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<table>
<thead>
<tr>
<th>Broking Solutions</th>
<th>Exchange Solutions</th>
<th>e-Enablers</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trading &amp; Risk Management</td>
<td>• Order Routing, Matching &amp;</td>
<td>• Wealth Analyzer</td>
<td>• Consultancy</td>
</tr>
<tr>
<td>• Clearing &amp; Settlement</td>
<td>• Management</td>
<td>• Payment Gateway</td>
<td>• Web Interfaces</td>
</tr>
<tr>
<td>• Depository Participant</td>
<td>• Risk Management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• NBFC Back Office</td>
<td>• Surveillance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• IPO Application processing</td>
<td>• Clearing &amp; Settlement</td>
<td>• Digital Signature</td>
<td>• Process Management</td>
</tr>
<tr>
<td></td>
<td>• Corporate Bond Reporting</td>
<td>• e-mailing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Change &amp; Release</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management</td>
<td></td>
</tr>
</tbody>
</table>

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Welcome to Forum Views magazine.

WORLD BANK BACKS INDIA'S GROWTH: The world economy and Indian economy are facing some of the most interesting times as the macro-economic indicators globally are giving mixed signals. The Indian economy GDP is likely to grow at 7.5% in the coming years as per the latest data of the World Bank. This makes Indian economy again the fastest growing economy in the world. The world is likely to grow at 2.8%. BRICS nations are likely to grow at 5.3%. The US FED statement that they would not hurry to raise the interest rates was a very welcome move and this calmed the world markets which showed positive movement. The Indian stock markets gave return of 5.6% as compared to US markets which gave 0.0%. The year 2018 saw that the Foreign Institutional Investors were net sellers to the tune of Rs. 21,000 crores while the Mutual funds invested Rs. 1,20,000 crores. The flow from SIP was average Rs. 7000 crores during 2018 which means that the retail investor has confidence in the growth story of the Indian markets.

BBF - Forum Views Magazine wins Silver Award in two categories - Best Internal Magazine & Best Features (In English) Magazine 2018 at 58th Association of Business Communicators of India (ABCI) Annual Awards Nite 2018.

The recent Index of Industrial Production came as a rude shock as it declined from 8.1% to 0.5% which is very negative surprise. The trend of the last three readings is very volatile. The previous three reading were 4.5%, then it came to 8.1% and now 0.5%. This makes the movement of the index very erratic. This shows that the quality of data has to be checked as the industrial activity cannot show such high degree of variation. The Farm loan waiver after the recent elections would contribute to the rise in the fiscal deficit.

The GST councils which met on the 20th of the month came out with the increased exemption limit from Rs. 20 lakhs to Rs. 40 lakhs and also increased the composition limit to Rs. 1.5 crores. This would make the ease of doing business for the Small and Medium Scale industries which were under the increased budget of working capital and the cost of compliance. The key event to be watched is the Interim Budget which would come in the month of February.

On the BBF Front:

BBF - Representations

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Represented To</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Dec</td>
<td>Proposal to Introduce Market Making in Sovereign Gold Bonds (SGBs)</td>
<td>Ministry of Finance, Govt of India</td>
</tr>
<tr>
<td>18 Dec</td>
<td>Representation on the Frequently Asked Questions on Banking, Insurance and Stock Broking Sector, in relation to the stock broking sector, dated 25 September 2018</td>
<td>Central Board of Excise &amp; Customs, North Block, (Commissioner GST Policy wing)</td>
</tr>
</tbody>
</table>

BBF - Investor Education & Awareness Initiatives

<table>
<thead>
<tr>
<th>Date</th>
<th>Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Jan</td>
<td>P.U's Education Institute (Batch 1-2)</td>
</tr>
<tr>
<td>8 Jan</td>
<td>N.G. Bedekar College of Commerce (Batch 1-2)</td>
</tr>
<tr>
<td>14-15 Jan</td>
<td>Guru Nanak College of Arts, Science and Commerce (Batch 1-2)</td>
</tr>
</tbody>
</table>

58th ASSOCIATION OF BUSINESS COMMUNICATORS OF INDIA (ABCI) ANNUAL AWARDS 2018 (18th January 2019)

BBF wins Silver Award for Best Internal Magazine 2018

BBF wins Silver Award for Best Features (In English) Magazine 2018
Suresh Prabhu (Minister of Commerce and Industry) addressing

Sundar Pichai (CEO of Google) addressing

Ajay Tyagi (Chairman, SEBI)

Ankita Lokhande (Indian actress) addressing the gathering

Daisy Shah (Indian model, dancer and film actress) addressing

BSE BULL RUN 2019 (IN ASSOCIATION WITH ZEE BUSINESS) SUNDAY, 13 JANUARY, 2019
Under the SEBI (Stock Brokers) Regulations, 1992 a stockbroker means a person having trading rights in any recognised stock exchange and it includes a trading member.

Intermediaries can be termed as the lifeline of the Securities Market in India. Intermediaries are broadly classified as primary market intermediaries and secondary market intermediaries. These intermediaries play a pivotal role in financial market and thus are an integral part of it. They act as vital link between investor, issuer and regulator. Intermediaries are the first point of contact in the financial market and represent the financial market to small individual investors.

Clauses (b) and (ba) of Section 11 of the SEBI Act, 1992 empower SEBI to provide for registration and regulation of market intermediaries. For the same, SEBI has framed various regulations in exercise of its powers under Section 30. The aforesaid regulations empower SEBI to inspect their functioning and also to impose penalties in case of any default or non-compliance.

One of the most cumbersome tasks for these intermediaries is to maintain records of the client for many years. Not only are these records that each intermediary needs to maintain are wholly different from the other but the period for which the same needs to be done is different too.

Storing such vast amounts of data is a problem in itself even if we were to disregard the fact of the havoc that can be wrecked with any leak of the same data.

According to the provision Intermediaries includes: Stock-broker, Sub-broker, Share Transfer Agents, bankers to an issue, trustees of trust deed, registrar to an issue, merchant bankers, underwriters, portfolio managers, investment advisors, Depositories, Depositary participants, custodian of securities, foreign institutional investors, credit rating agencies, asset management company, clearing member, clearing house, foreign portfolio investors, and such other intermediaries who may be associated with securities markets in any manner.

Ambiguity arises with reference to interpretation of “who may be associated with securities market”. SEBI has taken a wider scope in case of its jurisdiction whereby there was talk of chartered accountants, company secretaries, cost accountants and valuers being brought under SEBI scanner because of their involvement in a number of high profile cases. However, these ambiguities still exist but despite of them, an attempt has been made to bring clarity with reference to maintenance of records by intermediaries.

Stock Brokers

Under the SEBI (Stock Brokers) Regulations, 1992 a stock broker means a person having trading rights in any recognised stock exchange and it includes a trading member. Even though the terms ‘member’ and ‘broker’ are used interchangeably, registration as a stock broker is different from enrolment as a member with concerned stock exchange. While every registered stock broker is a member of a stock exchange, all members of a stock exchange are not registered stock brokers.

Regulation 18 of these regulations states that every stock broker has to preserve the books of account and other records for a minimum period of five years. Such other records include the following:

- Register of transactions/SaudaBook
- Clients ledger
- General ledger
- Journals
- Cash book
- Bank pass book
- Documents register containing particulars of securities received and delivered in physical form and the statement of account and other records relating to receipt and delivery of securities provided by the depository participants in respect of dematerialised securities
- Member’s contract books showing details of all contracts entered into by him with other members of the same exchange or counterparts or duplicates of memos of confirmation issued to such other members.
- Counterfoils or duplicates of contract notes issued to clients
- Written consent of clients in respect of contracts entered into as principals

Not only do stock brokers need to maintain these records but they also need to nominate the Board as to where these records are kept. In the matter of Gangotri Textiles Limited decided on September 20, 2016, the Whole Time Member (WTM) Rajeev Kumar Agrawal had decided that the stock brokers’ failure to provide necessary documents, information and details of its client pertaining to April/May 2006, during investigation, submitting that they were too old when they were sought for in April 2011 was in contravention of Regulation 17 of the SEBI (Stock Brokers) Regulations, 1992. Accordingly, the WTM had suspended the registration of the stock broker for a period of six months.

After the SEBI (Stock Brokers and Sub-brokers) (Amendment) Regulations, 2018, with effect from the April 01, 2019, stock brokers are no longer required to maintain registers of accounts of sub-brokers as SEBI has done away with the category of sub-brokers as market intermediaries. For information, registered sub-brokers have to either migrate to act as an authorised person and/or trading member or surrender their registration within March 31, 2019.

Recognised Stock Exchanges & Recognised Clearing Corporations

Stock exchanges function as the first level market regulator since they set standards for fair trading practices and regulate the trading activities and regulate the trading activities of its members according to such standards. The Securities Contract (Regulations) (Stock Exchange & Clearing Corporations) Regulations, 2018 require recognised stock exchanges and recognised clearing corporations to maintain and preserve all the books, registers, other documents and records, as provided below relating to the issue or transfer of its securities for a period of eight years:

- Minutes of the meetings of:
  - (i) governing board;
  - (ii) any committees of the governing board;
- Record of clearing members showing their full names, addresses and details of bank and depository accounts for settlement purposes;
- Transaction records;
- Record of security deposits; Margin deposits book;
- Client margin collection details;
- Journals;
- Cash book;
- Bank account statement;
- Such other books of accounts and documents as may be specified by the Board from time to time.

Furthermore, every registrar to an issue has to also maintain the following records in respect of a body corporate on whose behalf he carries on the following activities:

- list of holders of securities of such body corporate;
- the names of transferor and transferee and the dates of transfer;
- such other records as may be specified by the Board for carrying out the activities as share transfer agents.

Investment Advisers

Investment Advisers need to maintain the following records under Regulation 19 of the SEBI (Investment Advisers) Regulations, 2013:

- Know Your Client records of the client;
- Risk profiling and risk assessment of the client;
- Suitability assessment of the advice being provided;
- Risk profiling and risk assessment of the client;
- Rationale for arriving at investment advice, duly signed and dated;
- A register or record containing list of the clients, the date of advice, instrument of the advice, the product/securities in which advice was rendered and fee, if any charged for such advice.

Like stock brokers, Investment Advisers too need to maintain all records in physical or electronic form and preserved for a minimum period of five years.
Underwriters
The financial agencies that enter into an agreement with the company to ensure subscription in case of failure of public or existing shareholders to do so are known as underwriters.

Regulation 16 of the SEBI (Underwriters) Regulations, 1993 requires undertakings to keep and maintain the following books of account and documents:
(i) in relation to underwriter being a body corporate:
• a copy of the balance sheet and profit and loss account as specified in sections 211 and 212 of the Companies Act, 1956;
• a copy of the auditor’s report referred to in section 227 of the Companies Act, 1956;
(ii) in relation to an underwriter not being a body corporate:
• records in respect of all sums of money received and expended by them and the matters in respect of which the receipt and expenditure take place; and
• their assets and liabilities.

Portfolio Manager
A portfolio manager advises or directs or undertakes on behalf of the client in the management or administration of a portfolio of securities or the funds of the client pursuant to a contract or arrangement. Portfolio Managers either exercise discretion as to the investments or management of the portfolio of securities or funds of the client or not, depending on the arrangement.

Portfolio managers are registered and regulated under the provisions of the SEBI (Portfolio Managers) Regulations, 1993. Regulation 19 of the same regulations requires the portfolio manager to preserve the following books of account and other records and documents:
(a) a copy of the balance sheet at the end of each accounting period;
(b) a copy of the profit and loss account for each accounting period;
(c) a copy of the auditor’s report on the accounts for each accounting period;
(d) a statement of financial position;
(e) records in support of every investment transaction or recommendation which will indicate the data, facts and opinion leading to that investment decision.

Research Analysts
Regulation 25 of the SEBI (Research Analysts) Regulations, 2014 require research analysts or research entities to maintain and preserve the following records in physical or electronic form for a minimum period of five years:
• research report duly signed and dated;
• research recommendation provided;
• rationale for arriving at research recommendation;
• record of public appearance.

Custodian of Securities
In most jurisdictions, custodians are not governed by the securities market regulators as they are considered to be mere service providers and not as intermediaries.

Custodians usually provide services such as safekeeping of securities, maintaining accounts of securities, collecting the benefits or rights accruing to the client in respect of securities, keeping the client informed of the actions taken or to be taken by the issuer of securities, etc. to institutional investors such as foreign institutional investors, mutual funds, portfolio managers.

Regulation 19 of the SEBI (Custodian of Securities) Regulations, 1996 requires custodians to preserve the following records and documents for a minimum period of five years:
• records containing details of securities, assets or documents received and released on behalf of each client;
• records containing details of monies received and released on behalf of each client;
• records containing details of rights or entitlements of each client arising from the securities held on behalf of the client;
• records containing details of registration of securities in respect of each client;
• bank statement of accounts;
• records containing details of instructions received from and sent to clients; and
• records of all reports submitted to the Board.

Debenture Trustee
A debenture trustee is a trustee of a trust deed for securing any issue of debentures of a body corporate. Regulation 7 of the SEBI (Debenture Trustees) Regulations, 1993 states that to act as debenture trustee, the entity should either be a scheduled bank carrying on commercial activity, a public financial institution, an insurance company or a body corporate. The entity has to be registered with SEBI to act as a debenture trustee.

Regulation 17 of the same regulations provide that every debenture trustee has to keep and maintain proper books of account, records and documents, relating to the trusteeship functions for a period of not less than five financial years from the date of redemption of debentures.

Merchant Bankers
Merchant Bankers render a diverse range of services, like managing public issue of securities, underwriting connected with public issue management business, managing/advising on international offerings of debt/equity, etc. Merchant bankers are therefore entrusted with undertaking any activities other than those in securities market.

Under Regulation 16 of the SEBI (Merchant Bankers) Regulations, 1992, merchant bankers need to preserve, as specified in Regulation 14, the following books of account and other records and documents for a minimum period of five years:
• a copy of the balance sheet as at the end of the each accounting period;
• a copy of profit and loss account for that period;
• a copy of the auditor’s report on the accounts for that period;
• a statement of financial position;
• records and documents pertaining to due diligence exercised in pre-issue and post –issue activities of issue management and in case of takeover, buyback and delisting of securities.

Foreign Portfolio Investor
An applicant seeking registration under the SEBI (Foreign Portfolio Investors) Regulations, 2014 can seek registration in one of the three categories mentioned in Regulation 5. Regulation 31 of the same regulations require the foreign portfolio investor to preserve the following books of account, records and documents as specified in Regulation 30 for a minimum period of five years:
• true and fair accounts relating to remittance of initial corpus for buying, selling and realising capital gains of investment made from the corpus;
• accounts of remittances to India for investments in India and realising capital gains on investments made from such remittances;
• a statement of accounts;
• contract notes relating to purchase and sale of securities; and
• communication from and to the designated depository participants, stock brokers and depository participants regarding investments in securities.

Alternative Investment Fund
Alternative Investment Fund (AIF) is a fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, whether Indian or foreign, of investing in it in accordance with a defined investment policy for the benefit of its investors.

AIFs are regulated and registered under the SEBI (Alternative Investment Funds) Regulations, 2012. Under Regulation 27 of the same regulations, the manager or sponsor of the AIF needs to maintain the following records for a period of five years after the winding up of the fund:
• the assets under the scheme/fund;
• bank statement for all accounts maintained;
• investment strategies;
• particulars of investors and their contribution; and
• rationale for investments made.

Depositories and Participants
Depositories and participants are operationally governed under the Depositories Act, 1996 and SEBI (Depositories and Participants) Regulations, 2018. SEBI notified the new regulations in October 2018.

Regulation 54 of the same regulations envisages every depository to maintain the following records and documents for a minimum period of eight years:
• records of securities dematerialised and rematerialised;
• the names of the transferor, transferee, and the dates of transfer of securities;
• a register and an index of beneficial owners;
• details of the holding of the securities of beneficial owners as at the end of each day;
• records of instructions received from and sent to participants, issuers, issuers’ agents and beneficial owners;
• records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be;
• details of participants;
• details of securities declared to be eligible for dematerialisation in the depository; and
• such other records as may be specified by the Board for carrying on the activities as a depository.

Under Regulation 66 of the SEBI (Depositories and Participants) Regulations, 2018, every participant has to preserve the following records and documents for a minimum period of eight years:
• records of all the transactions entered into with a depository and with a beneficial owner;
• details of securities dematerialised, rematerialised on behalf of beneficial owners with whom it has entered into an agreement;
• records of instructions received from beneficial owners and statements of account provided to beneficial owners; and
• records of approval, notice, entry and cancellation of pledge or hypothecation, as the case may be.

Credit Rating Agency
Credit Rating Agencies, on the basis of factors like business risk, market position, operating efficiency, adequacy of cash flows, financial risk, financial flexibility, management of robustness, industry environment, etc., rate securities. In other words, credit rating agencies provide opinion regarding securities in a standardized manner.

SEBI’s master circular for credit rating agencies dated May 02, 2018 envisages that a credit rating agency should maintain the following records for five years after the maturity of instruments:
• The important factors underlying the credit rating and sensitivity of such credit rating to changes in these factors
• Summary of discussions with the issuer, its management, auditors and bankers which have a bearing on the credit rating of the issue;
• Decisions of the rating committee(s), including voting details and notes of dissent, if any, by any member of the rating committee;
• If a quantitative model is a substantial component of the credit rating process, the rationale for any material difference between the credit rating implied by the model and the credit rating actually assigned.

Conclusion
Although SEBI has put in place separate regulations for all intermediaries but that has not been enough to provide clarity to them. In fact, it has only contributed to confusion the market. If there was to be a common regulation for all the intermediaries, it would decrease the burden of intermediaries and will make their work less cumbersome. Further, there is no distinction for the scale of intermediaries’ operations as intermediaries with huge differences in turnover are treated the same. Threshold limits should be made so as to give leverage to small intermediaries to comply with regulations. A balance between the regulations and compliance needs to be maintained so as to allow intermediaries a little more space in their operations because after all, for a major chunk of small investors, intermediaries are their channels to the markets.
THE WORLD ECONOMY, SUSTAINABILITY AND INSTITUTIONAL REFORM  
By Professor Piya Mahtaney Economist / Author

I don’t take much to know that the world is in a state of flux, whether viewed from the standpoint of present economic imperatives, changing geopolitics and with it the emergence of a new world order. At any level change compels us one to recapitulate the reasons and factors that have led to the present scenario and although it is beyond the scope of this article to provide an exhaustive analysis of all those causes that have led to the current situation (globally) before proceeding further a concise overview of the same would be useful.

Theoretically the fundamental principle underlying economic liberalization is inclusiveness; the reality is a blatant contrast to this. Neoliberalism as it has been practiced has been exclusionary and instead of being a strategy that would complement existent facilitators of development it sought to dismantle the developmental state. Efficient governance was equated with dismantling the developmental state. Effective facilitators of development were skirted to periphery of every nation in the realm of institutional reform. The commonality is that both the economic and social circumstances, constraints, cultural factors, political systems differ across nations, every nation is an inherently unequal partner a fundamental change of course is necessary. In order to achieve the SDGs and to turn the vision of the transformation of our world, as proclaimed in the title of the 2030 Agenda into reality, we have to reclaim the public (policy) space.

Charting out a standardized package or blueprint of reform is not possible because the economic and social circumstances, constraints, cultural factors, political systems differ across nations, every nation is an inherently unequal partner a fundamental change of course is necessary. Evidently achieving zero hunger or for that matter achieving zero hunger for that matter the provision of decent work opportunities entails an expansion of infrastructure and industry and stepping up the pace of innovation which in turn will be an important determinant of economic growth. Simply stated reform is not about ideology, it is about enabling a nation’s systems to function more effectively and by this is meant that is progressively better aligned with the well being of its citizens. Empirical evidence provides us with ample evidence that reform is not about replacing the dominance of the state with monolithic interests of a few in the private sector but about harnessing the synergies of state and non state actors which includes civil society towards the larger objective of sustained economic progress. The fundamental function of economic reform in every country is similar: create or transform systems and sustain structures that will support higher levels of growth and development.

A report (2017) by the civil society reflection group on the 2030 agenda for sustainable development says, “In the context of the 2030 Agenda, the difference between partnership and partnerships is not just semantic sophistry but reflects two fundamentally different views of the role of the State: on the one hand as duty-bearer, particularly with respect to human rights, and as central provider of public goods and services, on the other hand as moderator and facilitator of actions of various public and private ‘stakeholders’...”

Instead of further promoting the misleading discourse of ‘multi-stakeholderism’ and partnerships between inherently unequal partners a fundamental change of course is necessary. In order to achieve the SDGs and to turn the vision of the transformation of our world, as proclaimed in the title of the 2030 Agenda into reality, we have to reclaim the public (policy) space. Charting out a standardized package or blueprint of reform is not possible because the economic and social circumstances, constraints, cultural factors, political systems differ across nations, every nation is an inherently unequal partner a fundamental change of course is necessary. In order to achieve the SDGs and to turn the vision of the transformation of our world, as proclaimed in the title of the 2030 Agenda into reality, we have to reclaim the public (policy) space.

At this juncture all countries are confronted with the compelling need to evolve sustainable systems of production, consumption and distribution. Clearly the transition that the world needs to make towards economic sustainability underscores the need for institutional reform that is not about replacing the dominance of the state with monolithic interests of a few in the private sector but about harnessing the synergies of state and non state actors which continues to underpin reform across countries is to create and strengthen mechanisms that would be more effective facilitators of accountability and transparency. Decades ago this fact was applicable mainly to developing and less developed nations but in present times its applicability to most nations is an undeniable fact. The interplay between politics and a narrow coterie of vested interests is almost vividly played out in almost every event that occurs in the global economy. Take for instance the crisis of 2008. The meltdown of 2008 can also be described as a crisis of reform. When capital is scarce it represents a constraint however when an abundance of finance is veritably squandered away it is a serious systemic flaw. This fact is strikingly epitomized by the financial crisis of 2008 that was an outcome of capital mismanagement and impending financial reform that never occurred. When the Asian economic crisis occurred over a decade ago it was a wake call not just for reform in South East Asia but for the global financial system. As is evident this did not happen and the consequence of this was an abundance of capital on one hand and a shortage of capital on the other. The proliferation of risky financial products was not matched by a corresponding increase in productive capacity or the creation of real assets such as the expansion of infrastructure, skills development and employment creation. It must be emphasized that reform entails much more than putting into place an effective regulatory framework because even if a country has this in place it does not take away the responsibility of being cautious, and exercising the regulatory authority in a non discriminatory, objective manner and avoid the unnecessary dilution of regulatory safeguards. The crisis of 2008 that occurred arose also as a result of a non enforcement of regulatory authority and negligible scrutiny where it was required the most. Institutions and incentives (policy and non policy) were not aligned to the objectives of either sustaining higher levels of economic progress or achieving higher levels of competitiveness.

Conclusion  
Compare the process of reform in any country to the process of human evolution. The commonality is that both do not cease. At various levels of development a country has to adapt and reorient its systems to newer sources of economic progress. Thus the distinguishing feature is the kind of reforms that a country needs to undertake as this will vary in accordance to the prevalent socio-economic and political structures in each nation. The discussion about institutional reform and governance will continue in the next article for EcoBuzz.

Piya Mahtaney completed her second Master’s in Development Economics from the University of London in England she embarked on a career in journalism with the Times of India. She was an assistant editor in Metropolis on Saturday, subsequent to which she joined as senior feature writer in Economic Times. As an economist that reported, analyzed and wrote on a wide range of socio-economic issues, writing a book about economic development and the emerging trends of globalization seemed almost inevitable. The books that she has authored are as follows: India China and Globalisation (2nd ed), Palgrave Macmillan (England), December 2014 “Globalization and Sustainable Economic Development, Palgrave Macmillan (U.S.), August 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 Pustakkosh, India (2004). The first book titled Economic Con Game, Development fact or Fiction was published by Pelanduk Publications (Malaysia) in 2002. • The first book titled Economic Con Game, Development fact or Fiction was published by Pelanduk Publications (Malaysia) in 2002.
MARKET PERFORMANCE

T he 2017 calendar year noted significant returns after a couple years with nearly flat returns. Continuing with the excitement from 2017, the 2018 calendar year started with exuberance, as the S&P BSE SENSEX reached more frequent lifetime highs through the end of January 2018. However, it failed to sustain these highs, as immediately after the budget was passed, the S&P BSE SENSEX and all other leading indices experienced a sharp fall. As of Dec. 13, 2018, the S&P BSE SENSEX gained approximately 1,072 points YTD, up 6.8% in terms of total returns.

The S&P BSE AllCap, which covers more than 95% of India’s listed equity universe in terms of total market capitalization, declined by 4.2%. The declines in the S&P BSE MidCap (14.1%) and S&P BSE SmallCap (24.0%), with the simultaneous positive returns for the S&P BSE SENSEX (6.8%) and S&P BSE LargeCap (2.7%), could be attributed to a shift in focus of investors from mid-cap and small-cap stocks to relatively safer bets in large- or mega-cap stocks.

On the sectoral front, the S&P BSE Information Technology and S&P BSE Fast Moving Consumer Goods noted gains of 31.9% and 11.4%, respectively. The revival in demand and sharp depreciation of the Indian rupee helped the Information Technology sector, whereas Fast Moving Consumer Goods stocks noted positive total returns, reflecting India’s consumption story.

Meanwhile, the S&P BSE Finance and S&P BSE Energy ended flat. The S&P BSE Telecom was the worst performing sector index, with a total return of -41.2% - not surprising, given that most telecommunication services companies tend to be highly leveraged and are facing a sharp fall. As of Dec. 13, 2018, the S&P BSE SENSEX gained approximately 1,072 points YTD, up 6.8% in terms of total returns.

Exhibit 1: YTD S&P BSE SENSEX Performance

Exhibit 2: Sector and Size Wise YTD Total Absolute Returns

After witnessing the least volatile year during 2017 (with an annualized volatility of 8.9%), the Indian market has seen an uptick in volatility during 2018, with an annualized volatility of 12.5%. On the global front, higher oil prices, the U.S.-China trade war, and global monetary tightening were the top three drivers of volatility. On the domestic side, factors such as the introduction of the long-term capital gains tax on equity, perceived overall higher valuations of Indian equities, increasing interest rates, concern over falling GDP and lately, the on-banking financial company (NBFC) liquidity crisis kept the market volatile throughout the year.

The S&P BSE Nifty, which covers more than 95% of India’s listed equity universe in terms of total market capitalization, declined by 4.2%. The declines in the S&P BSE Nifty (14.1%) and S&P BSE SmallCap (24.0%), with the simultaneous positive returns for the S&P BSE SENSEX (6.8%) and S&P BSE LargeCap (2.7%), could be attributed to a shift in focus of investors from mid-cap and small-cap stocks to relatively safer bets in large- or mega-cap stocks.

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Why is Commodity Options on Gold Futures a big step forward?

Commodity Options on Gold Futures is a flexible, powerful financial instrument which helps provide substantial opportunities for both hedgers and investors. When we buy Commodity Options on Gold Futures, we need to only pay a fraction of the purchase cost, known as a premium. This is the risk you take as an Options buyer for benefits that are not limited. If you are in a business where the price of gold can impact your bottom line, Options can help you manage the frequently changing cost. This instrument helps businesses maintain a fixed cost throughout the year.
Enterprise applications and software systems have a reputation for being clunky, expensive, and almost impossible to keep up to date, but that doesn’t need to be the case. Rethinking your software strategy to include cloud options like SaaS can reap benefits, but beware the pitfalls.

**Enterprise applications and software systems have a reputation for being clunky, expensive, and almost impossible to keep up to date, but that doesn’t need to be the case. Rethinking your software strategy to include cloud options like SaaS can reap benefits, but beware the pitfalls.**

By Jayesh Shah
Promoter, Prism Cybersoft Private Limited

Champion the benefits of change

"Change imposed is Change opposed." Change is stressful, and it’s hard to get people to leap over the comfort zone. Yet it doesn’t need to be that way. Again, we’re stuck with the miserable software. Getting unstuck is just a matter of educating the stakeholders on why change is the right approach or another. While the context is data storage, this analysis applies to most enterprise IT scenarios.

When to Choose on-premises architectures:

- **Security:** an emotional subject. Security considerations are always paramount, but some sectors have a gut level reaction to the cloud, and the decision stops there. For example, if the sheriff deploying a body worn camera application fears the cloud could not demonstrate a chain of custody over digital evidence in a cloud-based architecture, meaning evidence becomes inadmissible in court.

- **Governance rules are tricky:** Beyond SEBI, and multiple exchange compliance—other modern data sovereignty practices—when IT architectures in a vertical sector must demonstrate physical as well as virtual control over data at all times, an on-premise paradigm may be easier to comprehend.

Legacy applications are immovable.

Most applications are available either in the cloud or on-premise, but some legacy software has licensing restrictions or proprietary dependencies that preclude cloud usage—making on-premise or hybrid deployment a requirement.

Migration size and time are formidable.

Although the track record of organizations who have successfully moved multi-petabyte deployments to the cloud is impressive, even dark fiber lines can’t fully ameliorate the time and hassle associated with an on-premise to cloud migration. Nor can some legacy gear be readily migrated to a cloud modality. Somewhat it’s just more time- and cost-effective to retain certain applications and storage assets on premise, move other applications to the cloud, and frame a hybrid infrastructure uniting them.

When to Choose cloud architectures:

- **There is significant or uncertain growth ahead:** Cloud deployments provide more flexibility to “walk before you run” by getting things right on a smaller scale, and then scaling from there.

- **A variable business demands flexibility:** For example, if one location is planned for a cloud rollout first, or one business unit experiences dramatic seasonal variability, a cloud architecture makes it easy for IT teams to move in an agile fashion with the ebb and flow of today’s dynamic business model.

- **The business itself is a software-as-a-service approach or another:** While the context is data storage, this analysis applies to most enterprise IT scenarios.

You want an “aw, crap!” button.

The DevOps philosophy of rapid rollout then continuous iteration is permeating more than just development and dev teams. That said, sometimes a major correction quickly becomes evident. Cloud-enabled architectures are far more malleable and enable IT organizations to morph deployment at will, providing a safety measure.

It’s time for radical change.

In addition to the well-publicized cost and agility advantages of the cloud, changing from on-premise to cloud infrastructures has wide-reaching impact on networks, bandwidth, real estate, and more. The cloud’s agility and breadth of on-demand services enable teams to make more changes with less effort and over a shorter period of time.

When to Choose As-a-Service options:

The organization values agility.

In late 2016, it was predicted that 80% of enterprise IT offerings would be on-demand or delivered as a pay as you consume, OpEx model. The guidance was prescient given that by the fall 2016, at least seven major vendors had debated On Premise, As a Service options, reiterating that it is a fundamental shift in how enterprise IT is delivered. Following the success of Amazon Web Services (AWS) - from $102006 to almost $8 billion business ten years later, and the dominant force among hyperscale cloud providers with over 3x larger than its next largest competitor, the OpEx solution has spread through networking, security and storage sectors. As vendors watch customer adoption, industry analysts have predicted additional OpEx-solution shifts.

IT resources are limited:

As-a-Service offerings put the onus in charge of operation, maintenance and upgrades. It’s easy scaling up and - equally importantly, scaling down - and letting those who know the most about the business handle with mundane details. This frees IT teams to focus on their core deliverables that accelerate the business and avoid being stuck with the wrong equipment, and wasting time on low-value, high-effort tasks. It allows them to respond to business demands promptly, with a right-sized architecture. Doing this can allow IT teams to effectively deliver infrastructure for a new application without delay and without having to free up purchasing budgets for it.

Projecting future demand is uncertain:

Most organizations don’t accurately know their requirements in 3- to 5-years. The OpEx approach enables the teams to test before they buy, and instead of worrying about right-sizing storage today, focus on selecting a solution that meets today’s needs, has the ability to scale to at least an order of magnitude greater than the largest envisioned deployment, and has the elasticity to scale both up and down.

Your product or solution is an As-a-Service offering:

For example, with data storage, most organizations have an on-premise storage footprint to the ebb and flow of their subscriber base - without hefty carrying costs, rollout logistics and bloated overhead from over-provisioning.

Tips for Working SaaS Strategies:

SaaS software is not a one-size-fits-all proposition. Costs and benefits vary greatly, as do the short-term and long-term trade-offs. Following are a few things you can do along the way to ease the transition.

SaaS allows for an economic shift to relatively low-cost subscriptions that include upgrades and maintenance (an alternative to capital expenditure). This is instead of substantial up-front, on-premises software investments that require subsequent maintenance investments and IT’s help (a capital expenditure). Regardless of what type of software you choose, though, it’s wise to think beyond today’s requirements so you have a better chance of avoiding unforeseen challenges and costs in the future.

If you’re piloting a new type of software, SaaS is probably the way to go because you can usually experiment without a long-term commitment. However, be mindful of the potential integration, security and governance challenges you may encounter as you attempt to connect different data sources.

If you’re in production, you want to continuously assess your requirements in terms of software models, integration, compliance, governance and security. As you continue your move into the cloud, understand what’s holding you back. Finance and HR, for instance, may still hesitate to store their sensitive data anywhere but on-premises. For the foreseeable future, you’ll probably have a hybrid strategy that becomes more cloud-based with time. At each stage, it’s wise to understand the potential risks and rewards beyond what’s obvious today.

Jayesh Shah holds B.E. and M.S. in Computer Engineering from University of Bridgeport, USA. He has more than 25 years of experience in IT. He promoted Prism in 1996 as and as its MD and CEO since 1996. Jayesh also takes care of Strategic Affairs, Marketing and Commercials. Prism has recently been awarded by STPI & CeBIT in 2014.

FEBRUARY 2019 FORUM VIEWS
M&A ACTIVITY IN ASIA PACIFIC: SELECTED COUNTRIES

In December 2018, M&A activity reached US$57.6bn across 1,066 deals. China was the most active M&A market, with 438 deals totaling US$24.3bn. In terms of YoY growth, aggregate deal value has increased by 4% relative to the same period last year, while aggregate deal volume has decreased by 6%.

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

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Deals</th>
<th>Value of Deals (USDmm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>438</td>
<td>24,313.70</td>
</tr>
<tr>
<td>India</td>
<td>34</td>
<td>3,456.80</td>
</tr>
<tr>
<td>Singapore</td>
<td>45</td>
<td>2,500.00</td>
</tr>
<tr>
<td>Malaysia</td>
<td>33</td>
<td>1,050.00</td>
</tr>
<tr>
<td>Japan</td>
<td>105</td>
<td>1,232.00</td>
</tr>
<tr>
<td>Australia</td>
<td>137</td>
<td>767,187.00</td>
</tr>
<tr>
<td>New Zealand</td>
<td>18</td>
<td>76,495.00</td>
</tr>
<tr>
<td>Indonesia</td>
<td>112</td>
<td>6,323.00</td>
</tr>
<tr>
<td>Total</td>
<td>1,066</td>
<td>7,389,629.00</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence as of January 1, 2019. Figures based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Values are provided for illustrative purposes.

M&A ACTIVITY IN ASIA PACIFIC: SELECTED SECTORS

The healthcare industry has shown the largest growth in the total value of deals year-to-date, increasing 197% compared to the same period last year. In terms of the total number of deals, the top industries continue to be industrials, consumer discretionary, and information technology, though growth has remained relatively flat.

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of deals 18 YTD</th>
<th>No. of deals 17 YTD</th>
<th>YoY Growth 18’ vs. 17’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrials</td>
<td>20,973</td>
<td>13,157</td>
<td>57%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>3,703</td>
<td>4,107</td>
<td>-10%</td>
</tr>
<tr>
<td>Financials</td>
<td>12,513</td>
<td>7,389</td>
<td>68%</td>
</tr>
<tr>
<td>Total</td>
<td>37,299</td>
<td>24,653</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence as of January 1, 2019. Figures based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Values are provided for illustrative purposes.
In December 2018, over US$25.6bn in proceeds were raised across 97 IPOs in the Asia Pacific region. Japan accounted for approximately US$21.8bn of the total value, followed by China with US$3.2bn. While 2018’s YoY growth, the total number of IPOs has decreased by 24%, while the total value has increased by 25%.

### GLOBAL INSIGHTS

**Venture Capital Investments: Non Buyouts by Country**

In December 2018, the venture capital investments reached US$6.1bn across 125 deals, with India being the most active market in terms of the total deal count and deal value. China and Vietnam have also shown strong growth in the total number of deals. Aggregate deal volume in the region has increased 43% YoY; however, deal value has slightly decreased by 3% YoY.

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Deals</th>
<th>Value of Deals (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>12</td>
<td>135,152</td>
</tr>
<tr>
<td>China</td>
<td>112</td>
<td>12,413</td>
</tr>
<tr>
<td>India</td>
<td>59</td>
<td>3,453</td>
</tr>
<tr>
<td>Vietnam</td>
<td>17</td>
<td>1,072</td>
</tr>
<tr>
<td>Malaysia</td>
<td>15</td>
<td>1,638</td>
</tr>
<tr>
<td>Philippines</td>
<td>6</td>
<td>1,184</td>
</tr>
<tr>
<td>Total</td>
<td>280</td>
<td>151,556</td>
</tr>
</tbody>
</table>

### Global Earnings and Market Insights

**Q1 2019 - Q4 2018 Net Sales**

<table>
<thead>
<tr>
<th>Country</th>
<th>Q1 2019</th>
<th>Q4 2018</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>12,423</td>
<td>13,267</td>
<td>64%</td>
</tr>
<tr>
<td>China</td>
<td>3,927</td>
<td>4,937</td>
<td>26%</td>
</tr>
<tr>
<td>India</td>
<td>486</td>
<td>963</td>
<td>111%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>425</td>
<td>738</td>
<td>73%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>663</td>
<td>1,202</td>
<td>84%</td>
</tr>
<tr>
<td>Philippines</td>
<td>486</td>
<td>1,072</td>
<td>111%</td>
</tr>
<tr>
<td>Total</td>
<td>24,387</td>
<td>49,278</td>
<td>-67%</td>
</tr>
</tbody>
</table>

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

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**No. of Deals and Value by Country (December’18)**

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<tr>
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<td>151,556</td>
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</tbody>
</table>

**Upgrades and Downgrades:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Rating</th>
<th>Action</th>
<th>Rating Date</th>
<th>Prior/ Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>A</td>
<td>Downgrade</td>
<td>12/6/2018</td>
<td>B</td>
<td>CCC (Primary)</td>
</tr>
<tr>
<td>China</td>
<td>A</td>
<td>Downgrade</td>
<td>12/6/2018</td>
<td>B</td>
<td>CCC (Primary)</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence as of January 1, 2019. Figures are based on public offerings data. Includes all closed transactions. Tables are provided for illustrative purposes.
**Summary**

- 2018 was a weak year for Asian equities as the S&P Pan Asia BMI closed the year down 14%. The Utilities sector managed to end the year on a positive note (up 2%) as defensive positioning made the traditionally less volatile sector more attractive.

- India was one of the best-performing equity markets in 2018. Despite a rocky December, the S&P BSE SENSEX finished the year in positive territory with a gain of 7%. Also bucking a trend for global declines, the S&P/NE绪 50 Portfolio index ended the year up 5%. New Zealand’s equities have been one of the few bright spots globally this year, and provided the highest returns of the S&P Developed BMI’s constituent countries in 2018.

- Chinese equities struggled in 2018 amid continued trade tensions and uncertainty over the health of the Chinese economy. Trade talks are likely to remain a major focal point in 2019, especially after news of China’s manufacturing sector contracting in December for the first time in 19 months. The S&P China 500 completed 2018 with a loss of 19%.

- Fixed income indices had a banner year, as market volatility catalysed a flight to safety and drove down sovereign yields in China. The S&P China Government Bond Index finished the year with an 8% return.

- Commodities suffered in 2018, with the DJI down 9% and the S&P GSCI down 14%, as Energy and Industrial Metals were hit hard by plunging oil prices and trade tensions.

Source: S&P Dow Jones Indices LLC and its affiliates. Data as of December 31, 2018. Index performance based on total return. Returns in brackets are in 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.spgdb.com

**Market Attributes: Index Dashboard**

<table>
<thead>
<tr>
<th>Country</th>
<th>December 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>0.03%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.01%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0.01%</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.01%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>-0.01%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>-0.01%</td>
</tr>
<tr>
<td>Singapore</td>
<td>-0.03%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>-0.03%</td>
</tr>
<tr>
<td>Thailand</td>
<td>-0.05%</td>
</tr>
<tr>
<td>Taiwan = S&amp;P Pan Asia BMI</td>
<td>-0.11%</td>
</tr>
<tr>
<td>South Korea</td>
<td>-0.12%</td>
</tr>
<tr>
<td>Australia</td>
<td>-0.37%</td>
</tr>
<tr>
<td>China</td>
<td>-0.91%</td>
</tr>
<tr>
<td>Japan</td>
<td>2.92%</td>
</tr>
</tbody>
</table>

**Total Return of Asia Fixed Income Indices**

<table>
<thead>
<tr>
<th>Index</th>
<th>YIELD 1-M YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Pan Asia Bond Index</td>
<td>3.91</td>
</tr>
<tr>
<td>S&amp;P Pan Asia Corporate Bond Index</td>
<td>4.29</td>
</tr>
<tr>
<td>S&amp;P Pan Asia Government Bond Index</td>
<td>2.73</td>
</tr>
<tr>
<td>S&amp;P China Bond Index</td>
<td>1.63</td>
</tr>
<tr>
<td>S&amp;P China Convertible Bond Index</td>
<td>1.51</td>
</tr>
<tr>
<td>S&amp;P China Corporate Bond Index</td>
<td>1.57</td>
</tr>
<tr>
<td>S&amp;P China Corporate Select Bond Index</td>
<td>1.57</td>
</tr>
<tr>
<td>S&amp;P Hong Kong Bond Index</td>
<td>1.06</td>
</tr>
<tr>
<td>S&amp;P BSE India Bond Index</td>
<td>1.91</td>
</tr>
<tr>
<td>S&amp;P BSE 10 Year Government Bond Index</td>
<td>1.91</td>
</tr>
<tr>
<td>S&amp;P India Bond Index</td>
<td>1.99</td>
</tr>
<tr>
<td>S&amp;P Malaysia Bond Index</td>
<td>4.39</td>
</tr>
<tr>
<td>S&amp;P Philippines Bond Index</td>
<td>6.97</td>
</tr>
<tr>
<td>S&amp;P Singapore Bond Index</td>
<td>4.24</td>
</tr>
<tr>
<td>S&amp;P South Korea Bond Index</td>
<td>2.06</td>
</tr>
<tr>
<td>S&amp;P Taiwan Bond Index</td>
<td>0.93</td>
</tr>
<tr>
<td>S&amp;P Thailand Bond Index</td>
<td>0.39</td>
</tr>
</tbody>
</table>

**General Insights**

- The Dow Jones Sukuk Total Return Index (ex-Reinvestment) went up 0.35% and the S&P MENA Sukuk Index increased 0.20% in November, posting YTD losses of 0.77% and 0.26%, respectively.

Source: S&P Dow Jones Indices LLC and its affiliates. Data as of December 31, 2018. Index performance based on total return. Returns in brackets are in 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.spgdb.com.

**General Insights**

- The Dow Jones Sukuk Higher Quality Investment Grade Select Total Return and Dow Jones Sukuk Higher Quality Investment Grade Total Return Indices are up 0.31% and 0.31% respectively.

See page 24 for the full report.
FORUM VIEWS - FEBRUARY 2019

REGULATORY PULSE

FINSEC Law Advisors

SEBI CIRCULAR ON SIDE POCKETING OF MUTUAL FUNDS*

A number of foreign jurisdiction permit segregation (commonly known as, side-pocketing) of illiquid funds, however, few allow side-pocketing of segregated funds in India. The definition of a segregated fund in India includes several aspects such as the fund being segregated and its management. On December 28, 2018, SEBI issued the much-awaited circular permitting segregation of illiquid funds (“the segregated fund”) from the liquid portion of a mutual fund (“the main fund”). Under this, the unit-holders of a fund are allotted units of segregated fund on a pro rata basis. Upon segregation, the fund manager will be able to continue its business as usual. Any proceeds from realisation of segregated fund is distributed among the unit-holders.

The SEBI circular provides for the following:

(i) Segregated fund may be created on proceeds from realization of segregated fund on a pro rata basis.
(ii) The Scheme Information Document of mutual funds must provide for creation of segregated funds; for existing funds compliance with Regulations 181B(5) of the SEBI (Mutual Funds) Regulations, 1996 is necessary. This provision requires a fund to notify any fundamental change in the attributes of the scheme, to the unit-holders of such scheme.
(iii) Decision to segregate must be made immediately after the credit event. Once the said decision is made, an approval from the trustees will be required (within 1 day of credit event) on the said decision, which shall also be disclosed through a press release.
(iv) Suspension of entry and exit from the scheme is also permitted while the trustees’ decision is awaited. Post segregation, the restriction on entry and exit will not be extended to the segregated fund.
(v) Segregated fund has to be compulsorily listed within 10 days of creation of such fund, to enable exit to the unit holders.
(vi) Funds can charge TER, excluding investment and advisory fees, on the recovery of the investments in segregated fund; however, costs incurred on segregated fund cannot be passed on to the main fund.

Although this policy was brought in the backdrop of the debt default by IL&FS (amounting to more than 910 billion), however, the mutual funds affected by IL&FS default would not be able to reap its benefits. This is because segregation is required to be done on the day of the credit event and the trustees have to approve it within one day of the said credit event. Never the less, this circular is a step-forward and it will prevent the mutual fund industry from another IL&FS-like crisis situation.

*Mr. Sanjeev Parashar is a member of the Mutual Fund Advisory Committee of SEBI.

DISCLOSURE OF SIGNIFICANT BENEFICIAL OWNERSHIP IN LISTED ENTITIES

Vide circular dated December 07, 2018, in the interest of transparency to the investors, SEBI has now mandated the disclosure of significant beneficial owners by listed entities (“Circular”).

In June 2018, the Ministry of Corporate Affairs had notified the Companies (Significant Beneficial Owners) Rules, 2018 (“SBRO Rules”) which specified disclosure requirements regarding Significant Beneficial Owners (“SBO”). While defining SBO, the SBRO Rules refer to Section 89 and 90 of the Companies Act, 2013 and state that, SBO of a company is an individual, who either alone or with others, holds beneficial interest of not less than 10% of the shares of the company or who exercises significant influence or control over the company, but whose name is not entered in the register of members of the company as a holder of shares. Beneficial interest in a share includes, directly or indirectly, exercising rights attached to the share or receive any dividend in respect of such share.

In consonance with the disclosure requirements specified in the SBRO Rules, the Circular now mandates all listed entities to disclose details pertaining to SBOs in the format specified in the Circular. The SBRO Rules were brought into force to bring in transparency and accountability, and effectively disallow the use of a web of entities to mask the ultimate beneficial ownership of a company. As the corporate veil is essentially pierced, these disclosures will assist authorities in financial investigations. While this may be beneficial from the perspective of transparency, imposing this requirement on the listed companies will invariably add to their compliance burden.

REGULATORY PULSE

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LISTING OF INDIAN COMPANIES ON OVERSEAS STOCK EXCHANGES

After much anticipation, the “Expert Committee for Listing of Equity Shares of Companies incorporated in India on Foreign Stock Exchanges” constituted by SEBI, published its report on December 04, 2018, (“Report”). The Committee was tasked with the responsibility inter alia to recommend a legal framework for implementing direct listing of equity shares of Indian companies on foreign exchanges and vice versa.

The Committee has inter alia identified policy issues in the existing legal framework in India, recommended modifications to facilitate such listing and provided a list of 10 foreign jurisdictions that may be suitable for direct listing of the equity shares of Indian companies. However, it is to be noted that the Report did not recommend allowing Indian companies to list their equity shares directly on stock exchanges set up within the International Financial Services Centre ("IFSC") in Gujarat. Therefore, to allow Indian companies to diversify their capital raising options, to find better valuation and to provide them with cost-effective alternatives to raise capital, it may be appropriate for the Central Government to explore the possibility to permit companies incorporated in India to list directly on India INX or NSE IFSC in compliance with all applicable regulatory requirements.

Currently, Clause 7 of the SEBI (IFSC) Guidelines, 2015 (“IFSC Guidelines”), which provides for the types of securities that can be dealt with on the stock exchanges operating within IFSC ("Permissible Securities") does not include equity shares of Indian companies. Therefore, for the facilitation of the aforesaid proposal, SEBI could exercise its powers under Section 11 (1) of the SEBI Act, 1992 and include “equity shares of a company incorporated in India” within the list of Permissible Securities under Clause 7 of the IFSC Guidelines. Thereafter, the Central Government, pursuant to discussions with relevant regulators could explore the option to identify ISCC in IFSC City, as a Permissible Jurisdiction and international exchanges established within the IFSC could also be included in the list of designated foreign stock exchanges for listing of equity shares of companies incorporated in India.

As a policy shift, SEBI vide circular dated April 10, 2018 ("April Circular"), had provided that clubs of investment limits for FPIs (foreign portfolio investors) for investment in Indian companies (below 10% of the paid-up capital) shall be based on the definition of beneficial owners (“BOs”) as laid down in Rule 9 of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 ("PMLA Rules") which specifies an individual is a BO, if two primary tests were laid down in the April Circular namely, i) the economic interest test, and ii) the control test. Under the economic interest test, an individual 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 individual is considered to exercise control over an entity if he has control over the affairs of the FPI, including having management rights. This raised concerns for FPIs where the FPI’s role was confined to merely investing and would also apply to cases in which common investment managers would manage different FPIs without enjoying any economic interest in them. Such investment managers would also include mutual fund managers who have in-depth understanding of the Indian Securities market.

As the FPI sector raised concerns, a working group headed by Mr. H R Khan (“WR”) was constituted to review the April 10, 2018 Circular. In its recent final report recommended that clubs of investment limit of FPIs should not be determined based on common senior

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Disclosure: Finsec Law Advisors is representing Kirloskar Chillers Private Limited.
ANALYZING CIRCULARS (02 DECEMBER 2018 TO 05 JANUARY 2019)

Regulator

Important Circulars's Title For The Period

SEBI

SEBI (PPF) (Third Amendment) Regulations, 2018 --> SEBI modified SEBI (PPF) Regulation 1 2018. New clause w.e.f. “Control Manager and NRI, OCI, PPI, are inserted. --> Explaining how single and Aggregate contribution of NRI, OCI and NRI is PPI. --> Explain the controls related with NRI, OCI, PPI, including providing definition of Government agency. --> Addition of new regulation regarding PPI, NRI and OCI. --> See: Regulator

SEBI (GDICOM) (Amendment) Regulations, 2018 --> SEBI has modified SEBI (GDICOM) Regulation 2018. New regulations is inserted which deals in the allocation procedure in the net offer category for an issue made other than through the book building process and also there is an amendment added to the fresh offer document is required for any increase or decrease in the offer size, which is not more than 20 per cent of current and in case of an OFS, there is a change in the number of shares offered for sale, or in the estimated offer size, by reason more than 50 per cent.

SEBI

Disclosures by Stock Exchanges for commodity derivatives --> Providing formats containing discloses of Open Interest and turnover for various categories of participants at Commodity Market as well as market level and format of disclosure commodity wise for top 10 participants under complex framework.

SEBI

SEBI (CDS &存托机构)(Amendment) Regulations, 2018 --> SEBI has modified SEBI (CDS &存托机构) Regulation 2018. Disclosure required to Disclosure of acquisition and disposal. --> Disclosures requirement for acquisition and disposal of shares shall also not apply for a housing finance company or a Systemically Important Company.

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ANC Note: Currently Members generate alerts through Surveillance/AML systems and based on internal investigation highlight the trades which are with an objective of profit making and without due diligence. Members need to ensure that clients are informed of trading in such securities with higher margin requirements before effect of same.

NCB has been informed of trading in such securities with higher margin requirements expiry date of derivative contracts which falls after completion of one year from date of levy. Members need to ensure that clients are informed of trading in such securities with higher margin requirements.

BSE Technology Programme (TP) FY 2018-19 for Commodity Derivatives Segment – Circular BSE Technology Programme (TP) FY 2018-19 for Commodity Derivatives and snapshot of same is as given links.

Members to ensure compliance of hardware and software facilities, Members may select any specific empanelled vendor, but BSE does not guarantee any trading condition pertaining to BSE Technology Programme (TP) FY2018-19 for Commodity Derivatives and snapshot of same is as given links.

Relevant document details with changes duly explained included in annexure in given links.

Version 1.0 of Search and Download API will be discontinued with effect from March 31, 2019. The API version 1.1 will be the default API version. Members will need to provide Date of Birth, verified Address and mobile no as per validations given, to enable download of CKYC report.

Download at the earliest.

Security framework upgraded and hence entities to move to new API version 1.1 for search and download.

Members to ensure new API version 1.1 for search and download.

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BSE has released beta version of “BOW API Version V1.0.0” for developing customized Thick Client (exe), web based and Mobile Application for multi exchange multi segments of BSE, NSE, MCX and NCDEX. BSE provides documentation of Application Programming Interface (API) to members / Third Party vendors to develop their Front End solutions which will interact with hosted BSE Server Application.

Introduction of Scan-Mandate on BSE STAR MF platform – Circular Introduction of Scan-Mandate on BSE STAR MF platform enhance the system to accept scan mandate up to 26.01.2019 (earlier was 25.01.2019) and has been implemented in phased manner.

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BOW API for Multi Exchange Trading - Exchange has released beta version of “BOW API Version V1.0.0” for developing customized Thick Client (exe), web based and Mobile Application for multi exchange multi segments of BSE, NSE, MCX and NCDEX. BSE provides documentation of Application Programming Interface (API) to members / Third Party vendors to develop their Front End solutions which will interact with hosted BSE Server Application.

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Introduction of One Time Password (OTP) based Two-Factor Authentication (2FA) mechanism for Collateral Interface for Members (CIM) - The 2FA mechanism will be replaced with an OTP based 2FA mechanism to login into NSCCL Mass, one-time registration exercise, where members are required to provide valid mobile number and email ids for each user id which shall be implemented w.e.f. December 26, 2018 but will be optional for member to opt the same till January 1, 2019. During the optional period, users can choose to skip 2FA by clicking on ”Skip to Application” tab and will be mandatory from w.e.f January 11, 2019. Members are to use given format for updates in New Back Office Segment and Risk Management Systems.

File Format For Contract Reports (Commodity Derivatives) - The format for Contract Reports (CD) is being modified by adding “Contract Price Quotation Quantity” and the revised format is enclosed as Annexure will be made effective from January 04, 2019. Members are to use given format for updates in New Back Office Segment and Risk Management Systems.

Direct Schemes through NMF II Trading Member Portal - Subscription orders in direct schemes will be facilitated for TM through NMF II TM platform effective from 27th Dec 2018. Direct scheme of AMCs already listed on the platform for redemption transactions only, will now be available for subscription also. Further new files available on the server named NMF_SECURITON with an additional column to identify schemes where value will be by Y for Direct Scheme & N for Regular scheme.

Mock session for Public Issue of Equity Shares w.e.f 26th December 2018 - With reference to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 November 01, 2018, Exchange has made the necessary changes in the existing web-based DRF IPD platform w.e.f. Public Issue of Equity Shares. - The changes are introduction of UI as an additional payment mechanism along with ASBA mechanism and addition of UI ID in Application-Cum-Bidding Form also at the Bid Entry- Manual/ Bulk/ Online option. UI ID alerts to investors on daily basis at EOD etc. as enclosed in the circular - The provisions of this circular shall be applicable for all Equity IPD issues opening on or after January 01, 2019.

Introduction of new version of NSE Investor Service Centre (NICE Plus) online complaint filing interface - Exchange introduced new version of online complaint filing interface via NICE Investor Centre ‘NICE Plus’ w.e.f. December 15, 2018, wherein Investors to register as New User and login to NICE Plus for filing new complaints/ arbitration matters w.r.t TM and Companies and Title matter handled through Members Portal.

New ENT-ID modules - Modules such as User ID Request, Member Reporting (Pre Trade), Trade Compliance (Post Trade) and sub-modules (detailed in annex) shall be migrated to new technology of ENT. Members can access the aforementioned modules by clicking on ENT-NEW-TRADE tab on Member Portal. Existing member have access to the new modules by default.

Submission of GST Invoice in respect of Incentive Scheme for Non-Competitive Bidding Facility on ‘e-Gsec’ platform Members to note that incentive received by them is covered as taxable supply under section 2(70) of the CGST Act 2017 and respective SGST Act subject to exemption(s) as applicable to respective TM. - The details of members claiming the incentive is required to submit GST invoice as per section 31 of the CGST Act or SGST Act, as applicable, consisting of the information / disclosure as per the draft invoice format as appended herewith as Annexure -

Admissions Open 2019

Post Graduate Diploma in Management (Finance Markets) - A fast-track career-oriented programme. Duration: 1-year full-time. Minimum 2 year of full time work experience, or Post Graduate in any discipline with a minimum of 60% marks from a University recognized by UGC, or has completed at least intermediate level or 2nd Level, of any of the professional qualifications like CA, CMA, CS, or CFA (offered by the CFA Institute). Website: www.nism.ac.in/ppgsm Email: ppgsm@nism.ac.in *PPGSM is certification programme offered by NISM
By Navneet Munot
Chief Investment Officer
SBI Funds Management Private Limited

Like every year, there were several contenders. I thought of Fortnite, the gaming sensation, but it pales in front of Chinese checkers between Trump and Jinping. McCann and Bush’s demise reminded us of Vietnam, Iraq and the cold war. On the centenary of armistice, a new war of this century may have just begun. Trade conflict is a small part of a larger battle.

America’s ‘Tariff man’ should better know that his tantrums can trample Mexico or Canada but it’s difficult to trump China. Remember, China and India accounted for over half of global GDP two centuries ago. It is not the West’s sunset time yet, but the clock is reversing. US hegemony is challenged as China gradually regains its polar position.

Yes, China has a great wall of debt, but its will to dominate is taller. Arrest a CFO, impose tariffs, block investments or play military games, nothing would cut the Middle Kingdom’s ambitions. The boundaries of artificial intelligence and natural wisdom will be tested. Stan Lee’s words of advice for both: with great power, comes great responsibility.

Kim crossed the border to break bread with Trump in Singapore, and nibbled on noodles with Moon Jae-in. North Korea stole the limelight briefly, but Middle Kingdom’s ambitions. The hegemony is challenged as China and India’s growth creating jobs is a hot debate, it is not creating enough profits is cold reality.

Russians had a “ball” of a time. FIFA threw surprises like a Russian Roulette. Mbappe led France en Marche! A French revolution on Putin land! A star was born - Croatia’s Modric (Lady Gaga can wait). Abenomics’ arrows missed its targets, but Naomi Osaka’s racket got Japan its first grand slam. Messi’s country is a messy affair for investors. Their darling one year (remember 100-year bond), but discounted and discarded next year. Bolsonaro’s win brought the bulls back to Brazil. Markets, economics, politics or football, Brazilian Samba is always spicy.

Imran got captancy when the Pak economy is on a weak wicket. The award for greatest comeback goes to Malaysia’s Mahathir Mohamad. In politics, age is no bar. Turkey or South Africa, Brazil or Malaysia, Emerging markets had interesting tales. Relatively attractive valuations may make EMs outperform DMs in coming years.

Bears finally banged the invincible gang of FAANG. Warren Buffett bit the Apple, but Microsoft excelled ahead to become the most valuable company. Paul Allen, the ‘Idea Man’, left for the clouds. Musk’s Falcon reached sky, but lost ground as Tesla’s chairman. Public tweets aren’t enough to take your company private. Google was grilled, Zuck faced challenges from regulatory books. Political backlash can hack the ambitions of Big tech.

Central banks can declare victory on the 10th anniversary of the global financial crisis. Make no mistake, the global economy has more leverage than ever. A flattening US yield curve is less worrisome than the flattening US federal deficit. Powell’s Fed is well advised to think beyond Trump’s tweets and Wall Street’s twists. Despite central banks shrinking their balance sheets, sovereign bonds bloomed in large parts. Bitcoin owners bit the dust. Tighter money bursts bubbles, there are already ripples in junk bond and CLO markets.

Open Mouth Operations. NBFCs can borrow from Dr. Schuller - ‘Tough times never last, tough people do’. While food inflation should see an uptick next year, India turning from a food deficit to a surplus country is ample food for thought. Policymakers - think beyond farm loan waivers and MSP.

ILFS Shock, Nirav Scam, Sham Rating. Shoddy audit, Shallow board, these Stay but Sorry instances with elite corruption cases globally remind us of Buffett’s quote - “you find out who is swimming naked when the tide goes out”. The silver lining is that these events sow the seeds of structural reforms. Look at the successes of the insolvency regulation.

A trade-war is brewing as Walmart bagged Flipkart to take on Amazon’s Future carts. Indians are consuming data and flying like never before, but Telcos and airlines are transmitting losses. Whether India’s growth creating enough jobs is a hot debate, it is not creating enough profits is cold reality.

“Rise of Women power” was my Person of the Year 2010 - their force is only growing stronger. MeToo is empowering women to say Na No to any Amar, Akbar or Anthony. Beware, Bill, Brett, Batali, a Brigade is behind your fantasy Bride.

Europe scorch in the sun, California went ablaze, Delhi suffocated with smoke. Cape Town almost ran out of water while Indonesia and God’s own country (Kerala) were drowning in it. Hurricanes in the US didn’t wash away Trump’s fire against the Paris agreement. Beyond A.I. or political unrest, climate crisis is the most urgent risk staring at us. Investors, pay attention.

A rising trend with celebrities, CEOs and hedge fund managers is veganism and meditation. Interestingly, it was the perseverance and power of monk-turned-coach Ake’s meditation that kept 12 Thai teens trapped in a cave going for nine days.

The global discourse seems to be turning polar and parochial. But we also witnessed “protection”-ism of another sort, the whole world came together to rescue the Thai teens. Rescuers flew from all over, crafted a miraculous plan and took unimaginable risks to save thirteen strangers. Chinese divers worked with Americans and Japanese and so did divers from Britain with equipment from Ireland. This rescue reminds us that the heart of the entire world beats as one for a noble purpose.

It is a glimpse of hope in today’s world, much like the glimpses of hope offered by advocates and activists of Climate change action, MeToo, Black Lives Matter etc. These heroes are “Avengers” of real life.

Thai cave Rescuers are my person of the year 2018. They emanate hope that the most convoluted challenges facing us can be solved by the power of human cooperation. A standing ovation.
The traditional financial services sector has seen a tremendous shift towards digitalisation with a growing number of Indian consumers going digital. Fintech firms are now redefining the way companies and consumers conduct transactions on a daily basis in India. With the help of credit bureaus, fintech companies are helping new customers gain access to credit.

Growth of Fintech Companies

The traditional financial services sector is expected to grow further. Start-ups witnessed a tremendous growth, with all its operations going digital. Fintech firms are now redefining the way companies and consumers conduct transactions on a daily basis in India. With the help of credit bureaus, fintech companies are helping new customers gain access to credit.

Growth in the unsecured space

Within retail loans, unsecured loans are growing at a faster pace than that of secured loans. Unsecured loans are loans given without collateral and comprise consumer loans, personal loans and credit card borrowings that can be seen in a typical retail portfolio. Unsecured loans have witnessed a tremendous growth, with all its categories growing at more than 50% in the last fiscal year. With the continuation in financial inclusion and digitisation, this segment is expected to grow further. Start-ups and e-commerce trends in association with financial institutions, with assistance from credit bureaus, are offering credit to the right customers at the right rates.

Changes in eKYC process

NBFCs and E-wallets have had to relook at changes in Aadhaar based eKYC verification. This shift will help banks gain new customers and reduce the customer turnaround time. The banking industry in India has adopted the practices like interacting with their customers through multiple channels such as apps, chatbots, smart speakers, digital voice assistants, and more.

• Banks adopting new age technologies

In the past year, the Indian banking sector has embraced the need for digitisation and is swiftly moving towards new and consumer-friendly digital banking services. This shift will help banks gain new customers and reduce the customer turnaround time. The banking industry in India has adopted the practices like interacting with their customers through multiple channels such as apps, chatbots, smart speakers, digital voice assistants, and more.

• Consumer consent linked Alternate data for providing credit and increasing financial access/inclusion

In India, people face various barriers in gaining access to formalised credit and therefore borrow at high interest rates. Customers are now understanding the importance of factoring alternative credit data to help increase their chances of approval of credit. This will help cater to more customers that lack a credit footprint. India is a data-rich but financial inclusion-light country. Using alternative data has the potential to help expand responsible access to credit for people who lack a traditional credit score. Consumers consenting to share their alternate data would further help increase financial inclusion in India.

Q.1. Looking back on 2018, what were some of the main challenges/milestones you saw in your industry/business?

Q.2. What are the top 3 trends you forecast as key for 2019?

- Advanced analytics and technology in customer management and collections

While 2018 was the year when financial institutions focussed on core digital underwriting, we see 2019 as the year they focus on using technology for improving customer management and collections. Financial institutions will further invest in analytics for proving personalised offers and customised products that will help enhance customer experience.

We believe that more investments will be made in data, analytics and software to ensure efficiency and effectiveness in this process. In fact, today, predictive analytics can flag off any delinquencies at a portfolio level, even before they occur. Although this is being implemented by some players, there is a lot of scope to expand usage in this area.

- AI and ML in decisioning

Many companies in India are exploring the potential of Artificial Intelligence (AI) and Machine Learning (ML) to help them grow their businesses. Artificial intelligence will play a huge role in boosting decision-making abilities. Companies that have invested in robust analytics capabilities possess an advantage over the others.

- Consumer consent linked Alternate data for providing credit and increasing financial access/inclusion

In India, people face various barriers in gaining access to formalised credit and therefore borrow at high interest rates. Customers are now understanding the importance of factoring alternative credit data to help increase their chances of approval of credit. This will help cater to more customers that lack a credit footprint. India is a data-rich but financial inclusion-light country. Using alternative data has the potential to help expand responsible access to credit for people who lack a traditional credit score. Consumers consenting to share their alternate data would further help increase financial inclusion in India.

INSIGHTS AND EMERGING TRENDS IN INDIA 2019

By Mohan Jayaraman MD, Decision Analytics at Experian Asia Pacific

Mohant Jayaraman is Managing Director, Decision Analytics & Business Information for Experian Asia Pacific. Experian is the world’s leading global information services company. Through providing information and analytical services, Experian helps organisations and consumers manage the risk and reward of commercial and financial decisions. With over 20 years of experience in banking, he is in charge of driving greater collaboration across Experian’s Asia Pacific, Consultant and Analytics Businesses. He also has responsibility and accountability for the establishment of robust financial decision in India. Experian’s Product, Consultant and Analytics information business.

He first joined Experian in 2010 as Chief Operating Officer in India, before assuming the mandate as Managing Director a year later. During this time, he has seen numerous expanding Experian India’s multiple business lines to scale. He has also been an active participant in industry and regulatory forums related to the Credit information and the Analytics space.

Prior to joining Experian, he was with ICICI Bank, where he held a number of senior management roles most recently Head of Payment Solutions & Enterprise Analytics. In his one-year tenure, he also handled the retail portfolio layouts & set down company’s stance on eKYC. He was also heading the voice solutions for the bank which includes building the product in the area, two webinars, commercial vehicles and asset finance.

He has also been a member of various industry forums driving analytics and credit bureau usage in the Indian banking system.

He has been a part of the Experian CSR team focused on driving the potential capabilities within the organisation to solve social issues related to financial inclusion and consumer education for the last three years.

He is professionally a Cost and Management accountant with a strong interest in data sciences and artificial intelligence.

FINANCIAL AUCMEN THROUGH “SPIRITUALITY”

As an advanced yogi and long-time practitioner of meditation, I sought to bring philanthropy and social impact into my work impact in social activities. I embraced the new model of investing service with one’s professional life, as opposed to the traditional model of keeping these two spheres separate.

“The biggest thing I’ve learned is that I need to be face-to-face with the suffering my philanthropy is attempting to alleviate,”

Research shows that in times of financial crisis, financial acumen is a critical and indispensable component of an executive’s ability to lead even after the storm has subsided.

Financial acumen can be structured in (but not limited to) three main pillars: financial, business quality, and global skills.

1. Financial skills include strengthening core financial literacy concepts and metrics, streamlining processing such as budgeting, forecasting, and reporting, and stepping up compliance.

2. Business quality skills sharpen your ability to keep your house in order and work efficiently by managing costs and resources, focusing on process quality, standards, tools, and metrics, driving efficiency, shorter cycles, managing resources, and understanding technology trends.

3. Global skills include analyzing local, regional, and global markets and product trends, deciphering competitive intelligence, understanding the importance of governance, risk, and compliance, building a sound corporate responsibility strategy and a broader sustainability strategy for the growth of your organization into the future.

The underlying common thread in all these functions is a keen understanding of the numbers in your line of business. Mastering the numbers enables you to make sound and quick decisions. Pursuing these skills, and more importantly seeking the cross-pollination amongst them, is an indispensable criterion for success both in your personal growth and that of your organization.

Research shows that in times of financial crisis, financial acumen is a critical and indispensable component of an executive’s ability to lead even after the storm has subsided.

Spiritual Intelligence a must to undermine financial resolve

Thousands of years before the introduction and the development of spiritual intelligence, Lord Krishna in the Bhagavad Gita had discussed about the spiritual intelligence that the present day researchers are talking about. Spiritual intelligence provides us with complete personality and truthfulness. It is the intelligence of our spirit. By the help of this intelligence, we contemplate over the basic questions of our life and reshape our answers in Financial Materialistic desires. To resolve the conflict arising in the mind of Arjuna, Lord Krishna discussed about the four dimensions of conflict and awakened his soul through spiritual discourse.

Spiritual intelligence is the fine-tuning of intellectual faculty and is nonprofitical and inspirational in nature. The Bhagavad Gita teaches the same. This paper has a review of literature on spiritual intelligence and uses hermeneutics as a qualitative research methodology, which is the interpretation of an ancient or a classical literature.

Mahabharata war became inevitable because of the superciliousness of Durvyodhana. Just before the beginning of the war, Arjuna wanted to see who are the people ready to fight against him and wanted his chariot to be taken to the middle of the Warfield for a test. Lord Krishna as the chariot driver took the chariot to the middle of the Warfield.

Same way one has to derive their Financial acumen in the CHARIOT.

Finally being able to understand not only the numbers in your P&L, but also to deploy and manage your limited resources of spirituality people, time, and funding while adhering to governance, risk management and compliance requirements and regulations, keeping up to date with competitors, recalibrating new technologies, and delivering to customers at higher levels of quality, can be truly daunting. Sharpening these skills while also inspiring and motivating your team and driving your vision forward requires a two-pronged approach to future-proofing your business and skills and getting a solid grasp on your financial acumen.

FINANCIAL ACUMEN THROUGH “SPIRITUALITY”

By Dr. Vikramaditya Narayan President, Rejuvening Bharatvarsh Bharatiya Janta Party

Dr. Vikramaditya Narayan presently serving BJP in the communications for candidate lead in elections and President Rejuvening Bharatvarsh provincially by Bombay Stock Exchange to Farmers cause.

He is actively involved in the policy driven by Government in direction by Honble PM for Swachh Bharat “Make in India” Smart Cities, Toilet Bachao/Padhao” Skill India.

He also played role as CEO at Eros Internationalcom and Incom.in,PL USA

Fonded Swan Yoga FDR Corporate Optimizing the human assets within corporations, the workshops address the engagement so they Feel Good : Think Good : Lead Good, ranging from business creativity to yoga and meditation.
In March 2018, the Ministry of External Affairs stated that over 30 businessmen, who had committed scams and economic offences which have left an adverse impact on the Indian economy and also the banking industry. These offences have caused grave and irreparable loss to the economy. Some of the prominent cases have been of - (i) the IPL Scam having Lalit Modi (former IPL Commissioner) at the centre of it, and (ii) the Rotomac Scam, but probably the most reported one has been the alleged fraud by owner of the now defunct Kingfisher Airlines Vijay Mallya, who has been absconding and is out of India for quite a while now in order to evade trial for criminal offences.

Coming close to the heels of the Nirav Modi-PNB multi-crore bank fraud in 2018, the act, at that time was viewed by the Government seriously to consider effective measures to curb such economic offenders fleeing from India to avoid prosecution.

PROVISION	EXPLANATION
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**Provision**

- The authorities appointed under the PMLA may file an application before a Special Court (designated under the PMLA) to declare a person an FEO. The application will contain: (i) reasons to believe that an individual is an FEO, (ii) information about his whereabouts, (iii) list of benami properties, (iv) properties believed to be proceeds of a crime, or foreign properties for which confiscation is sought, and (v) list of persons having an interest in these properties.

**Attachment**

- Authorities may attach any property mentioned in the application with the permission of the Special Court. The attachment will continue for 180 days, which may be extended by the Special Court.

**Notice**

- The Special Court will issue a notice to the individual: (i) requiring him to appear at a specified place on a date which is at least six weeks after the issue of notice, and (ii) stating that a failure to appear will result in him being declared an FEO. Notice may also be served at the individual’s email address recorded in the PAN or Aadhaar databases.

**Proceedings**

- If the person does not appear in person, but is represented by his counsel, the Special Court may allow the counsel a week to file a reply. If, at the conclusion of proceedings, the person is found not to be an FEO, his attached properties will be released.

**Declaration**

- If the person does not appear in person or through his counsel at the stipulated time, the Special Court will proceed with hearing the application. After hearing the application, the Special Court may declare the person an FEO.

**Confinement**

- The Special Court may confiscate properties of an FEO which are proceeds of crime, benam properties, or any other properties. These properties may be in India or abroad. The Special Court may exempt certain properties from confiscation where any other person has a legitimate interest in them. Upon confiscation, all rights and titles in the property will vest in the central government, free from encumbrances (claims or rights in the property). The central government may dispose these properties after 90 days.

**Appeal**

- Appeals against the orders of the Special Court will be before the High Court. Such appeals can only be filed within 30 days of the order (extendable to 30 days if the High Court is satisfied with the reasons for delay).

How can a person be declared a Fugitive Economic Offender and what shall happen thereafter?

In order to declare a person a FEO, the agency will have to file an application in a Special Court and attach details of all the Property to be confiscated.

Under the Act and upon declaration FEO, the properties and assets may be confiscated immediately and vested by the Centre. This includes not the properties directly owned by the FEO but also any and all benami properties owned by the offender. As mentioned above in the table the FEO is barred from filing or defending any civil claim, even those that have nothing to do with economic offences. They are disallowed from approaching the court to seek any legal remedy or to defend themselves in a case where they may have been wrongly charged.

It may be argued that such a bar could violate Article 21 of the Constitution. Article 21 states that no person (or company) can be deprived of their right to life or personal liberty, except by law. The court may also declare that any and all benami properties owned by the offender. As mentioned above in the table the FEO is barred from filing or defending any civil claim, even those that have nothing to do with economic offences. They are disallowed from approaching the court to seek any legal remedy or to defend themselves in a case where they may have been wrongly charged.

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CONCLUSION

The Act is enacted to provide measures to deter fugitive economic offenders from evading the process of law in India by staying outside the jurisdiction of Indian Court, to preserve the sanctity of rule of law in India and for matters connected therewith or incidental thereto. However, to remove the loopholes highlighted above warrant an appropriate amendment to the Act.
In this section user needs to select a month of reporting where year is locked to current calendar year. For the current financial year i.e. FY 2018-19 since SERF is being introduced during middle of the year, SERF information is required to be collected for all the months in current financial year i.e. since April 2018 onwards. From 2019 onwards the data would be enabled for filing only for previous month.

User needs to click on “Save”. System based request ID will be generated and option to upload invoice information will be made available.

b. No Service Exports:
If no service exports are applicable for reporting month, user can select declaration “There are no service exports eligible for reporting in SERF for this reporting month.” If this option is selected System will not ask for upload and reporting invoice level data.

C. Invoice Level Data Upload:
In order to submit information of Service Export Invoices, an upload macro is made available where user needs to key in required information. After ensuring entry of complete list of invoices, files needs to be generated and upload in SEZ Online System.

D. Exporter Declaration
Export Declaration section is presented to user for submission of the report. Report for the selected reporting month needs to be submitted using Digital Signature Certificate (DSC).

3.4. Reporting filing Controls
a. Periodicity and Timeliness:
• The form needs to be mandatorily filled on or before 10th of each month. The Unit must file details of all such invoices which were issued, revised during the previous month before 10th of the next month. For example all invoices of August 2018 (relating to Service Exports, as already explained and codes provided) need to be filed by the Units before September 10th 2018 (or immediately succeeding business day if 10th is a weekend or a gazette holiday).
• In case, during the reporting month the Unit had no reportable transactions, a NIL return should be filed.

b. Action in case of non-compliance:
In case, the Unit fails to complete the reporting by the 10th of current month for reporting of previous month invoices, the system will automatically disable the Unit from performing any other transaction i.e. the Unit will not be able to file / view / process transactions such as Import / Exports etc. Therefore, it is very important that each Unit files the report in time and this will also help in build the export estimates in a better manner.

4.0 Conclusion
The said monthly compliance is yet another step by the Government to keep an eye on the activity of the SEZ Units who are majorly involved in service exports. Further, this also imposes responsibility on the SEZ units to perform their obligations within the limits and timelines as specified by the Law and Government.

Service exports are a significant portion of overall exports from SEZs. The SEZ Units export various types of services such as Software, Support, ITeS, Research, Maintenance, Logistics and Warehousing etc.

SERF would use the “Service Accounting Codes” (SACs) provided under the GST regime. Therefore, the Units are required to map the services being exported with the applicable SAC. List of these Codes is proposed by DGC&IS under Annexure 1 to the release as published by the SEZ online portal.

3.3. Important components of the Form:
A. General Information about the Unit and Period of Reporting:
This information includes information about the SEZ entity viz. SEZ entity Name, Letter of Approval (LOA) Number, Expiry date, Address, IEC, GSTIN, etc.

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

1.0 Synopsis of the previous release
In our last two releases, we had outlined the compliances under the purview of governing laws for an IFSC unit and the repercussions of non-compliances.

2.0 Coverage in the current release
In the current release, we shall discuss the online mechanism which facilitates and ensures collection of structed, comprehensive information in a timely manner from SEZ entities and to formulate a process for reporting of all Service Exports being performed by SEZ entities. The module titled Service Export Reporting Form (“SERF”) has been developed and made effective from September 2018 to formulate a process for reporting of all Service Exports being performed by SEZ entities.

3.0 Implementation of “SERF” vide SEBI Circular no. SEEKPZ-SEZ/NEWSEZ/OSMP/233/16-17/VOL-IV dated September 19, 2018
All SEZ units under jurisdiction of Development Commissioner, SEEKPZ-SEZ is hereby informed that a new module viz. SERF has been developed and implemented in SEZ Online System by NSDL Database Management Limited (NDML).

Service exports are a significant portion of overall exports from SEZs. The SEZ Units export various types of services such as Software, Support, ITeS, Research, Maintenance, Logistics and Warehousing etc.
THE PAYMENT OF GRATUITY ACT, 1972

By Ramesh L. Soni
Management Consultant and Advisor on Labour Laws

An employee expects and deserves, as a matter of right, some reward when he retires after a long meritorious service. The enactment of the payment of gratuity act, 1972 has fulfilled this expectation of an employee. The act has come into existence since 16th Sept 1972.

What is Gratuity?
 Gratuity is a short of an award which an employer pays out of his Gratuity, to an employee for his long and meritorious services, at the time of his retirement, or termination of his services. Payment of Gratuity is however, compulsory for employers subject to Eligibility. (stated as below)

Under the act an employee become, entitle to earn gratuity after putting in service of mimimum five years. When an employee dies while in service his nominee or heirs can be submitte within 30 days of any change in the name, address, employer or nature of employment after cessations.

Object:
The quantum of gratuity is to be calculated as :-
1. The employee may wholly or partially forfeit the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

2. The employee partly forfeits the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

3. The employee who is eligible for gratuity and dies after the application for issuing Form N is submitted within 90 days of the occurrence of death, the employee’s representative shall be entitled to receive the gratuity payable to him and the same shall be paid within 30 days from the date gratuity becomes payable.

Notes:
1. The employee may wholly or partially forfeit the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

2. The employee partly forfeits the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

3. If any person die within 1 year or 6 months, respectively. Hence the calculation will result as follows.

4. If gratuity is not paid by the employer within 90 days of the occurrence of death, the employee’s representative shall be entitled to receive the gratuity payable to him and the same shall be paid within 30 days from the date gratuity becomes payable.

5. The Act also has been made applicable to :-
(a) Motor Transport undertaking,
(b) Clubs,
(c) Inland Water Transport Establishments
(d) Local Bodies and Solicitors Officers.

Gratuity at the rate of 15 days wages for every completed year of service, is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years.

Eligibility:
1. Any employee has to render minimum five years’ of service.
2. At the time of retirement or resignation or on superannuation, an employee has to have minimum five years’ of service.
3. In case of death or disablement, the gratuity is payable, even if he has not completed 5 yrs of service.

Notice of Opening, Change or closure of An Establishment:
An employer has to send a notice in Form A to the Controlling Authority of the area within 30 days of the Rules as becoming applicable. In addition to that, Form B is to be submitted within 30 days of any change in the name, address, employer or nature of business whereas an employer has to notify the Central Government from C intending to close down the business atleast 60 days before intended closure.

4. Once act applies, it continues to apply even if employment strength falls below 10.
5. The Act also has been made applicable to :-
(a) Motor Transport undertaking,
(b) Clubs,
(c) Inland Water Transport Establishments
(d) Local Bodies and Solicitors Officers.

An employee can, no doubt opt for scheme other than the payment of Gratuity Act, if it appears to be better, but on adoption of that, he has to abide by the Scheme in to. The Supreme court has held that sub-section (5) of section 4 of the payment of gratuity act does not contemplate that the employee would be at liberty to opt for better terms of the contract, by keeping option open in respect of a part of the statute. While reserving his right to opt for beneficial provisions of the statute, he has to opt for either of them and not the best of the terms of the statute as well as those of the contacts. He cannot have both, such a constructions would defeat the purpose for which sub-section (5) of section 4 has been enacted. Impugned judgement cannot sustain and is set aside.

What is Continuous Service ???
The term ‘complete year of service’ means continuous service for one year.

An employee is said to have rendered continuous service if:-
(a) He has been in uninterrupted service, including service interrupted by sickness, accident, absents from duty with or without leave, lay-off, strike, or lock-out or cessation of work not due to the employer’s fault.
(b) In case of death or disablement, the gratuity is payable, even if he has not completed 5 yrs of service.

Notes:
1. The employee may wholly or partially forfeit the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

2. The employee partly forfeits the gratuity payable to him if his services are terminated for any act, willful omission or negligence, causing any damage or loss to, or destruction of, property belonging to the employer, to the extent of damage or loss caused.

Forfeiture of Gratuity:
1. Any employee pays out of his Gratuity, to an employee for his long and meritorious services, at the time of his retirement, or termination of his services. Payment of Gratuity is however, compulsory for employers subject to Eligibility. (stated as below)

2. The employee who is eligible for gratuity and dies after the application for issuing Form N is submitted within 90 days of the occurrence of death, the employee’s representative shall be entitled to receive the gratuity payable to him and the same shall be paid within 30 days from the date gratuity becomes payable.

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6. Calculations of gratuity:
7. Gratuity to Mr. Jatin
8. Calculation of Gratuity:
9. Gratuity to Mr. Jatin
10. Payment of Gratuity act, 1972 deals with calculation of gratuity. The Example to the Act Inserted by Act No. 22 of 1987 (w.e.f. 1-7-1987) provides that the completion of continuous services of five years shall not be necessary where the termination of the employment of the employee is due to death or disablement.

Example:
Mr. Jatin joined an establishment in January 1985 at Rs. 5,000/- per month. His wages were raised to Rs. 15,000 per month in December, 2005. He retired on 31st December, 2005. The amount of gratuity payable to him shall be calculated as under:

Mr. Jatin retired on : 31-12-2005
= 15 X 20
> Joined on: 01-01-1985
> Total Service: 20 years
> The gratuity for the period of 20 years = 15 X 20 = Rs. 300,000

Hence the calculation will result as follows:
**FORUM VIEWS - FEBRUARY 2019**

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

By Siddharth Bera
Managing Director
Epitome Corporation Pvt. Ltd.

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

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

There are a lot of benefits that one can get from HD video streaming. So, what are those benefits? Well, here is a quick glance at them.

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

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

Contact us:
siddharth@estv.in
Telephone: +91 98795 44338
Website: http://epitomesolutions.in
SIMS 9th Annual International Research Conference (18th-19th December 2018, Pune)
4C’s - Communication, Commerce, Connectivity, Culture: Implications for Business and Society (SIMSARC18)

EXCLUSIVE MOVIE SCREENING FOR BBF MEMBERS (Friday, 11th January)
MOVIE: “THE ACCIDENTAL PRIME MINISTER”

Muhurat Opening (Morning of Friday, 11th January)
(Veteran Actor Anupam Kher rings the BSE Bell with Dr. Jayantilal Gada - Film producer and Distributor, along with other dignitaries)

Delegation from The University of Winnipeg, Canada (9th January)

Dr. James Currie (Provost and Vice-President, Winnipeg University, Canada), Dr. Sangeeta Pandit (Head of Finance Department, Sydenham Institute of Management), Dr. R. K. Srivastava (Sydenham Institute of Management)

Delegation from ASIFMA, Hong Kong (16th January)

Mark Austen (CEO) and Lyndon Chao (Managing Director, Head of Post Trade and Equities)
You are a combination of matter and Spirit. You know only matter. You have no inkling of the Spirit in you. Yet because Atman, Spirit, is our original nature It makes its presence felt. Thus you attribute the glory, the sense of emptiness and grandeur of Atman to your individual personality. Worse still, you project the dependence, weakness and finitude of the body, mind and intellect to Atman. The way out is knowledge. Knowledge of the distinction between matter and Spirit. Then confusion ends. Money and grief vanish. You get established in happiness.

Jaya Row will speak on Bhagavad Gita Ch 4 at Dr. Kashinath Ghanekar Hall, Thane (W), 22 to 24 February Daily 7.30 to 9 pm. www.vedantavision.org

All are welcome

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.

Clarity of vision which transforms complex Vedic principles into tantrik management mantras is the hallmark of her discourses. Her training, wit and outstanding capacitated 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 business owners to CEOs, corporate executives and policy-makers to industrialists, academicians, doctors, lawyers, academics, homemakers and university students.

Apart from her popular discourses in India, she is a sought-after speaker in the United States, UK, Europe and other countries for the last several years. She has been invited to speak at prestigious organisations such as;

- World Economic Forum Davos
- India Today
- Sundaram
- Intel, California
- MasterCard, New York
- World Bank, DC
- Deutsche Bank, New York
- Stanford School of Economics
- Princeton University, New Jersey
- Shell UK, London
- Celyna Conno Company, Atlanta
- Young Professionals Organisation
- M awars Line 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 values for 5 to 18 year olds.

Metabolism

Q. I’ve been regular with my exercise. I spend an hour in the gym five days a week. I follow a healthy diet. Lately, I realize that I am finding it increasingly difficult to maintain my waist frame. The question is, why? Also, what should I do?

Thanks to a process called metabolism, some calories are spent even when you are sitting down and apparently doing nothing (sigh, if only you could burn all your calories that way). Metabolism refers to the amount of energy in calories that the body uses up to maintain itself. And if you hope to have your cake and eat it too, even as you grow older, you want to make this your closest ally.

Breakfast

This first meal of the day comes with a diatribe: never skip it. Post-dinner, it’s the longest that your body goes without a meal. As such it needs replenishment. It is therefore better to work with your body and give it what it needs when it needs it. Also, calories consumed in the morning are burned more easily and work their way out of your system. So make the most of breakfast!

Lunch

No matter what form it takes-tap, box or buffet-lunch is an important meal. Midday is when your body is going full throttle. So you (can and need) to eat a fairly substantial amount to sustain your energy at this time of the day.

Snacks in between meals

I would actually encourage you to snack twice a day. It fires your metabolism into an energy-burning mode. Make light, wise choices in snacks such as popcorn, kumraj, roasted khakras, fruits and yogurt. For beverage choose green tea or coconut water.

Make the following your five-point agenda:

1. Stress not. If you fret about being fat, you will end up being just that. Stress leads to emotional eating (usually its fried snacks or sweets that your hand will reach out for) and this is likely to reflect on your weighing scale.

2. Set a fitness goal and devote time and effort to achieving it. The target should be within reach or it will dishearten you. Note down details of your exercise in a diary and keep you from trying again. Note down details of your exercise in a diary so that you can make marked progress in your plan.

3. Think positive. It will help you approach your goal in a more single-minded manner. Never say, “I’ve only one kilo.” Say, “I feel great after losing one kilo and will continue with my diet and fitness plan.” Reward yourself with an occasional treat or shopping spree if you make marked progress in your plan.

4. If you ARE trying to lose weight, women should consume a minimum of 1,200 to 1,500 calories per day and men should consume 1,800 to 2,000 calories per day. Any less and your body is in danger of not receiving an adequate supply of nutrients. It enters a state of semi-starvation, thereby lowering your metabolism and depleting your body of energy.

5. Eat less. Your body needs two per cent fewer calories with each passing decade to maintain your body weight.

EXERCISE

1. Build muscle.

Muscle spurs your metabolism because unlike fat it requires more oxygen and caloricines to maintain itself. Consult a qualified trainer to teach you strength exercises for your upper, middle and lower body. You may enroll in a gym or simply follow a routine at home doing simple exercises such as push-ups, ab crunches and squats, two to three times per week.

2. Get your heart racing.

Your metabolism can increase up to 25 per cent after a vigorous aerobic workout. This form of exercise will help decrease body fat too. Jog, walk, cycle or swim at least five days a week for a minimum of 30 minutes.


Add variety to avoid boredom. Bored walking all this while? Try walking uphill for a change. Don’t feel like doing the same exercise class you had enrolled for in university? Try swimming or take up a sport, if possible. Remember change create change. This can help challenge your stamina and keep you interested in your routine.

NutriFit Inc., New Delhi, 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 College of Exercise, The American and Fitness Association of the American College of Sports Medicine. She authored over 100 health or wellness and health books. In the field of nutrition, she offers consultations at Bombay Hospital. This column addresses concerns faced by many and her insights for facing the challenge. Learn some powers and perks of lifestyle changes through this Q&A column.

For information and registration on specialized workshops conducted by Namita Jain, contact prism healing institute at - prisimmbs@gmail.com.
The vegan lifestyle that we have adopted at Prana Kitchen for the past year reflects the inter-relation of food and yoga, and how what we eat translates to how we act or who we become. Eating clean food, committing a certain time period from your daily schedule for your yoga sadhana (practise) are all forms of self-discipline that cultivate a certain environment in your inner being (energetic field) which allows for productivity, creativity and a feeling of success. These are things we believe people of our age yearn for and the inability to fulfill them leads to a lack of purpose.

We went to Mysore to do a 1-month yoga course with Bharat Shetty, Indea Yoga which enhanced our outlook on yoga: (literally translates to union of the mind, body and spirit from the sanskrit root Yajur : to join). Mysore is the birth place of Ashtanga Yoga and a hub for yoga students from all over the world. Most of the yoga schools/shalas are in an area called Gokulam which is also brimming with tons of vegan and healthy food cafes, yoga shops, ayurvedic clinics and spas. Food plays an important role in yoga - the ancient sister science of Yoga is Ayurveda which provides individualised diets for people based on their Doshas (constitution). This is also apparent from the tons of different dietary preferences that all the locals and the cafes that are in Gokulam are familiar with. Imagine walking into a restaurant and going straight up to the dessert counter and being able to pick out any dessert that’s on there. Sounds normal to most people right? But for a vegan in India that’s just becoming normal today and it’s places like Gokulmath that really embrace this lifestyle because the people that flock there are yoga students who are almost always conscious of the food they’re putting into their system. Food is energy and it plays an important role in yoga.

During the course our teacher, Bharat Shetty kept stressing upon the single most important element being the breath which enables us to achieve this harmony among the trinity of mind, body and soul. On the first day we were asked what our individual goal postures were and throughout the month it was a process of working towards those goal poses with patience and persistence. Learning not to fight with our bodies but acknowledging its limitations and constantly applying right effort. The concept of right effort was introduced to us by our favourite Vipassana teacher Patrick Kearney who quotes the Buddha saying ‘right effort is something that is sustainable over a long period of time’ which is synonymous to what Patanjali says in his yoga sutra’s ‘sthirasukhasmanasanam’ and ‘prayatahshahitihhaayantayantyamaapattibhyaham’ (PYS 2.46 & 2.47).

We signed up for Bharat Shetty’s Mysore Style classes which is 2 hours of dedicated practice every morning and every evening, 6 days a week. After learning the sequence we were left to practice at our own pace with teachers and assistants coming around for adjustments and guidance if required. It’s an amazing feeling to do your practice in a room surrounded by people pursuing the same path - all at different levels but all inspiring to look at. Whether it was the girl who fell over and got up again or the guy who thought he would never be able to do a headstand... everyone in the room came with one purpose: to let go of ancient, habitual ways of thinking and to work on overcoming their fears in a safe space with lovely people and a great teacher.

Eating clean food, committing a certain time period from your daily schedule for your yoga sadhana (practise) are all forms of self-discipline that cultivate a certain environment in your inner being (energetic field) which allows for productivity, creativity and a feeling of success.

Our yoga practise akin to our vipassana practise helped cultivate ‘mindfulness’ because our teacher Bharat Shetty kept insisting on focusing on the breath and inquiring if we were breathing normally (long, slow, deep breaths and not holding the breath) while doing the asanas. The practice that we did for 4 hours daily translated into our lives and how we react to pain or pleasure. Generally when confronted with a stressful situation the breath becomes irregular, the mind restless and we feel irritable but if in those moments we can continue to focus on the breath, we are able to respond to the situation rather than react; which means we have a choice to either feel victimised or seek the next best alternative/solution.

It was just recognising these windows of opportunity that we have - to make choice - that makes you feel powerful, boosts self-confidence and gives a sense of fulfillment. Nothing is a coincidence, thoughts are random but it is what we constantly feed the mind that it most naturally gravitates toward. It’s always easier to be negative, but to be positive and to believe always takes effort and understanding that we have a choice.

That summarises what Mysore as a yoga haven did to us on a personal level apart from the progress which naturally is made on a physical level with any yoga practice - strength, flexibility and alignment.

Since Mysore has played such pivotal role in our self-development I would definitely recommend it as a destination for all aspiring yogis’ or those affiliated with yoga to unwind, adopt a slower pace of life where you can enjoy simple pleasures such as watching the sunset, reading in open-air cafes, waking up before the sunrise to start your morning meditation and all in all tracking each breath to follow its rhythms; in turn silencing your body and mind down.

Malvika is a certified Yoga teacher from Yoga Darshanam Mysore (200 hrs), ICYHC Kaivalyadhama Mumbai (just graduate diploma in yoga sciences) and Vipassana meditator teaching at Prisim Healing Institute. She also runs the raw vegan kitchen at Prisim with her best friend creating awareness about the impact of our dietary choices.

Pamrita is a certified raw, vegan food chef from Sayuri Healing Foods. She has successfully completed a post graduate diploma in yoga sciences from ICYC Kaivalyadhama Mumba. Co-founder to Prana Kitchen, serving plant-based whole foods which is located at the wellness centre Prisim Healing Institute. She has recently completed a 90 + hours training in Mysore style Ashtanga Yoga with Bharat Shetty. Indea Yoga and is a frequent Vipassana Reenactor participant.

We had just completed a one-year Hatha Yoga Diploma from Kaivalyadhama, Mumbai and we wanted to advance our personal practise before we got into teaching full-time. It was our first time practicing Mysore - style Ashtanga Yoga which was physically challenging but it was also very inspiring to see what our bodies’ are capable of when we don’t restrict our belief to what the mind thinks we’re capable of.

During this journey of self-discovery of our physical strengths’ and limitations’ a skillful teacher like Bharat Shetty was essential and a pre-requisite to keep us motivated no matter what level of practise we were at. Constantly encouraging everyone that progress is progress, irrelevant of how tiny or big. Overall at the end of the month, I think the term ‘Mysore-style’ represents a style of teaching that is simple, methodological (i.e. a reason for every adjustment no matter how minor the change is), non-competitive, not comparing with peers but with our own improvements’ and cultivating patience.
TRAVELLER’S TROUBLES SOLVED
WEIGHT-WATCHER

By Parth Adhyaru
Fitness Fundamentalist & Wellness Consultant

Through different time-zones, quality of food & most probably limitations of physical activity too! How NOT to fall into the downward health spiral that traps most of frequent travellers?

Let’s look at some of the simplest steps that can be taken for saving yourself from this!

1) Hydration: Keeping yourself adequately hydrated (2.5 - 5 litres of water a day; depending upon various parameters) during travel; especially, flights will ensure (1) one doesn’t overeat when meals are available, (2) proper digestion & (3) proper toxin elimination. Stay well hydrated; spring water or mineral water, green tea, chamomile or jasmine, or coconut water are great options to stay hydrated without overload of calories or sugar.

2) No sodas or aerated drinks: Soda contains Sodium (salt) & aerated drinks contain carbon dioxide (CO2); two things you want to stay away even when you’re not travelling. Due to irregular sleep patterns & extended seating hours due to long travel, body tends to retain excess fluid in peripheral areas of the body i.e. swollen feet or ankles or facial puffiness. CO2 can increase fatigue in an already tired body. If there is caffeine in your drink, CO2 can increase fatigue in an already swollen feet or ankles or facial puffiness. Fluid in peripheral areas of the body i.e. long travel, body tends to retain excess fluid, especially, if you think it is unnecessary or over-eating or unnecessary eating = weight gain. In addition to this, once the alcohol has withered away the body is retains its mechanism is not aggravated.

3) Alcohol: A beer here & there may seem refreshing but not always healthy. Alcohol itself may induce weight gain mechanism to accelerate by up to 3 days after consumption; the greater the body-fat percentage the higher the intensity of the effect. Plus, alcohol dehydrates. Body may induce wrong hunger pangs if it senses that it is dehydrating which may lead to wrong hunger signal hence over-eating or unnecessary eating = weight gain. In addition to this, once the alcohol has withered away the body is retains more water which is a defence mechanism against dehydration hence swollen feet or ankle, or even tighter shirts or trousers!

4) Sleep: Sleep as much as you can; even if you think it is unnecessary or over-sleeping. Over-sleeping while travelling may save you from accelerated ageing, wrong hunger pangs hence may induce weight-loss or at least cancel-out weight gain process. Take naps even if you have as less as 20-min waiting stops or rides; unless you have very important calls to stress you out!

5) Travel discipline: While you are on a travel-lifestyle phase it scarcely means you CAN’T keep the discipline up! Make time for physical activity; it could just be a short walk for 20 mins before you catch your next flight! Keep your lightest sneakers with you and make time for an evening stroll before you head out on a business dinner. While most of the hotels offer gym facility it is not always necessary to have a gym at hand for having your physical activity done; GET OUT! Take the stairs, walk around your hotel, take frequent strolls in the production units or act as a leader for organising ‘Meeting walks’ rather than ‘Meeting meals’ where possible; one-on-one or one-on-two meetings can be easily converted to active meetings rather than fasting or sedentary meetings.

6) Footwear: Most of the formal footwear available are not very comfortable for being used for long-hours; remove footwear as & where possible. Uncomfortable foot wear can increase stress accumulation, sleeplessness, lower body inflammation & in longer term, vascular damage & damaged feet lowering your ability to perform. Lowered ability to perform means lower preference for physical activity hence postural damage & obesity in the longer run.

Simplest steps & basic-most principles always go a long way; wishing all of you Happy Health!

Parth Adhyaru is a fitness fundamentalist & wellness consultant. He is an M.D. in Alternative Medicine & relies on herbs & phyto-compounds extensively for weight loss, control & prevention of lifestyle induced diseases & conditions. He is an active participant in the ESPEN (European Society of Clinical Nutrition) & a former newspaper columnist featuring ‘Fitness Fundas’.

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