckoned for the above purpose. However, the net long position cannot be in excess of INR 1,800 crore at any point of time.

3.2. Segregated Nominee Account Structure (SNA) (As per SEBI Circular

No. SEBI/HO/MRD/DRMNP/CIR/P/2018/83 dated May 24, 2018)

With a view to further facilitate ease of market access for foreign investors in IFSC, orders of foreign investors may be routed through Segregated Nominee Account (SNA), for trading on stock exchanges in IFSC while adhering to regulatory requirements relating to identification of end-client, Unique Client Code, order placement at client level, client level margining and position limits as prescribed. As proposed by the regulator, carrying out proper due diligence of the clients shall be the duty of the providers before offering them any services including standards such as Know Your Client (KYC) and Anti Money Laundering (AML). In order to ensure that one provider opens only one SNA, every provider has been allotted a Legal Entity Identifier (LEI) code.

As proposed by the Reserve Bank of India, SEBI has enhanced the limit to INR 5,000 crores to take long term position in Interest Rate Futures for FPIs in order to facilitate further market development and also to ensure that FPIs access to bond futures remains uninterrupted during the phase when FPI limits on Government securities are under auction.

3.3. Investment by FPIs through primary market issuances (As per SEBI Circular No. IMD/FPIC/CIR/P/2018/114 dated July 13, 2018)

The purchase of equity shares of a company by a single FPI or an investor group shall be below 10% of the total issued capital of the company in case of primary market issuance. In case, the same set of ultimate beneficial owner(s) invest through multiple entities, such entities shall be treated as part of same investor group and the investment limits of all such entities shall be clubbed for the investment limit as applicable to a single foreign portfolio investor.

To ensure compliance with the investment limit, Registrar and Transfer Agents ('RTAs') must obtain the following at the time of finalization of basis of allotment of equity shares to FPIs during primary market issuances:

- For single FPI- Permanent Account Number (PAN) of the investor issued by Income Tax Authorities in India.
- Validation from Depositories for the FPI who have invested in the particular primary market issuance to ensure there is no breach of investment limit within the timelines for issue procedure, as prescribed by SEBI from time to time.

3.4. Extension of time limit in Providing KYC for FPIs

One of the recent circular issued by the market regulator for the FPI regarding fulfilment of certain requirements/compliances can be seen as a privilege by the Foreign Investors. There are few compliances mentioned in the Circular which are to be done by the investors such as submission of list of beneficial owner(s), change/close of structure in the Indian securities market whose structure is not in conformity with the

guidelines laid down by SEBI, those FPIs or their investors identified in accordance with Prevention of Money Laundering Act (Rule No. 9) who are not in conformity with the requirements of the circular and the FPIs whose clubbed investment in equity shares of the company are in breach of the provisions laid down by SEBI, were directed to ensure the compliances for the above mentioned points within the period of 6 months from the date of issue of the circular. But an amendment has been brought in the view which states the extended time for the compliances. All compliances are now to be done within 31st December, 2018.

4.0. Identification and Verification and Reporting

The foreign investors classified as category I, II and III investing at IFSC must comply with the Know Your Client (KYC) requirement which includes reporting of Beneficial Owner (BO). The

concept is very similar to the reporting of Significant Beneficial Owner (SBO) recently notified by the Ministry of Corporate Affairs. The BO being a natural person who owns or controls a FPI as prescribed in PMLA Rules i.e. 25% in case of company and 15% in case of partnership firm, trust & unincorporated association of persons. The materiality threshold referred aforesaid to identify the BO should be first applied at the level of FPI and next look through principle shall be applied to identify the BO of the material shareholder/ owner entity. Only BOs with holdings equal & above the materiality thresholds in the FPI need to be identified through the aforesaid look through principle. The reporting of the BO should be certified by the FPI and only be presented in the format prescribed.

5.0. Conclusion

It is noteworthy that in the past few months, the Government has released various circulars for easing the norms for

FPIs which is a major welcome step for foreign investors. This will open lucrative avenues in GIFT IFSC for foreign investors who were attracted towards other foreign jurisdictions for investment. However, the Government is very clear that only attracting foreign investors would not serve the purpose of developing IFSC but they need to be appropriately managed and the trading members or banking unit opening their account keep their proper and updated KYC including disclosure of BO.

Vishal Garodia (ACS, B.com) is an associate member of the Institute of Company Secretaries of India. He is presently associated with JPNR Corporate Consultants Private Limited as an assistant manager - IFSC SEZ. He has two years of experience in Secretarial Compliances and Corporate Law.



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- soham M³ECP**
- soham PMS**
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THE STATUS OF HOME-BUYERS UNDER THE INSOLVENCY AND BANKRUPTCY CODE (AMENDMENT) ORDINANCE, 2018

By Neha Ahuja
Advocate

To the respite of thousands of home-buyers, the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2018 [hereinafter referred to as "the Ordinance"] has been promulgated on June 6, 2018, whereby the home-buyers have been recognised as financial creditors as recommended by the Insolvency Law Committee. Thereby, the home-buyers will have all the rights of the financial creditors conferred by the Code qua the real estate developers, especially, due representation in the committee of creditors. It is pertinent to note however, that the Ordinance does not specify whether they will be secured or unsecured creditor which is to be determined on the basis of the agreement between the home-buyer and the debtor company. Subsequently, the task of framing the enforcement mechanism has been handed to the IBBI.

Under the previous Code, it would only be after settling claims of resolution professionals & administrators (1), financial creditors (2), workmen (3), employees (4), unsecured financial creditors (5), the government (6) and equity shareholders (7) that homebuyers could stake their claim on whatever was left of the liquidation of assets of a developer. Since the Code did not guarantee much security to them, buyers dealing with insolvency-hit developers have been knocking at the doors of the judicial system to get justice.

After receiving criticism from across quarters, including the Supreme Court, the government set up a 14-member panel to review the code and make it homebuyer-friendly.

After the change in the Code, homebuyers will enjoy the same position as banks if a builder were to go insolvent, shuffle financial institutions might not find agreeable. Their new dominant position would enable buyers to ensure banks do not guard only their interest while deciding on a resolution plan for an insolvent developer.

The Code provides for a waterfall mechanism wherein there are several levels for the order of distribution of proceeds from the sale of liquidated assets. First is the insolvency

resolution process cost and the liquidation costs; then come workmen's dues for the period of twenty-four months preceding the liquidation commencement date and debts owed to a secured creditor, followed by wages and any unpaid dues owed to employees other than workmen for the period of twelve months. Then financial debts owed to unsecured creditors followed by government dues and finally preference shareholders and equity shareholders.

The home-buyers will have all the rights of the financial creditors conferred by the Code qua the real estate developers, especially, due representation in the committee of creditors.

In certain cases, where there was an arrangement wherein it was agreed that the seller of the apartments would pay 'assured returns' to the home buyers till possession of property was given, it has been held that such transactions were in the nature of a loan and constituted a 'financial debt'. Thus, such 'assured return schemes' have been considered as 'financial debt' under the Code. In one case, the balance sheet of the builder showed the buyers as 'investors' and borrowed the amount pursuant to sale purchase agreement for their 'commercial purpose', treating the amount at par with 'loan' in their return. It was held that the amount invested by buyers came within the meaning of 'financial debt'.

The Committee observed that the contracts between the builders and the unit buyers are generally for disbursement of the money by the buyers for the delivery of a building to be constructed in the future. As the amount raised is used as a means of financing the real estate project it is in fact a tool for raising finance. The Committee has held that such amount raised under a real estate project from a home buyer fall within entry (f) of section 5(8). It has reasoned that on a plain reading of the clause it is clear that it is a residuary entry

to cover debt transactions not covered under any other entry and the essence of the entry is that "amount should have been raised under a transaction having the commercial effect of a borrowing." As the amount raised from the buyers are in effect for the purposes of raising finance, and are in fact a means of raising finance, the Committee clarified that the amount so raised from the unit buyers under a real estate project clearly fall within entry (f) of section 5(8) and thus should be considered as a 'financial debt'.

It has thus recommended that home buyers should be treated as financial creditors owing to the unique nature of financing in real estate projects as such classification would enable home buyers to participate equitably in the insolvency resolution process under the Code. The Committee also said that resolution plans have to comply with the provisions of the Real Estate (Regulation and Development) Act, 2016 (RERA). Now it needs to be seen how the proposed recommendations address the uncertainty faced by hundreds of thousands of the distressed home-buyers.

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).



COMPLIANCE REQUIREMENT FOR THE MONTH OF OCTOBER – 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 September 2018	01/10/2018 to 08/10/2018
All Exchanges	Contingency Drill / Mock Trading Session	06/10/2018
PMS	PMS- Uploading of activity report on SEBI portal	05/10/2018
Income Tax	TDS Payment for the Month of September 2018 for Corporate and Individual	07/10/2018
NSE	NSE- Uploading of margin funding file for the month of September 2018	07/10/2018
All Exchanges	Uploading clients' fund balance and securities balance by the stock brokers on stock exchanges system as per SEBI circular of Enhanced supervision.	05/10/2018
Stamp Duty	Payment of Stamp duty: - Security and Commodity Exchanges	10/10/2018
MSE	Uploading of margin funding file for the month of September, 2018.	15/10/2018
BSE / NSE	Submission of compliance certificate by compliance officer for execution of orders for the quarter ended September 2018	15/10/2018
PMS	Half yearly reporting by PMS as per SEBI circular IMD/DOF-1/PMS/Cir-1/2010 dated March 16, 2010	30/10/2018
BSE / NSE / MSE	Statement of Accounts for funds & Securities to clients for the quarter ended 30/09/2018(Non running accounts)	31/10/2018
MCX	Statement of Accounts for funds to clients for the quarter ended 30/09/2018	31/10/2018
NCDEX	Statement of Accounts for funds to clients for the half year ended 30/09/2018	31/10/2018
NSE / BSE	Margin Trading Facility- Submission of Networth & Compliance Certificate for the half year ended 30/09/2018	31/10/2018
NCDEX / MCX	Submission of Annual Returns for F.Y. 2017-2018	31/10/2018
BSE	Submission of Annual Returns for F.Y. 2017-2018	31/10/2018
MSE	Submission of compliance certificate by compliance officer for execution of orders for the quarter ended September 2018	31/10/2018
BSE	No. of STR filed with FIU-IND for the month of September, 2018. (Including NIL STR)	Before 31/10/2018
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.



Delegation from the London Stock Exchange Group (On August, 28th)



Dr. Robert Barnes (Chartered FCSI | Global Head of Primary Markets and CEO Turquoise) addressing



Alok Churiwala (Past Vice - Chairman, BBF) presenting a memento to Dr Robert Barnes



Harin Mehta presenting a memento to Gokul Mani (Head of Primary Markets - Middle East, Africa & India)



Purav Fozder presenting a memento to Mohan Bhuyan (Issuer Services and Customer Relationship Management - India)



Uttam Bagri welcoming the gathering

All India seminars on "Anti-Money Laundering (AML)" under PMLA Act 2002

At Mumbai - 23 August

225+ attendees



Sagar Tanna (Director, TSS Consultancy Pvt Ltd.) addressing

At Ahmedabad - 28 August

60+ attendees



At Delhi - 30 August

80+ attendees



At Kolkata - 4 September

60+ attendees



At Chennai - 7 September

30+ attendees



At Hyderabad - 11 September

35+ attendees



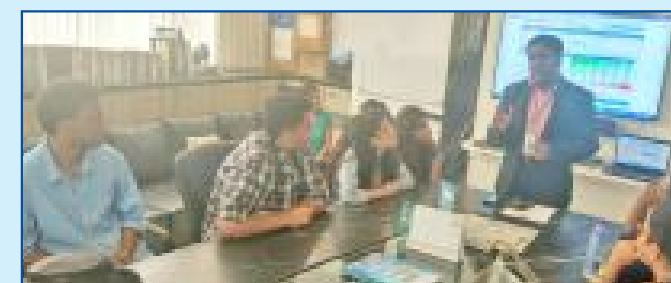
BBF - INVESTOR EDUCATION AND AWARENESS INITIATIVES



S.K. Somaiya Degree College of Arts, Science and Commerce (1st August, At BBF)



Hinduja College of Commerce (7th August, At BBF)



Meghnad Desai Academy of Economics (10th August, At BBF)

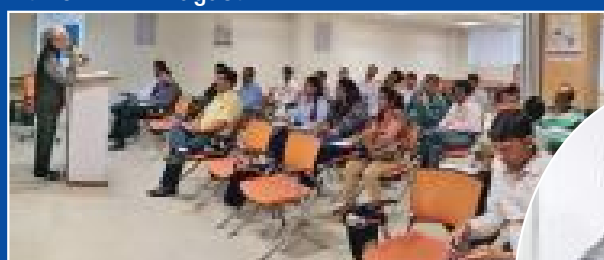


Ashoka Center for Business & Computer Studies (20th August, At BBF)

All India seminars on GST@1-Stock Broking and Financial Sector - A way ahead

At Delhi - 17 August

At Kolkata - 21 August



At Hyderabad - 30 August



At Chennai - 31 August





MEDITATION – GATEWAY TO BLISS

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

Meditation is more than just shutting one's eyes and repeating a mantra or word symbol. It is the highest spiritual technique that needs to be practised diligently and devotedly by qualified practitioners. The essential prerequisite for meditation is a calm mind. A mind burdened with desires and attachments is unable to take off into subtler realms of concentration and meditation. Just as an overloaded aircraft cannot take to flight. Entitled "The Yoga of Meditation", chapter 6 of the Bhagavad Gita elucidates meditation as the final gateway to Self Realisation.

Krsna begins with the definition of a sannyasi, a renounced person. Renunciation is not giving up enjoyments, abandoning one's duties and escaping to a safe sanctuary. It is this misunderstanding that has turned away genuine seekers and prevented them from accessing the benefits of renunciation. Krsna describes a sannyasi as one who does what one ought to do, fulfils one's duties and responsibilities fully, without depending on the fruit of action. A sannyasi is not one without a higher ideal, nor is he an inactive person. Krsna then gives a masterful description of the three stages of spiritual evolution. From an active yogi to a meditative sannyasi and, finally, to the exalted state of a jnani, the enlightened One. Most humans belong to the bhogi category. A bhogi chases after worldly objects in the pursuit of happiness but never finds it. A yogi is one who understands that happiness is not a commodity one can buy off the shelf in a supermarket. He turns within and begins the spiritual journey. However he is still under the burden of countless desires and needs to wade through selfless, dedicated actions to evolve. A sannyasi has offloaded the bulk of his desires and is in contemplation of the higher. He is fit for meditation and embarks on the path of deep reflection and focus on Reality. A jnani has reached the exalted state of Enlightenment. Krsna describes the three stages in terms of mental states rather than external appearances. Thus, one does not have to don ochre robes or perform rituals or deny oneself worldly enjoyments to be spiritual. All that is needed is a change in mindset.

Step by step, Krsna takes us through the preparatory disciplines as well as disqualifications for meditation. One must have a balanced contact with the world - neither too much nor too little. Every activity must be carefully supervised by the intellect so that no desire interrupts the subtle practise of meditation. If the contact with the world is excessive the mind is rushing out to the world and is unable to concentrate. Meditation is a far cry. If one shies away from worldly enjoyment one only succeeds in getting frustrated. Such people are also unfit for meditation.

“Meditation is the highest spiritual technique that needs to be practised diligently and devotedly by qualified practitioners. The essential prerequisite for meditation is a calm mind.”

Krsna then gives the test of Enlightenment. A realised Soul is one who feels one with everyone. He sees his Self as the Self in all beings. In the end he worships God not in a temple, church or mosque, but in every living being. Thereafter he lives in Atman, whatever his lifestyle. It is pointless to declare love for God when you cannot connect with His images everywhere.

Arjuna, like us, is afraid of leaving the safe confines of his present existence to discover the unknown realm of the Infinite. He asks Krsna what the fate is of those who commit themselves to a spiritual life but die before Realisation. Krsna gives a fitting reply to reveal one of the most insightful laws of life. He says, "One who is righteous will never come to grief. Either now or in the future". Your efforts will not go in vain. You will carry forward the credits to your future life. A

spiritually evolved person who falls short of Realisation will either be born in the home of the happy and wealthy or in a family of wise yogis. There, endowed with the wisdom acquired in previous lives, he will strive even more to attain Enlightenment. Thus the diligent seeker effortlessly reaches Brahman. The key words are vairagya dispassion and abhyasa practise. One must be convinced of the futility of worldly passions and pursue the necessary spiritual practices consistently.

Thus the Lord assures Arjuna, and all of us, that the way to lasting happiness is a life of Truth.

Jaya Row will speak on Bhagavad Gita Ch 6 - Bliss of Meditation at Mukesh Patel Auditorium, Juhu, Vile Parle (W), Mumbai from 4th to 7th October 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.



BREATHING EXERCISES

By Dr. Namita Jain
Managing Director, Kishco Limited

Q: What are the benefits of breathing exercises? Can you suggest simple breathing exercises that can be performed daily?

A: No one can live for more than a few minutes without breathing, yet how many of us are even aware of the importance of proper breathing? We need to breathe slowly and deeply.

Deep breathing relaxes the body and mind. And, for a very good reason... Oxygen is the most vital nutrient in our bodies. It helps to maintain the flow of oxygenated blood to the nerves, brain, spinal cord and cardiac muscles, maintaining their efficiency.

- Deep, slow breathing strengthens the heart and lungs.
- The mind becomes calmer and there is greater clarity of thought.

Fast, shallow breathing

Pollution, bad posture or stress can cause fast, shallow breathing. Also, faulty living habits enable us to use only a fraction of our respiratory capacity.

- Breathing and the state of mind are directly related. When we are excited or angry, the breathing becomes fast and shallow.

- Poor posture (hunching, slouching) reduces the lung capacity resulting in early fatigue.

Do you know how fast or slow you habitually breathe? In order to answer this, count the number of breaths you take in one minute. Twelve to eighteen breaths per minute is the average breathing rate. Don't be discouraged if your breathing rate is high. Regular practice of deep breathing exercises will slow down your breathing rate.

Interesting fact

The longevity of the body increases as the rate of breathing reduces. In the animal world, there is a strong correlation between the number of breaths and life span. For

example the giant tortoise, which takes three breaths a minute, can live about 180 years, whereas a monkey, which takes thirty breaths a minute, has a life span of about twenty to thirty years.

box

There are close links between the state of mind and the breath. Breathing exercises bring mental and emotional harmony by linking the breath with the body and mind. When the mind is relaxed the breathing is slow, deep and regular. During periods of stress the breathing becomes fast, shallow and irregular.

Deep breathing relaxes the body and mind. And, for a very good reason... Oxygen is the most vital nutrient in our bodies. It helps to maintain the flow of oxygenated blood to the nerves, brain, spinal cord and cardiac muscles, maintaining their efficiency.

Instant pick-me-ups

Do these 5 simple deep breathing exercises everyday. These are quick and easy exercises that will relax you and banish your stress.

- Do each breathing exercise 3 to 5 times.
- Pay attention to your posture, avoid slouching.

Breathe deep

Shut your eyes, and take slow, calming breaths. Every time you inhale focus on breathing in calmness, and when you exhale - breathe out all mental fatigue.

Eyes palming

Rub your palms together and lightly place palms over eyes. Breathe deeply and slowly

a few times. Enjoy the feeling of calmness; relax your eyes and mind, and then slowly open the eyes.

Tense-relax

Shut your eyes. Tense your entire body. Hold for 2 seconds and relax completely. Repeat. Then breathe in slowly and breathe out slowly in a relaxed manner. Repeat.

Belly breathing

Place one hand on your abdomen and feel it rise as you inhale and sink back in as you exhale. Practice breathing calmly, slowly and deeply from the diaphragm. Feel your stomach rise as you inhale; and sink down as you exhale.

Pursed Lip Breathing

Breathe in slowly through your nose, and then breathe out slowly and gently through your pursed lips. (Pursed lips: imitate a whistle or how you would gently flicker the flame off a candle).



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 - prismmbs@gmail.com.



CONTROL HIGH BLOOD PRESSURE NATURALLY

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



By RASHNA MASTER
Raw Food Teacher

What is blood pressure?

When your heart beats, it pumps blood round your body to give it the energy and oxygen it needs. As the blood moves, it pushes against the sides of the blood vessels. The strength of this pushing is your blood pressure. If your blood pressure is too high, it puts extra strain on your arteries (and your heart) and this may lead to heart attacks and strokes.

How you can tell if you have high blood pressure

Having high blood pressure (hypertension) is not usually something that you feel or notice. It does not tend to produce obvious signs or symptoms. The only way to know what your blood pressure is, is to have it measured.

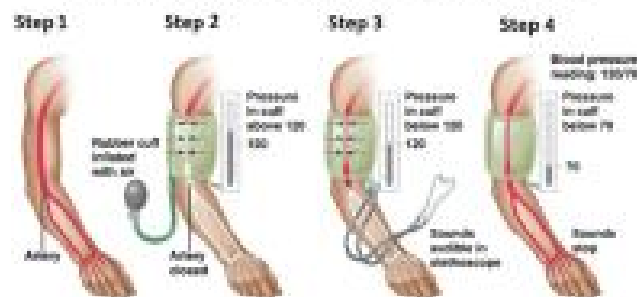
Blood pressure is measured in 'millimetres of mercury' (mmHg) and is written as two numbers. For example, if your reading is 120/80mmHg, your blood pressure is '120 over 80'.

What do the numbers mean?

Every blood pressure reading consists of two numbers or levels. They are shown as one number on top of the other.

The first (or top) number is your systolic blood pressure. It is the highest level your blood pressure reaches when your heart beats.

The second (or bottom) number is your diastolic blood pressure. It is the lowest level your blood pressure reaches as your heart relaxes between beats.

Measurement of blood pressure**How to Control Blood Pressure without Medication**

- 1) Regular Exercise
- 2) Lose extra pounds and watch your waist line
- 3) Eat Healthy Diet
- 4) Reduce Sodium in your Diet
- 5) Limit your intake of Alcohol
- 6) Quit smoking
- 7) Cut back on caffeine
- 8) Reduce your stress
- 9) Monitor your blood pressure at home and see your doctor regularly.

Having high blood pressure (hypertension) is not usually something that you feel or notice. It does not tend to produce obvious signs or symptoms. The only way to know what your blood pressure is, is to have it measured.

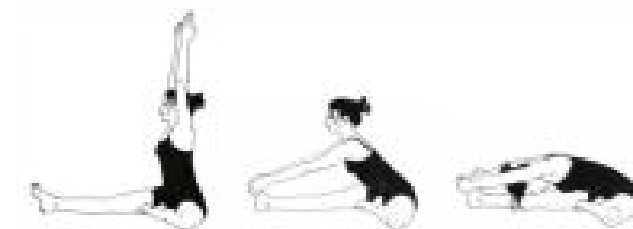
Yoga can be a very beneficial therapy for controlling and lowering high blood pressure naturally. The gentle, soothing practice of yoga asanas settles both mind and body and reduces stress—a leading cause of hypertension.

Used correctly, yoga can be a great therapy for high blood pressure. However, there are some cautions that need to be considered, and you are best off working with a yoga therapist that can personally tailor your practice of yoga, if you have high blood pressure.

The best yoga poses for high blood pressure are poses that put the spine in a horizontal position. This allows the heart to slow down, as it takes less effort to pump the blood to the brain. Seated positions like Bound Angle Pose (Baddhakonasana), Hero Pose (Virasana), and Wide-Angle Seated Forward Bend (Upavistakonasana) can be very useful yoga exercises for high blood pressure.



Intensive stretching poses like leg stretches (e.g. one-legged leg stretch (Janusirsasana) and gentle hip openers like supine pigeon are also effective yoga poses for high blood pressure.

**Janusirsasana****Contraindications When Practicing Yoga with High Blood Pressure**

In general, yoga asanas that put the body in an inverted position, i.e. having the legs higher than the heart and the heart higher than the head, should be avoided by people with cardiovascular disease.

If you have high blood pressure, the following yoga inversions should be avoided:

- Shoulder stand (Sarvangasana) or Headstand Pose (Sirsasana). These two yoga poses increase blood pressure in the head the most, because the legs and trunk are maximally elevated and the head is as far below the heart as possible.
- Even gentle, relaxing inversions like Legs Up the Wall Pose (ViparitaKarani) are poses to avoid with high blood pressure.

Foods that helps to lower blood pressure

Potassium helps kidneys to get rid of Sodium through your urine. This in turn lowers your blood pressure.

Leafy greens, which are high in potassium, includes:

- Romaine Lettuce
- Arugula
- Kale
- Turnip Greens
- Spinach
- Beet Greens

Berries

Berries specially blue berries are very good to prevent hypertension and helps to lower blood pressure.

Beets

Beets are high in nitric oxide, which can help open your blood vessels and lower blood pressure.

Oat Meals

Oatmeal fits the bill for a high-fibres, low-fat, and low-sodium way to lower your blood pressure. Eating oatmeal for breakfast is a great way to fuel up for the day.

Bananas

Eating foods that are rich in potassium is better than taking supplements.

Seeds

Unsalted seeds are high in potassium, magnesium, and other minerals known to reduce blood pressure. Enjoy ¼ cup of sunflower, pumpkin, or squash seeds as a snack between meals.

Garlic

Is good for Hyper Tension helps promote vasodilatation, or the widening of arteries, to reduce blood pressure.

Always consume fresh fruits and Vegetables**Acupressure Points for High BP -**

2 or 5 minute
pressure this 2 Finger

2 se 5 minute tak
inn do ungallyon ko
dawaye



As always, when it comes to natural healing, getting results are not usually as quick and easy as popping a pill. The good news is, however, that when you take steps to lower blood pressure naturally by helping the body's own healing response to take care of the problem, you get true, holistic healing.

As your nervous system becomes more balanced, your whole mind and body system benefits. This means you, generally speaking, will feel better, have more energy, will perform better during the day, and have more resources for coping with stress.

A Plan to control High BP at Prisim Healing Institute includes Healthy Meals, Yoga, Sujok therapy, Meditation, and Right Breathing exercises. Wheatgrass Juice and Capsules are also available.

Rashna Master has been part of Prisim Healing Institute since the year 2006, her passion is teaching and preparing raw and vegan foods. She is an innovative chef, trying new recipes and creating many of her own recipes. She has been trained by Raw Foods Guru Yogini Unmani, The Living Foods Institute (Atlanta). She is also a Corn Treatment Therapist, an Angel Card Reader and Healer.

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

CLOUD BASED SURVEILLANCE & MONITORING



By Siddharth Bera
Managing Director
Epitome Corporation Pvt. Ltd.



Epitome's cloud based surveillance and monitoring systems is easy to use, self-managed which don't required any dedicated manpower to use and operate. Just plug in the tablet and using available internet connectivity (2G/3G/4G or Wi-Fi) you are on secured mode of Go Live. Our tiny "Epitome Encoder" app is auto start, auto connect and redundant app which start sending stream on booting of the device. Back hand services will contentiously monitor the status and in any case of internet disconnect it will start offline recording and in case of reconnect of internet it will auto start sending live stream.

Epitome's cloud based surveillance technology eliminate the use of dedicated system(s) or a dedicated server(s) or video recording system for any business. This is the most reliable system for online monitoring from anywhere to everywhere. Cloud based surveillance system allows the user to use an easy server process and be Online in the cloud in no time, and with the security & safeguards.

This product is most suitable to sectors like City surveillance, Election, Examination, Shops, Malls, Streets, Traffic signals etc.

1) Cloud Camera:

Cameras are cloud-based Wi-Fi video monitoring devices with live streaming and remote viewing that makes it easy to stay connected with whatever you care for most from the people in your life, to your business, from wherever you are.

- Stay connected with your children or parents.
- Secure your Belongings
- Keeping an eye on your business, 24/7

- Watch all of your cameras at once
- Anywhere, anytime access with the Camera app
- Easy Deployment with High Speed Wireless Internet Access

Our tiny "Epitome Encoder" app is auto start, auto connect and redundant app which start sending stream on booting of the device.

2) Cloud Tablet for Exam Surveillance:

For Exam there is a smart role based and administrative auto monitoring system with secured encoding app, decoding video management interface and the most secured cloud based recording and live streaming.

- 100% transparency in process.
- Secured live monitoring from control room make the process easy.
- No scope of examination being disturbed.
- Avoid any malpractices in the examinations hall.
- Confirm all the identity in examinations room always with proof.
- Enable the examinations centers with central administrative real time monitoring and avoid the physical checking by authorities.

3) Election Polling booth Monitoring via Cloud Tablet:

For Election there is a smart role based and administrative auto monitoring system with secured encoding app, decoding video management interface and the most

secured cloud based recording and live streaming.

This application is the tiniest, low weight, auto start and auto reconnect app. This app will immediately start on the booting of device and start sending stream with capture of default camera. No man power required to operate, setup etc. Just mounting the tablet with power on will make the application run.

Component:

- Cloud tablet with streaming app.
- Video management portal.
- CDN streaming cloud.
- Cloud or local device recording.

Benefits of Election Polling Booth Monitoring Via Cloud Tablet

- No Compromise. The central authority can directly monitor the polling live without any delay. 100% improvement on security and work efficiency.
- No scope of election being disturbed.
- No chance of discontinuation of any movement during live.
- Avoid any malpractice in the polling booth.
- Fully transparency in end to end process.
- Enable the central election commission department to see each activity live whenever needed.

Log on www.epitomesolutions.in to know about the services they offer.

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Website: <http://epitomesolutions.in>



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LIQUIDITY

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MAY 2018, OVERALL MARKET SHARE 55.00%

JAN – MAY, 2018 USDINR MARKET SHARE 51.4%



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