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FORUM VIEWS

A MONTHLY CAPITAL MARKETS & LIFESTYLE MAGAZINE BY
THE BOMBAY STOCK EXCHANGE BROKERS' FORUM (BBF)



WOMEN LEADERSHIP, ENTREPRENEURSHIP AND THE ERA AHEAD | RIDING THE SILVER TSUNAMI | BIG CHANGES BRING
BIG OPPORTUNITIES | BUSINESS OPPORTUNITIES AT GIFT CITY - THE ROAD AHEAD FOR THE BROKING FRATERNITY |
FIXED INCOME MARKETS - THE ROAD AHEAD | INDIA'S GROWTH STORY: WHAT TO EXPECT FROM FY 2022? |
CAN EVEN THE VIRUS BE UNCONSCIOUSLY BIASED LIKE HUMANS AT WORKPLACE? | EATING RIGHT, HEALTHY

JUNE 2021
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Don't believe in rumours (also called 'tips') that promise amazing returns. These rumours, which spread via the internet on SMS, often come from dubious sources. So, acting on such information can lead to financial losses.

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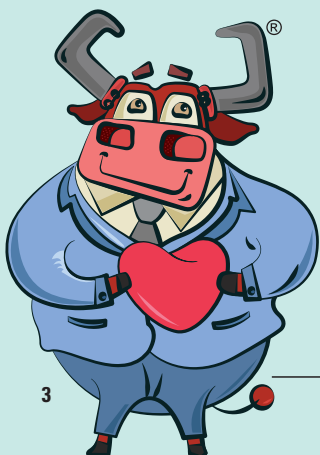
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FROM THE BBF SECRETARIAT

COVID 2ND WAVE HITS HARD ON ECONOMY AND HEALTH: Indian economy is facing tough times as the COVID 19 wave has hit hard in all aspects be it medical care, economy or stock market. The macro factors seems to be under pressure as the whole country is facing rising cases of infection and deaths and also less of business due to night curfew and lock down in some or other forms.

US thinking of putting tariff on Indian Exports: On 11 May 2021 there was debate in US parliament to put tariff of 25% on Indian exports to USA. This was in retaliation to the Indian Govt putting "Google Tax" on all foreign companies like Amazon, Google, Facebook who do business in India and income is above Rs. 2 crores they have to pay 2% Google tax which came in effect from 1st April 2021. This could spoil relation between US and India and could potentially lead to CAPITAL FLIGHT and MNC from USA not preferring India as business destination.

Moody's downgrade Indian GDP to 9.2%: The International Rating Agency Moody's has already downgraded Indian GDP from 12% to 9.2% which shows that international agencies are lacking confidence about the Indian Growth story due to the pandemic.

FII's selling heavily: FIIs are selling heavily in the Indian markets. From 1st April till 10 May 2021 they have sold shares worth around Rs. 17000 crores while in May 2021 they have sold shares worth Rs. 5200 crores.

IIP Index negative: The Index of Industrial Production IIP data which was earlier at -3.6% has again come to -0.8% which shows that still manufacturing is not picking up in the economy and the supply chain has been disturbed.

FMCG Sales down: FMCG sales which is acid test for the consumption theme of India clearly shows that there is eminent slowdown in consumer spending which signals that GDP would crash out in the coming months.

STATE	FMCG SALES IN APRIL %
Maharashtra	-18
Delhi	-34
Karnataka	-19
Tamil Nadu	-5
Gujarat	-48
MP	-50
Chattisgarh	-65

Source: Economic Times dated 13 May 2021.

Auto Sales down: The auto sales were down by average from 7 to 35% on various two and four wheeler companies across the board due to the lock down like situation and many retail counters are shut.

BBF SUCCESSFULLY HOSTED A VIRTUAL EXHIBITION "BBF EXPO 2021" ON 21-22 MAY 2021. THE EXPO OFFERED SERVICE PROVIDERS AN OPPORTUNITY TO SHOWCASE THEIR PRODUCTS/ SERVICES/ SOLUTIONS AND FOR OUR MEMBERS TO INTERACT WITH THE EXHIBITORS ON A ONE-ON-ONE BASIS.



BBF EXPO

21-22 May 2021



Bombay Stock Exchange Brokers' Forum (BBF) successfully hosted a virtual exhibition **"BBF EXPO 2021" on 21-22 May 2021.**

This EXPO offered service providers an opportunity to showcase their products/ services/ solutions and for our Members to interact with the exhibitors on a one-on-one basis.

27 Exhibitors 34 Virtual Exhibits 700+ Visitors 1500+ Views

Sections included:

Sections	Products/ Services/ Solutions
A. Back Office/ Accounting/ Onboarding Solutions	Back Office softwares, KYC/ Onboarding products, backoffice products for Mutual Fund/ Investment advisors/ Financial planners, etc.
B. Trading Execution Solutions	Trading front ends, mobile trading apps, Algo Trading Products, Risk Management Products, E-IPO order management products, Payment Gateway/ UPI Vendors integrated with the front office, etc.
C. Market Data	Tools and charting software's including those related to Technical Analysis, Fundamental Analysis, real time market feed, etc.
D. Compliance/ Surveillance/ Legal/ Professional/ Audit Services	Audit services, general compliance services, specific compliance services (e.g. PMLA/ FATCA), cyber security solutions, etc.
E. Financial Service Providers	Professional Clearing Member (PCM) services, custodian services, banking (including settlement banking services), etc.
F. Others	<ul style="list-style-type: none"> • Bulk SMS/ Bulk Email Services • Website Services • Digital Marketing/ Social Media • Data Centres/ Networks • Scanning and Storage • Training and Education • Research Services/ Calls • Hardware providers • Payroll software • CRM softwares



BBF EXPO

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Thank you for participating



GLOBAL INSIGHTS



“The increasing number of women in leadership roles act as positive role models for young girls. It inspires and prompts them to aim high. Seeing is believing. If others can do it, so can they, research shows.”

FARZANA BADUEL
CEO
Curzon PR (London, UK)

WOMEN LEADERSHIP, ENTREPRENEURSHIP AND THE ERA AHEAD

Women in leadership positions, be it political or business or indeed PR and media have increased in the recent decades. It has become commonplace in many industries to see women in leadership positions. Research by Grant Thornton showed that in 2019, the proportion of women in senior management roles was the highest ever at 29%.

The increasing number of women in leadership roles act as positive role models for young girls. It inspires and prompts them to aim high. Seeing is believing. If others can do it, so can they, research shows.



SMARTPHONES AND THE INTERNET ALLOW WOMEN TO START A COMPANY FROM THE COMFORT OF THEIR HOMES. THERE HAS BEEN A 3,000% INCREASE IN WOMEN-OWNED BUSINESSES SINCE 1972, IN PART DUE TO EASY ACCESS TO TECHNOLOGY.



Women entrepreneurs

Smartphones and the internet allow women to start a company from the comfort of their homes. There has been a 3,000% increase in women-owned businesses since 1972, in part due to easy access to technology.

While that is good, there is a funding gap. Women entrepreneurs don't have the same access to funding as men. Only 2% of startup funding goes to women-led startups. So we have a situation where women have a lot of microbusinesses that do not grow into large companies. That, coupled with often unequal sharing of household duties hold back women entrepreneurs.

Women are traditionally more likely to take on more house care, childcare and other caring duties at homes as compared to their spouses. With the pandemic when children were homeschooled, it led to an increase in a larger share of unpaid work for women than men, according to a United Nations study.

The era ahead

But these issues have been noted and solutions have been put into place. There has been the marrying of intent with action. For example, a lot of work and research has been done on unconscious bias and gender bias. Nearly 50 buyout firms and investors signed a global initiative in 2020 to improve gender diversity and inclusion. Senior managers are increasingly receiving diversity and inclusion training in companies.

The trend of purposeful capitalism and gender-lens investing has also led to private equity houses beginning to create funds specifically for female entrepreneurs. Examples include She Capital, Built By Girls Ventures and Launch with GS by Goldman Sachs, among others.

Women are also becoming much more conscious of the inequality between them and men in terms of funding and share of household duties. They are becoming much more vocal about it, as opposed to earlier when they may have been more inclined to accept the status quo and internalise the injustice.

Also, the pandemic showed that women are able leaders during a crisis, with examples of Angela Merkel of Germany and Jacinda Ardern of New Zealand. This changes the way we view female leaders even in the workplace. After all, if you can see it, you can be it.

With the growing interest and openness about mental health of employees, the need for leaders to be kind and compassionate has become paramount. There is now more acceptance of women using their feminine traits and qualities to lead a company and they no longer need to mould themselves as much to fit in or 'man up'.

We live in interesting times, culture is rapidly shifting and tech is being used as a force for good to bring equality of opportunity across the gender divide. I am hopeful about the future of women leadership and believe the world my daughter will work in will be more equitable and fair to women who have been held back for eons.



WOMEN ARE ALSO BECOMING MUCH MORE CONSCIOUS OF THE INEQUALITY BETWEEN THEM AND MEN IN TERMS OF FUNDING AND SHARE OF HOUSEHOLD DUTIES. THEY ARE BECOMING MUCH MORE VOCAL ABOUT IT, AS OPPOSED TO EARLIER WHEN THEY MAY HAVE BEEN MORE INCLINED TO ACCEPT THE STATUS QUO AND INTERNALISE THE INJUSTICE.



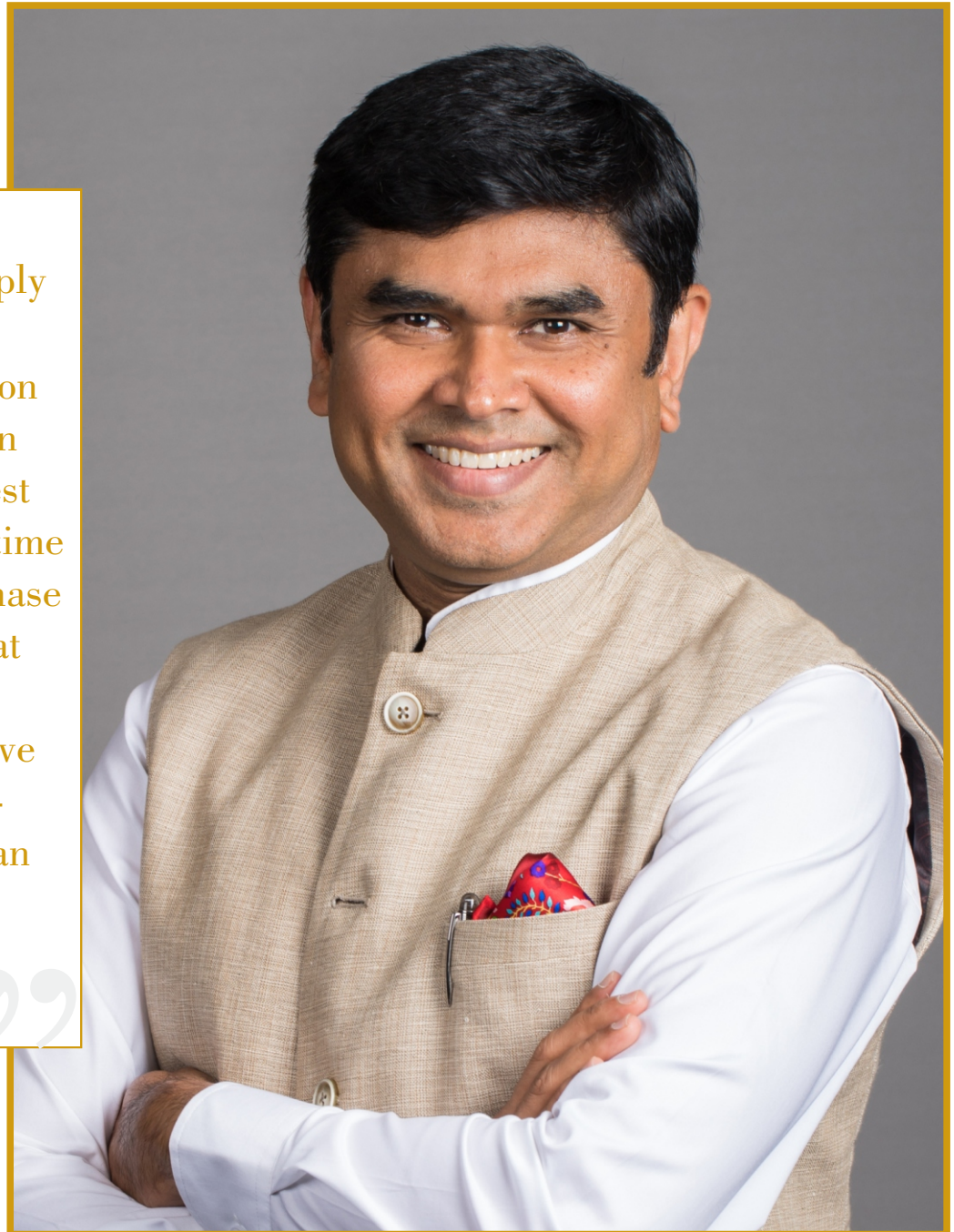
Farzana Baduel is the CEO of Curzon PR. She has been appointed as the Resident Public Relations expert and Ambassador for the Oxford Foundry, the University of Oxford's entrepreneurship centre. As a passionate advocate of strategic communications, she champions the power of PR as a dynamic force for building bridges and unifying the world's voices into a global narrative. She set up Curzon PR in 2009, having previously served as Vice-Chair of Business Relations for the UK Conservative Party.

She is a PR expert working across government, corporate, consumer and arts & culture. She is both Chartered at the Institute of Public Relations (CIPR) and holds a Fellowship at the Chartered Institute of Marketing (CIM). She regularly lectures around the world and is a media commentator on PR, diversity and women leadership. She is a trustee at The British Asian Trust, a charity that tackles poverty, inequality and injustice in South Asia. She has won awards including Entrepreneur of the Year at WPO, Businesswoman of the Year at the Muslim Awards, Entrepreneur of the Year at the Asian Women of Achievement Awards and the Media Professional of the Year at the AMA Awards.



GLOBAL INSIGHTS

“So, what is Longevity? Simply put, it can be defined as duration of life. It has been mankind’s greatest aspiration since time immemorial to chase immortality... or at least live longer. Over time, we have been successful - the average human lifespan has now expanded significantly.”



NITIN JAISWAL

Head of Asia-Pac (External Relations)
Bloomberg L.P. (Singapore)

RIDING THE SILVER TSUNAMI

Today, as I sit down to write & share my thoughts on the capital market, I can't help but notice the similarity between a tsunami and how capital markets operate.

Before the tsunami reaches the surface and the world sees its great force, a lot has already happened beneath - structural, tectonic shifts that cause the ocean to rise up in huge waves. Similarly in capital markets, we have seen that before an idea bursts on to the world stage, it has already made a change to the structure of the industry and economy in which it operates in; and of course, it has been provided with momentum to grow bigger by savvy investors.

So, I believe that if one wants to figure out where the next big opportunity lies, one should simply observe the dictum- 'Follow the Money'.

When we look around and find out where big investors have been putting their money, it leads us to companies like Calico - a company promoted by Larry Page, one of the co-founders of Google. The company focuses on understanding the biology of aging and longevity wherein they seek to answer the most challenging biological questions of our time - how humans age and how to develop interventions to allow people to live longer, healthier lives.

To my mind, the next big idea can be clubbed under a broader concept of Longevity - and the opportunities that arise from it.

It is not surprising that Larry is not the only billionaire who is investing in Longevity - his other fellow billionaires are also betting big. Jeff Bezos has invested in Unity Biotech, Peter Thiel in Breakout Ventures, Larry Ellison in Septuagenarian and also, Elon Musk in Neuralink - to name a few; and I am not including the numerous start-ups that are setting up shop to leverage the new emerging opportunity.

So, what is Longevity? Simply put, it can be defined as duration of life. It has been mankind's greatest aspiration since time immemorial to chase immortality... or at least live longer. Over time, we have been successful - the average human lifespan has now expanded significantly. For example, in 1950, the average life expectancy in the United States was 68 years while in South Korea and India, it was 35 years. In other words, on an average, the Americans lived twice the number of years than their counterparts in India and South Korea.

Fast forward to 2015 - in a matter of 65 years, the average numbers for the United States improved to 78.9 years, India doubled to 68.6 years and South Korea more than doubled to 82.1 years.

One common factor of rising life expectancy among countries is their economic growth - South Korea being a prime example. As the world economy continues to grow, it can be

inferred that the world will continue to see higher life expectancy or in other words, we will see a larger aging population

So, if the concept was in existence for long, why is it gaining traction now? I found a very good explanation by Peter van der Wel, a futurist and economist. He says though the concept of improving longevity of human life is not new; what is new is the pace of development - we are in the middle of a revolution which will expand the longevity of human lives well beyond 100 years.

Peter, in one of his essays explains further and I quote "We can distinguish three phases in extending the life span. The first phase was from roughly 1900 to 2000. In this phase, the average lifespan increased from 40 to 70 years, due to better antibiotics, better health care, better nutrition and better sanitation. We are in phase 2, the phase of life expansion. This phase will continue until roughly 2050. We will find more and more normal that people can become 100 years old or even older if they want."

According to the United Nations, currently there are 573,000 people over the age of 100 globally with the United States leading the pack with 97,000 people followed by Japan at 79,000 people. Fifty years back the total population of people over 100 years was just 33,000.

The rise of Silver Generation: While in future more people will start living for 100 years and beyond what is already happening is the rise of Silver Generation - number of people who are over the age of 65 and are generally healthy. Margaretta Colangelo Co-Founder & CEO at Jthereum describes 'Silver generation' - as a group of people over the age of 65; a generation that already exists and is thriving! There are over billion people over the age of 65 and they boast of a combined spending power of \$15 trillion.

The year 2018 marked a turning point when for the first time in the history, there were more people aged 65 years and over than children under five. And a report by PwC predicts that by 2030, there will be 390 million more 65-year plus humans than in 2015. Clearly, while the world is focused on millennials, there is a structural shift happening in the demographic landscape which will unleash new challenges and opportunities. I call this the impending Silver Tsunami.

Riding the Demographic Dividend: While the supposed 'curse' of an aging population is well documented, there is a positive side which is widely overlooked - and this is where the new opportunities will emerge in the future - people will not only live longer but also most importantly, they will remain healthier for a longer period of time. Put it in another way, the **technology** will ensure there is a delay in the onset of age-related diseases which will result in a longer period of healthy life.

As the world slowly comes to terms with the concept of Silver Generation, Bloomberg in partnership with GIFT City and The Asia Group hosted a thought leadership session with key global players focusing on the Longevity and Silver Generation and from that discussion emerged eight key themes which will put the opportunities in the right perspective.



FINANCIAL INSTITUTIONS, PHILANTHROPIES, AND WEALTH MANAGEMENT FIRMS ARE ALREADY BEGINNING TO ADJUST GROWTH MODELS AND ASSET ALLOCATION STRATEGIES TO TAKE INTO ACCOUNT ENHANCED LONGEVITY.



1. The silver generation is here to stay:

Powerful breakthroughs in medicine and technology will extend the lifespans and longevity of the 'Silver generation'. Through precision medicine, healthier diets, proactive interventions, and targeted therapeutics, members of the Silver generation will be able to delay and even overcome the onset of disease as well as physical and mental deterioration, gaining an additional 20 to 50 years of life compared to previous generations.

Today, the youngest Silvers have a 50 percent chance of living to 90 if they avoid smoking and a 20 percent chance of living past 100. By 2060, there will be more members of the Silver generation than people under 20. To capture opportunities created by this critical demographic, the world must prepare for a "Silver tsunami" and fundamentally rethink core assumptions about politics, economics, and ways of living. Policymakers and business leaders who ignore the Silver generation do so at their peril. They risk losing out on a critical source of insight, experience, capital, and consumer spending that will transform the world in the 21st century.

2. The silver economy can unlock a multi-trillion-dollar opportunity:

Far from being an economic liability, the 1 billion members of the Silver generation remain the world's most valuable and capable citizens, with an estimated global spending power reaching \$15 trillion in 2020. As the world's population ages, the size and influence of the Silver generation will only grow more important. Soon-to-be Silvers in the United States will inherit \$30 trillion from their parents and hold \$37 trillion in wealth by 2030.

Financial institutions, philanthropies, and wealth management firms are already beginning to adjust growth models and asset allocation strategies to take into account enhanced longevity.

But the real potential of the Silver economy lies in productivity gains from extended careers and the growth of new industries offering products and services tailored for them. Within intergenerational workplaces, Silvers bring tested wisdom that can help organizations assess risks and execute critical initiatives. As consumers, Silvers will spark demand for new products and services in health, mobility, finance, and technology that are tailored to the needs of their generation. The rise of Silvers and the transformations within the Silver economy will reverberate across the global economy for decades to come.

3. Governments that invest in longevity can surf the Silver tsunami:

Just as the COVID-19 pandemic has revealed the benefits of investing in public health infrastructure, the coming Silver tsunami will favor countries that proactively invest to become longevity hubs.

Within Asia, countries like Japan and South Korea have long recognized the challenges posed by an aging population; accordingly, they have spent considerable resources in developing robust infrastructure to support public health, transportation, and elder care. Yet the real longevity hubs in Asia are expected to emerge in countries like Singapore, which are making a holistic and concerted push to invest in the core drivers of longevity.

Central to this effort is sustained government promotion of preventative health and nutrition, consistent exercise, and personal saving among the general population, but also an aggressive push to develop strategies and therapeutics to slow the basic processes of aging. Institutions like the National University Health System's Center for Health Ageing serve as a unifying platform to support Singaporean research, development, and testing of new interventions at the cutting edge of longevity science.

4. Governments must revisit assumptions about age and its limitations:

The prospect of extended lifespans and slowing aging processes requires a fundamental rethink of policy governing work and social safety nets. As the world transitions to a silver economy, assumptions about age and its limitation will be upended. Throughout Asia, governments must now ask whether a retirement age of 60 is still feasible or desirable in an era where longevity advancements can extend healthy and productive lifespans by decades.

Pensions and social welfare schemes predicated on shorter lifespans will also need a complete reimagining for a silver economy. While structural changes to social welfare systems may generate uncertainty, they unlock new opportunities to rectify longstanding sources of inequality - including as it relates to gender. Traditional pension schemes were designed with men in mind, failing to take into account breaks in paid work that inherently tilted the playing field against women. Experts now see an opportunity to redesign pensions and social safety mechanisms to look more holistically at a "whole-of-life" timespan.

5. COVID-19 is accelerating a digital revolution among older silvers:

Present at the creation of the modern digital era, Silvers grew up in an analog world. Yet the COVID-19 pandemic and extended social distancing have forced many of the oldest Silvers to adapt to new digital tools - from grocery delivery and e-commerce to video conferencing systems and urban mobility.

In Asia, these same dynamics have helped the oldest Silvers transition from being “surrogate users” of digital platforms - reliant on children to navigate apps on their behalf - to “primary users” capable of independent online activity. Rising digital fluency among older silvers will create new and untapped consumer demand, but also require app developers to design products with the silver generation in mind. Over time, emerging technologies such as blockchain will also prove critical in enabling silvers to engage online in a frictionless manner - solving issues of ID verification and authentication that pose notable challenges for older users. Meanwhile, advancements in AI and machine learning will enable personalized services and products for silvers, powering a revolution in their economic participation and potential.

6. Democratizing education will support life-long learners:

Rising fluency with digital platforms is also enabling silvers to pursue lifelong learning in the COVID-19 era, especially through low-cost online education platforms such as edX and Coursera. Since the onset of the pandemic, online education platforms have seen a remarkable spike in demand, with edX reporting a 1,500 percent rise in overall usage. As silvers explore these platforms, they are seeing fresh opportunities to learn new “hard skills.”

According to edX CEO Anant Agarwal, the top course of choice for edX users over 50 is an introductory computer science course taught by Harvard University professors, a reflection of silvers’ desire to protect jobs, learn new skills, and pursue new chapters in extended professional careers.

Meanwhile, governments in Asia are recognizing the power of lifelong learning, and countries like Indonesia are making concerted efforts to “unbundle learning.” A renewed focus on promoting low-cost “micro-masters,” skills training, and lifelong learning is expected to promote access to education among silvers outside traditional institutions.

7. Silver entrepreneurs can drive innovation on a global scale:

Soon-to-be silvers are primed to disrupt industry on a global scale through extended periods of entrepreneurship in the 21st century. This proposition may seem unconventional at first; indeed, it challenges traditional media narratives that frame entrepreneurship as a youth-centric endeavour. In fact, experts find today that successful startups and entrepreneurial ventures are led, on average, by founders that are 45 years old. These individuals possess the tested experience, insight, health, and motivation required to scale

and grow start-ups into successful companies. As this cohort ages and fully transitions into the silver generation, they are expected to extend their years of entrepreneurship for three reasons.

First, soon-to-be silvers pioneered innovation in the digital era and have pioneered entrepreneurship and risk-taking into their generational ethos. Second, the intergenerational wealth transfers set to take place over the next ten years will provide younger silvers with a glut of capital that can offset financial risks associated with entrepreneurship. Third, the youngest silvers will be the first cohort in history to benefit from medical breakthroughs in longevity that extend peak performance in the professional realm.

8. Longevity Risk will become a mainstream problem:

Longevity risk refers to the possibility that life expectancies exceed expectations or pricing assumptions, and this will result in asset liability mismatch on the part of industries like pension funds and insurance.

The problem will be further compounded in a low-Interest-Rate environment because the lower the discount rate, the higher the present discounted value of the cost of longevity risk events.

In conclusion, it’s time that entrepreneurs, markets, policymakers and even governments prepare themselves for the Silver Tsunami.

P. S.: Clearly longevity has captured the imagination of the developed world, and other nations are getting on the bandwagon slowly but surely. Interestingly, there seems to be a reference to longevity dating as far back as the 1st Millennium, in the Chandogya Upanishads - India’s ancient Vedic Sanskrit texts which describe in detail the life span of a physically and spiritually healthy human beings at over 100 years - 116 years to be precise.

Data Source: <https://ourworldindata.org/life-expectancy>

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Asia Pacific Head of Strategic Relations and Initiatives at Bloomberg LP, the world’s most trusted source for real-time and historical financial data, news, research and analytics. Based in Singapore, He work with senior stakeholders from government, regulators, capital markets, corporates and foundations in identifying and executing joint strategic initiatives to affect positive change by enhancing market transparency, build local communities and help advance capital market development in Asia, a region that is shaping global markets.

He has held various senior leadership roles with Bloomberg in Asia since joining the company in 1997.

With its rich history and culture, he feel passionate about Indian Philosophy and feel when blended with western thoughts can play an important role in building next generation of thought leadership in Asia.

ASIA-PACIFIC MARKETS MONTHLY HIGHLIGHTS AND INSIGHTS

S&P Global Market Intelligence

Key findings:

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

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M&A ACTIVITY IN ASIA PACIFIC: SELECTED COUNTRIES

In April 2021, China dwarfed the other countries in APAC with 258 M&A deals and US\$ 12bn deal value. Throughout the region, Philippines saw the highest YoY growth in total number of deals. South Korea witnessed the most significant growth in total deal value with 9,827%, followed by Japan (2,313%) and Hong Kong (1,874%).

No. of Deals and Value by Country/Region (Apr'21)

Country	No. of Deals	Value of Deals (\$USDmm)
China	258	12,106.90
Australia	137	9,537.30
Japan	96	7,783.80
India	69	3,099.20
South Korea	69	3,586.00
Hong Kong	37	1,656.30
Vietnam	36	728.20
Malaysia	35	499.50
Singapore	33	1,781.50
New Zealand	17	648.90
Thailand	17	18,507.00
Indonesia	7	143.60
Taiwan	6	73.80
Philippines	3	1,844.00

No. of Deals and Value YTD Activity (20' vs. 19')

	No. of deals			Value of Deals (\$USDmm)		
	20 YTD	19 YTD	YoY Growth	20 YTD	19 YTD	YoY Growth
	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021
China	1,099	785	40%	69,982	9,651	625%
Australia	535	396	35%	32,932	9,188	258%
Japan	480	458	5%	28,502	1,181	2313%
India	343	260	32%	9,829	21,668	-55%
South Korea	217	210	3%	55,091	555	9827%
Hong Kong	133	117	14%	10,215	517	1874%
Vietnam	162	94	72%	774	97,549	-99%
Malaysia	126	93	35%	1,660	1,768	-6%
Singapore	112	89	26%	5,555	1,977	181%
New Zealand	74	52	42%	3,049	10,174	-70%
Thailand	74	70	6%	19,557	135,245	-86%
Indonesia	33	36	-8%	1,273	9,940	-87%
Taiwan	33	24	38%	1,896	958	98%
Philippines	47	25	88%	2,373	946	151%
Total	3,468	2,709	28%	242,687	301,318	-19%

Key	Threshold (No. of Deals)
	0 - 7
	>7 - 52
	>52 - 103
	>103 - 155
	>155 - 206
	>206 - 258

Source: S&P Global Market Intelligence as of May 1, 2021. Figures are based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Charts are provided for illustrative purposes.

INITIAL PUBLIC OFFERINGS BY COUNTRY

In terms of IPOs in APAC, China ranked the first with 53 new IPOs and US\$ 7bn of IPO value. Australia showed the biggest YoY growth in the number of IPOs (250%). South Korea saw an upsurge in IPO values with 76,026%, followed by Philippines.

No. of IPOs and Value by Country/Region (Apr'21)

Country	No. of Deals	Value of Deals (\$USDmm)
China	53	7,413.40
Australia	13	639.60
Japan	11	972.40
India	5	340.00
Indonesia	4	19.70
South Korea	4	103.50
Hong Kong	2	90.00
Singapore	2	39.90
Thailand	2	73.50
Malaysia	1	0.60
Vietnam	1	10.00
New Zealand	0	0.00
Philippines	0	0.00
Taiwan	0	0.00

No. of IPOs and Value YTD Activity (21' vs. 20')

	No. of deals			Value of Deals (\$USDmm)		
	20 YTD	19 YTD	YoY Growth	20 YTD	19 YTD	YoY Growth
	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021
China	197	115	71%	31,637	1,404	2154%
Australia	35	10	250%	1,060	596	78%
Japan	31	28	11%	1,927	116	1564%
India	30	15	100%	2,937	492	497%
Indonesia	14	27	-48%	165	166	-1%
South Korea	32	13	146%	6,516	9	76026%
Hong Kong	14	15	-7%	1,888	231	716%
Singapore	8	7	14%	1,089	2,283	-52%
Thailand	7	3	133%	1,717	22,485	-92%
Malaysia	8	11	-27%	325	-	NA
Vietnam	1	3	-67%	10	-	NA
New Zealand	1	1	0%	245	622	-61%
Philippines	1	-	NA	275	2	16553%
Taiwan	-	1	-100%	-	3	-100%
Total	379	249	52%	49,790	28,408	75%

Key	Threshold (No. of IPOs)
	0
	>0 - 11
	>11 - 21
	>21 - 32
	>32 - 42
	>42 - 53

Source: S&P Global Market Intelligence as of May 1, 2021. Figures are based on public offerings offer date. Includes all closed transactions. Tables are provided for illustrative purposes.

PRIVATE EQUITY INVESTMENTS & BUYOUTS: SELECTED COUNTRIES

China led the table with 123 PE investments and buyouts and US\$ 7bn. YTD 2021, China remained the most active market with the number of deals of 527 and total deal value of US\$ 34bn. Hong Kong saw the highest growth in the value of deals (3,688%) followed by Singapore (2,789%).

No. of Deals and Value by Country/Region (Apr'21)

Country	No. of Deals	Value of Deals (\$USDmm)
China	123	7,069.00
India	33	2,748.30
South Korea	25	2,519.50
Japan	23	4,229.20
Singapore	11	4,245.60
Australia	6	305.20
Hong Kong	4	84.20
Indonesia	4	146.20
New Zealand	1	280.70
Philippines	1	250.40
Taiwan	1	4.30
Thailand	1	3.00
Vietnam	1	2.70
Malaysia	0	0.00

Key	Threshold (No. of Deals)
	0
	>1 - 25
	>25 - 49
	>49 - 74
	>74 - 98
	>98 - 123

No. of Deals and Value YTD Activity (20' vs. 19')

	No. of deals			Value of Deals (\$USDmm)		
	20 YTD	19 YTD	YoY Growth	20 YTD	19 YTD	YoY Growth
	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021
China	527	303	74%	33,911	28,632	18%
India	120	84	43%	5,581	3,496	60%
South Korea	82	56	46%	5,298	3,073	72%
Japan	109	128	-15%	5,738	4,612	24%
Singapore	31	18	72%	5,172	179	2789%
Australia	28	39	-28%	9,838	1,419	593%
Hong Kong	8	4	100%	1,894	50	3688%
Indonesia	13	10	30%	334	108	209%
New Zealand	6	4	50%	305	217	40%
Philippines	5	2	150%	432	132	228%
Taiwan	4	2	100%	74	23	229%
Thailand	2	2	0%	3	31	-90%
Vietnam	7	3	133%	30	11	184%
Malaysia	4	4	0%	0	47	-100%
Total	946	659	44%	68,610	42,031	63%

Source: S&P Global Market Intelligence as of May 1, 2021. Figures are based on M&A announcement dates. Includes both closed and pending transactions as well as those without transaction values. Tables are provided for illustrative purposes.

VENTURE CAPITAL INVESTMENTS: NON BUYOUTS BY COUNTRY

In April 2021, China was the most active VC investment market in the region with 181 deals and US\$ 7bn deal value. China also observed the highest YoY growth in number of deals from 432 to 759 in YTD 2021. Singapore saw the most significant growth in the value of deals followed by Japan.

No. of Deals and Value by Country/Region (Apr'20)

Country	No. of Deals	Value of Deals (\$USDmm)
China	181	7,445.00
Japan	58	4,336.50
India	57	2,546.70
South Korea	25	1,174.40
Singapore	21	4,460.10
Australia	8	264.10
Indonesia	5	146.20
New Zealand	4	308.30
Hong Kong	3	81.00
Thailand	2	6.00
Vietnam	2	3.90
Philippines	1	250.40
Taiwan	1	4.30
Malaysia	0	0.00

Key	Threshold (No. of Deals)
	0
	>1 - 36
	>36 - 72
	>72 - 109
	>109 - 145
	>145 - 181

No. of Deals and Value YTD Activity (20' vs. 19')

	No. of deals			Value of Deals (\$USDmm)		
	20 YTD	19 YTD	YoY Growth	20 YTD	19 YTD	YoY Growth
	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021	Jan 1, 2021 - Apr 30, 2021	Jan 1, 2020 - Apr 30, 2020	YoY Comparison Through Apr 30, 2021
China	759	432	76%	33,919	3,275	936%
Japan	211	196	8%	5,259	33	15773%
India	212	184	15%	5,403	3,536	53%
South Korea	75	60	25%	3,387	43	7698%
Singapore	57	55	4%	5,263	33	16044%
Australia	29	38	-24%	2,522	82	2961%
Indonesia	29	36	-19%	487	39	1159%
New Zealand	7	6	17%	318	1,124	-72%
Hong Kong	15	14	7%	1,964	172	1039%
Thailand	3	6	-50%	6	29,698	-100%
Vietnam	8	10	-20%	29	-	NA
Philippines	3	2	50%	251	1,090	-77%
Taiwan	5	3	67%	76	13	500%
Malaysia	7	5	40%	119	125	-5%
Total	1,420	1,047	36%	59,003	39,263	50%

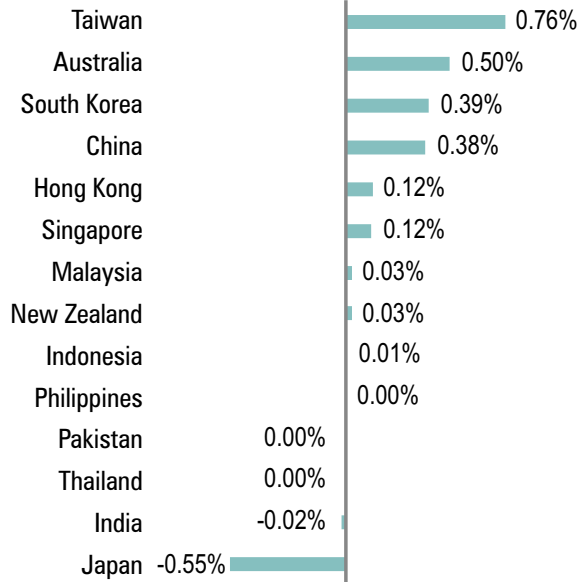
Source: S&P Global Market Intelligence as of May 1, 2021. Figures are based on transaction announcement dates. Includes both closed and pending transactions as well as those without transaction values. Non-buyouts will include all features except for leverage buyouts (LBO), management buyout or secondary LBO. Tables are provided for illustrative purposes.

MARKET ATTRIBUTES: INDEX DASHBOARD

Summary

- Asian equities posted gains in April, with the S&P Pan Asia BMI up 2%. Most single-country indices posted gains.
- Momentum and Growth were the leading factor indices, Taiwan and Singapore were the leading geographies, and Materials and Information Technology were the top performing sectors.
- Volatility declined across the region.
- Commodities posted gains, with Copper and Aluminum in the lead.
- Performance for Asian fixed income indices was positive across the board.

S&P Pan Asia BMI Country Contribution
Apr 2021



Source: S&P Dow Jones Indices LLC and/or its affiliates. Data as of April 30, 2021. Index performance based on total return. Numbers in brackets are closing price levels for the corresponding indices. Returns for single country indices and single country strategies are in local currency, otherwise USD. Sector contributions to the S&P Pan Asia BMI are calculated over the prior month. Charts and graphs are provided for illustrative purposes. Past performance is no guarantee of future results. For more information, please visit our website at www.spdji.com



**your
questions
answered**

SANDIP SHAH

Head- IFSC Dept.
Gujarat International Finance Tec-City
Co. Ltd. (GIFT City)

AIFs IN GIFT IFSC

1. What is International Financial Service Centre (IFSC)?

An IFSC is a special jurisdiction from where global financial service providers offer financial services / products to global customers in foreign currencies.

In India, the role of an IFSC is to undertake financial services transactions that are currently carried on outside India by overseas financial institutions and overseas branches / subsidiaries of Indian financial institutions.

Gujarat International Finance Tec-City (GIFT City) is India's only approved IFSC located in the city of Gandhinagar, Gujarat.

2. How is an IFSC regulated?

In India, an IFSC is approved by the Central Government under the Special Economic Zones (SEZ) Act, 2005 and is also governed by IFSC Authority.

The IFSC Authority Act, 2019 provided for an establishment of IFSC Authority (IFSCA) to develop and regulate the financial services in IFSC in India. The IFSCA is a unified authority for the development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India. Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDAI regulated the business in IFSC.

3. What does the IFSC mean to the global fund managers?

Global fund managers managing offshore funds, traditionally operate from offshore financial centres such as Singapore, Hong Kong, London, Ireland, etc., for making investments into Indian assets.

IFSC is now recognized as a preferred jurisdiction to make investments in India. IFSC is contributing to the growth of

the entire Fund Management eco-system (Make in India for Fund Managers) including custodians, fund accountants, etc in India.



IN INDIA, THE ROLE OF AN IFSC IS TO UNDERTAKE FINANCIAL SERVICES TRANSACTIONS THAT ARE CURRENTLY CARRIED ON OUTSIDE INDIA BY OVERSEAS FINANCIAL INSTITUTIONS AND OVERSEAS BRANCHES / SUBSIDIARIES OF INDIAN FINANCIAL INSTITUTIONS.



4. How are the funds regulated in IFSC?

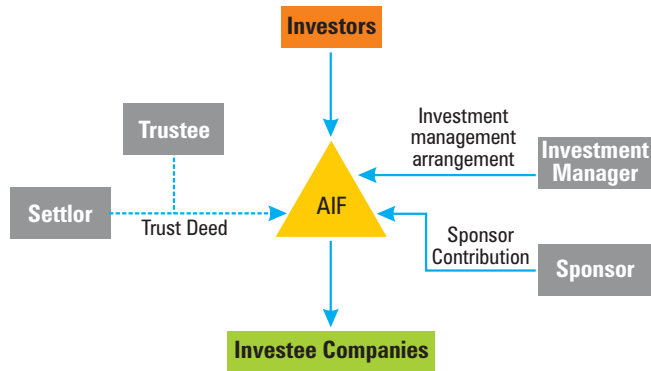
In 2015, the SEBI issued guidelines to facilitate and regulate the securities market in IFSC at GIFT City including the fund framework in IFSC. On 26 November 2018, the SEBI issued Operating guidelines for Alternative Investment Funds (AIF) in IFSC (Operating guidelines) which provide a framework for setting up AIFs in IFSC and a major boost to Indian fund industry. After the establishment unified regulator i.e. IFSC Authority, they will now license and regulate the Funds in IFSC GIFT City. The IFSC authority has issued notifications to enable a robust framework for the Fund business by providing certain relaxations and ease of business.

5. How does an AIF operate?

An AIF is an investment vehicle, set up in India, which privately pools funds / monies from domestic as well

foreign investors and invests such funds / monies in securities as per a defined investment policy. In India, an AIF, along with its constituents, is regulated by the SEBI under the SEBI (AIF) Regulations, 2012 (SEBI AIF Regulations). AIFs in IFSC GIFT City is regulated by IFSC Authority, having its head office in GIFT City.

6. Operational structure of an AIF:



7. How can an AIF be set up in IFSC?

An AIF can be set up in the form of a trust, company, LLP or body corporate in the IFSC.

8. What are the different categories of AIFs permitted to be set up in IFSC?

SEBI IFSC guidelines read along with the SEBI AIF regulations recognises the following types of AIFs:

- Category I AIF: Funds which invest in start-ups, early stage ventures, social ventures, small and medium enterprises, infrastructure sector or areas which Govt consider as desirable.
- Category II AIF: Residual category i.e. other than Category I and III AIF and do not undertake leverage other than to meet day-to-day operational requirements as per SEBI AIF Regulations.
- Category III AIF: Funds which employ diverse or complex trading strategies and leverage including through investment in listed or unlisted securities / derivatives.

9. Who is a Sponsor of an AIF?

A Sponsor is a person who sets up an AIF (i.e. moots the idea of an AIF).

10. Who is a Manager of an AIF?

A Manager is a person who manages investments of the AIF in return for a management service fees. In many cases, the Manager entity also acts as the Sponsor entity for an AIF.

11. How can a Sponsor and/or Manager be set up in IFSC?

A first time Sponsor and/or Manager can be setup only as a company or limited liability partnership (LLP) in IFSC.

However, if the person is already an existing Sponsor and/or Manager to an AIF, such Sponsor and/or Manager is also permitted to set up a branch in IFSC.

12. What are the obligations of a Sponsor and / or Manager with respect to the AIF in IFSC?

The Manager or Sponsor is required to maintain a continuing investment interest in the AIF as follows:

- For Category I and II AIF: Lower of:
 - 2.5% of corpus or
 - USD 750,000
- For Category III AIF: Lower of:
 - 5% of corpus or
 - USD 1,500,000

However, any waiver of management fees will not be considered for the above purposes.



RBI HAS ISSUED A CIRCULAR DATED 12 MAY 2021 STATING THAT ANY SPONSOR CONTRIBUTION FROM A SPONSOR INDIAN PARTY (INDIAN PARTY) TO AN ALTERNATIVE INVESTMENT FUND (AIF) SET UP IN INTERNATIONAL FINANCIAL SERVICES CENTRE (IFSC) IN INDIA WILL BE TREATED AS OVERSEAS DIRECT INVESTMENT (ODI).



13. Whether an Indian sponsor require to obtain RBI approval for its contribution in the AIF in IFSC?

RBI has issued a circular dated 12 May 2021 stating that any sponsor contribution from a Sponsor Indian Party (Indian Party) to an Alternative Investment Fund (AIF) set up in International Financial Services Centre (IFSC) in India will be treated as Overseas Direct Investment (ODI).

Accordingly, an Indian Party can set up an AIF in IFSC under the automatic route provided it complies with other conditions laid down under Regulations 7 of the ODI regulations.

14. Who is permitted to invest in an AIF set up in IFSC?

Permissible investors in an AIF are as follows:

- a person resident outside India;
- a non-resident Indian;
- institutional investor resident in India eligible under

exchange regulations to invest funds offshore - to the extent of outward investment permitted;

- (d) person resident in India (having minimum net worth of USD 1 million during preceding financial year) eligible under FEMA to invest funds offshore - to the extent allowed in Liberalized Remittance Scheme (LRS).

15. Can AIF in IFSC raise money in any foreign currency?

Yes, an AIF in IFSC can raise money in any foreign currency.

16. What is the minimum investment size for an investor in an AIF?

The minimum investment by an investor in an AIF is as follows:

- (a) For employees or directors of the AIF or its manager - USD 40,000;
 (b) For other investors - USD 150,000

17. Where can the AIF deploy/invest its funds?

An AIF is permitted to invest in:

- (a) Securities listed in IFSC;
 (b) Securities issued by companies incorporated in IFSC;
 (c) Securities issued by companies incorporated in India or foreign jurisdiction
 (d) Units of an AIF
 (e) Securities which a domestic AIF is permitted to invest in.

18. Can an AIF in IFSC invest in listed securities in India?

Yes. An AIF in IFSC can invest in listed securities in India under the Foreign Portfolio Investor (FPI) route. For this purpose, the AIF should also obtain an FPI license from SEBI under the SEBI (FPI) regulations, - 2019.

19. What are the investment routes available to an AIF investing in India?

AIFs in IFSC are permitted to invest in India under the following routes:

- (a) Foreign portfolio investment (FPI) - AIF has to obtain FPI license under SEBI (FPI) regulations, 2019; or
 (b) Foreign venture capital investment (FVCI) - AIF has to obtain FVCI license under SEBI (FVCI) regulations, 2000; or
 (c) Foreign direct investment (FDI).

20. Are there any limits for investment into India or outside India by an AIF in IFSC?

An AIF in IFSC can invest subject to the following limits:

- (a) For investment in India - FPI/ FVCI/ FDI limits to apply; and
 (b) For investment outside India - No limits for investment made outside India.

21. What are the key benefits for an AIF in IFSC?

The key benefits for an AIF in IFSC are as follows:

- (a) Various tax and regulatory incentives and exemptions granted
 (b) Lower operating costs due to subsidies granted by the Gujarat Government
 (c) Availability of skilled resources
 (d) Proximity to the onshore market
 (e) World class infrastructure, unparalleled connectivity and transportation access.

22. What are the approvals required for setting up an AIF in IFSC?

Approvals required to be obtained for setting up an AIF in IFSC are as follows:

- (a) Approval from SEZ authorities
 (b) Approval from SEBI / IFSC Authority

23. What are the steps for setting up an AIF in IFSC?

The key steps for setting up an AIF in IFSC are as follows:

- (a) Identification of office space in GIFT City and obtaining Provisional Letter of Allotment from Developer.
 (b) Apply for incorporation of the entities.
 (c) Application to SEZ authorities and obtain Letter of Approval (LoA)
 (d) Obtain IFSC Authority approval.
 (e) Execute lease deed / leave and license with the Developer for the allotted space.

Sandip Shah, Head of IFSC Dept. at Gujarat International Finance Tec - City Co. Ltd (GIFT City). GIFT City is developing an International Financial Services hub in Gandhinagar, Gujarat. Mr. Shah has over 11 years of professional experience in Project Development, Policy Matters, International Financial services regulations and Securities market.

He is a Bachelor of Commerce and Master of Business Administration with specialization in International Finance. He has also done Diploma in Foreign Exchange and Risk Management and Company Secretary - Intermediate from Institute of Company Secretaries of India.

He has been involved from the beginning of International Financial Services Centre at GIFT City. He has been leading various initiatives with IFSC Authority, Ministry of Finance, RBI, SEBI and IRDAI to develop and promote IFSC globally. He is also instrumental in preparing key regulatory proposals for IFSC institutions. Mr. Shah works closely with IFSC Authority for developing new lines of business such as Aircraft leasing, International Bullion Exchange, Offshore Fund management etc.

Currently, he is the Head of IFSC Department at GIFT City and has been instrumental in bringing domestic and international financial institutions in GIFT City. Mr. Shah has played key role for signing cooperation for GIFT City with Bloomberg, Refinitiv and educational institutes like Gujarat National Law University, Nirma University, ICFAI Business School and National Institute of Financial Management (NIFM).

He has worked extensively in various Committees formed by Ministry of Finance, Ministry of Commerce, Ministry of Civil Aviation in the areas of international financial services.

Currently, he is a Member of Steering Committee set up by Ministry of Finance for promoting export of financial services in India. Mr. Shah is also a visiting faculty at Institute of Commerce, Nirma University.

your
questions
answered



ZERICK DASTUR

Founder
Zerick Dastur, Advocates and Solicitors

CERTAINTY AND CONSISTENCY TO PREVAIL OVER CONFLICT

The object of any legal system is to bring in certainty, clarity and consistency in its operation. There are laws which are enacted to achieve certain statutory objects. Many a times we have special legislations to regulate specific areas and also establishing specialized regulators endowed with statutory duties. However, with multiplicity of laws and regulators operating within a dynamic legal system, there are possibilities of conflict of laws in overlapping areas of regulation. Parliament in its wisdom, at times makes it clear that certain laws have an overriding effect in case of a conflict. However, there are still grey areas and uncertainties surrounding enforcement. That is where the judiciary and quasi-judicial bodies step in to give effect to the legislative intent. We have recently seen various judgments and orders in context of orders passed by the securities market regulator, the Securities and Exchange Board of India (“SEBI”) and the interplay of SEBI Act and Regulations with the operation of the Insolvency and Bankruptcy Code (“IBC”). Various developments in the jurisprudence surrounding this aspect are noteworthy.

1. Please discuss the objects and purpose of the Insolvency and Bankruptcy Code (“IBC”).

IBC was enacted for the purposes of reorganization and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner. IBC’s immediate aim is to rescue distressed corporates. The insolvency process for a Corporate Debtor (i.e. the entity that has defaulted on paying its debts) under the IBC proceeds in two phases. In the first phase an attempt is made to resolve the Corporate Debtor’s default through a Corporate Insolvency Resolution Process (“CIRP”) and if no resolution is reached, the Corporate Debtor is liquidated in the second phase. Thus, in the first phase, attempts are made to revive the Corporate Debtor by drawing up a Resolution Plan for that purpose. Such a Resolution Plan is examined by a Resolution Professional. The Resolution Professional plays a significant role in aligning the interests of the Corporate Debtor with those of the creditors. Once the Resolution Plan is finalized it is submitted to the Hon’ble National Company Law Tribunal (“NCLT”) for approval. In the event the NCLT approves the Resolution Plan the same shall be

binding on all the stakeholders. However, in the event the Resolution Plan is rejected, the NCLT may order liquidation of such a Corporate Debtor.

The entire process of CIRP is required to be concluded in a timebound manner. What is pertinent to note is that once the application for insolvency of the Corporate Debtor is admitted by the NCLT under section 7, 9, or 10 of the IBC, a moratorium is imposed under Section 14 of the IBC which is discussed below.



MANY A TIMES WE HAVE SPECIAL LEGISLATIONS TO REGULATE SPECIFIC AREAS AND ALSO ESTABLISHING SPECIALIZED REGULATORS ENDOWED WITH STATUTORY DUTIES. HOWEVER, WITH MULTIPLICITY OF LAWS AND REGULATORS OPERATING WITHIN A DYNAMIC LEGAL SYSTEM, THERE ARE POSSIBILITIES OF CONFLICT OF LAWS IN OVERLAPPING AREAS OF REGULATION.



2. Whether the moratorium under IBC applies to SEBI proceedings?

The definition of the word moratorium as per the Oxford Dictionary is “a legal authorization to debtors to postpone payment”. The moratorium under Section 14 of the IBC essentially is an order by the Adjudicating Authority prohibiting (a) institution or continuation of proceedings against the corporate debtor; (b) transferring, encumbering alienating or disposing off of any assets of the corporate debtor; (c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property and (d) the recovery of any property by an owner or lessor where

such property is occupied by or in the possession of the corporate debtor. The order of moratorium under Section 14 of the IBC shall have effect from the date of such order till the completion of the CIRP.

As mentioned in the Report of the Insolvency Law Committee of February, 2020, the idea of moratorium is that it facilitates the continued operation of the business of the corporate debtor to allow it breathing space to organize its affairs so that a new management may ultimately take over and bring the corporate debtor out of financial sickness, thus benefitting all stakeholders, which would include workmen of the corporate debtor. Therefore, the concept of moratorium best fits with the saying **“When you reach the end of your rope, tie a knot in it and hang on.”** - Franklin D. Roosevelt.

However, there have been instances of attachment of properties by authorities like the Enforcement Directorate, attachment and freezing of properties and bank accounts by authorities such as SEBI to recover the past dues in form of disgorgement, penalty etc leading to a number of judgements and orders passed by courts and tribunals in the context of a moratorium under the IBC. It is pertinent to note that Section 238 of the IBC provides that the provisions of the IBC will have an overriding effect notwithstanding anything inconsistent there with contained in any other law for the time being in force. The legislators in their wisdom, looking at the statutory framework of the IBC, would have envisaged situations of potential conflict while enforcing the provision of the IBC as well as giving effect to the statutory objects and accordingly provided that in case of a conflict with another legislation, the provisions of IBC will prevail.

In the matter of **Bohar Singh Dhillon vs Rohit Sehgal (Interim R.P.) &Ors [Judgement dated May 09, 2019]** wherein the question before the Hon'ble National Company Appellate Tribunal (“NCLAT”) was whether a penal order can be passed or penalty imposed on the ‘Corporate Debtor’ or any recovery can be made in terms of Section 28A of the SEBI Act, 1992 while an order of moratorium passed under Section 14 of the IBC is in operation. The NCLAT after considering the provisions of Section 28A of the SEBI Act and Section 238 of the IBC held that Section 14 of the IBC will prevail over Section 28A of the SEBI Act and that SEBI cannot recover any amount including the penalty from the Corporate Debtor when an order imposing a moratorium was passed. The matter has been appealed before the Hon'ble Supreme Court and is pending. It would be interesting to see the final outcome and the view the Hon'ble Supreme Court takes.

Further, in the matter of **Dewan Housing Finance Corporation Ltd. Vs. SEBI [Judgment dated October 09, 2020]**, the Hon'ble Securities Appellate Tribunal Mumbai (“SAT”) held that, where a moratorium has been declared under Section 14 of IBC, the SEBI / Adjudicating Officer will have no jurisdiction to institute any proceedings for recovery of monetary penalty against a Corporate Debtor. It was observed that where a proceeding has already been instituted and during the pendency of the proceedings a moratorium order is passed under Section 14 of IBC then the authority is prohibited from continuing with such a proceeding.

3. Whether a penalty can be imposed by SEBI after a Resolution Plan is approved under Section 31 of IBC?

The judgment of SAT in the matter of **Monnet Ispat & Energy Limited vs. SEBI [Judgment dated October 29, 2020]** may be relevant in this regard wherein the issue before SAT was whether the order passed by SEBI imposing penalty upon the Monnet Ispat & Energy Limited for alleged contravention during the period prior to the approval of the resolution plan could be passed by the adjudicating officer after the Resolution Plan was approved by the NCLT.

The Hon'ble SAT observed that the terms of an approved Resolution Plan are imperative and are binding on all creditors including government and local authorities. It was held that once the Resolution Plan is approved by the appropriate authority (ie NCLT) the same is binding on all concerned including SEBI. It was also held that what could not be done by SEBI when the moratorium under section 14(1) of the IBC was in force cannot certainly be done after a Resolution Plan is approved and becomes binding on all creditors including government and local authority under section 31 of the IBC. Hence an order imposing penalty cannot be passed after the Resolution Plan had been approved by the NCLT. This matter has been appealed before the Hon'ble Supreme Court and is pending.

The intent of the provision appears to be that a new management of a Corporate Debtor who takes over pursuant to Resolution Plan should not be saddled with unforeseen liabilities. Additionally, Section 32A of IBC provides that a Corporate Debtor cannot be prosecuted for any offence committed prior to the commencement of the CRIP, from the date the Resolution Plan has been approved by the ‘Adjudicating Authority’ under Section 31 of the IBC.

(Advocate Zerick Dastur and Advocate Archana Uppuluri)

Views of the author are personal and do not constitute legal advice.

Zerick Dastur is Proprietor of the Law Firm, practicing in the field of Court litigation, Dispute Resolution, Arbitration, Securities law and Competition Law. He is a triple Gold Medalist from Mumbai University having topped the Mumbai University in Law. His practice covers diverse areas of Corporate, Commercial, Securities law and Regulatory disputes. He is representing a number of clients in the Port Sector, Infrastructure and Mining Sectors. He has represented clients in domestic and international, commercial arbitration matters. He handles a number of cases relating to securities law litigation and SEBI. He was a former Partner at the Law Firm, J. Sagar Associates.

He has litigation experience before the Hon'ble Supreme Court, various State High Courts Statutory Tribunals and Regulators. He has been involved in a number of matters involving issues of Constitution Law. He has been involved in landmark matters involving defence of Auditors and Corporate clients before various Regulators/Civil/Criminal Courts and Tribunals in connection with Corporate frauds. He has also advised various clients in matters involving shareholder disputes and minority actions before the NCLT and CLB.

He also practices Securities Law and appears before the Securities Appellate Tribunal and the SEBI. He has advised clients in connection with Competition Law issues in everyday business operations including issues relating to anti-competitive agreements and abuse of dominance by enterprises.

He writes for various newspapers and publications on issues relating to Corporate law, Arbitration, Commercial and Competition Law. He regularly writes on securities law for the publication run by the Bombay Stock Exchange Brokers Forum. He is a regular speaker at events organised by Economic Times, VC Circle, Indian Merchant Chambers, Consumer Resources, Corporate Knowledge Foundation and the World Zoroastrian Chamber of Commerce.

He is a Member of the Law Committee of Indian Merchant Chambers and was involved in the drafting of the Rules for the IMC International Arbitration Centre.



BIG CHANGES BRING BIG OPPORTUNITIES

By Ravi Menon
Chief Executive Officer
HSBC Asset Management India

At the last World Economic Forum meeting at Davos, Climate Change was identified by global business leaders as the number one risk factor for their businesses. Mitigating this risk will require significant resources. Climate change is creating new markets and investment opportunities across all industries and market capitalizations.

Be it the massive Australian bushfires that caused irrecoverable damage to the local ecosystem or the Californian wildfires that painted the skies red, it became difficult for local authorities to contain these damages in the wake of the ongoing pandemic. Closer home, the flash floods caused by the Nanda Devi glacier destroyed lives and livelihoods of hundreds.

All of this, points towards a simple yet heartbreaking fact, reversing the impact of climate change on our planet is an urgent necessity that all of us have to start working towards immediately. I would like to quote the young Greta Thunberg who said "The climate crisis has already been solved. We already have the facts and solutions. All we have to do is wake up and change." We know the solutions, most of them are difficult to implement because of the short-term pain that this may cause. But in the medium term we have no other option if we want to hand over a safer home for our children and grandchildren.

What do we mean by climate change?

Starting with the basics, climate alternation causes climate change.

Some causes of Climate alternation	Impact of Climate Change
<ul style="list-style-type: none"> Human activities (e.g. Fossil fuel burning, Deforestation, etc.) The earth's temperature imbalance The greenhouse gases effect (e.g. Carbon emission) 	<ul style="list-style-type: none"> Global warming / temperature rise Extreme climate events Changes in rainfall pattern Heavy rainstorms Longer droughts Melting Glaciers / Sea level changes / Extreme flooding

We do not have the luxury of time

- 1/3rd of all plant and animal species could be extinct by 2070 due to climate change¹.
- To limit global warming by 2100 involves cutting net human carbon dioxide (CO2) emissions 45% by 2030 and then to zero by 2050².

1. Climate science body - 2018 2. National Academy of Sciences of USA (NAS), 2020



We can do our bit to reduce climate change impact. Besides our own personal habits, we can support companies which are trying to achieve less carbon footprint and / or focusing on those corporates which are providing alternative solutions to reduce carbon emissions. Corporates, people and tools which can help achieve above targets to retain climate balance are likely to provide big opportunities.

What is an ESG approach?

ESG investing is guided by Environmental, Social and Governance (ESG) criteria to generate better risk adjusted returns over a long term.

- E-** Corporate with efficient processes and alternatives to save environment or prevent / reduce climate change will have advantage over other companies.
- S-** The companies with sense of Social responsibility and those who create trustworthy brands are expected to gain over a long term.
- G-** Entities which apply strict positive internal controls, remain transparent and follow government regulations seriously are expected to gain in coming years.

Portfolio overweight on companies with best ESG practices could be a potential gainer over a long term.










At HSBC Asset Management, ESG analysis is not considered a distinct investment philosophy, it is integrated throughout the investment process and across our whole product suite. We look at ESG not only as a risk mitigation tool but also a source of alpha generation. **ESG is an important matrix and themes such as Climate Change, Environment preservation, Social support are very important for our better future and we believe lot of new**

potential products following this matrix and themes will be available in future in India.

The opportunities beckon

It is worth remembering that just as climate change stems from many sources so too must its solutions. There needs to be fundamental changes in energy production, food, land and agriculture, industrial processes, buildings, transportation and many other aspects of modern life. Solutions exist to this daunting but unavoidable challenge but it requires a fundamental rewiring of the global economy. As discussed above nine sub themes have been identified through which to address this challenge ranging from renewable energy and energy efficiency to clean transportation and natural capital.

There are number of opportunities available under climate change umbrella theme. They are classified under below 9 major themes at HSBC Asset Management.

<p>Renewable Energy</p>  <p>Sustainable transition away from fossil fuels will need to be USD110trn of investment in renewable energies cumulatively to 2050.¹</p>	<p>Green buildings</p>  <p>In emerging markets alone, Green Buildings are expected to be a USD24.7trn investment opportunity by 2030.⁴</p>	<p>Pollution & waste prevention and control</p>  <p>Air pollution kills 7 million people each year, costing USD5tn/year.⁷</p>
<p>Energy Efficiency</p>  <p>Globally enhanced energy efficiency investments could boost cumulative economic output by USD18tr to 2035, increasing growth by 0.25-1.1% per year.²</p>	<p>Sustainable Water & Wastewater Management</p>  <p>Water productivity improvements could cost USD60bn annually over the next two decades. Many of these investments yield positive returns in just three years.⁵</p>	<p>Circular economy and resource efficiency</p>  <p>Switching to a circular economy could unlock an additional USD4.5trn of global GDP by 2030.⁸ Resource-efficient packaging and distribution Industrial carbon capture and storage technology</p>
<p>Clean Transport</p>  <p>Improved and digitalised planning in shipping could lead to fewer kilometers travelled, allowing for industry revenue benefits of USD1.5trn by 2025.³</p>	<p>Climate Change Adaptation</p>  <p>Research has shown that spending USD1.8trn on specific adaptation areas between 2020 and 2030 could generate USD7.1trn in total net benefits.⁶ Flood defences systems and related infrastructure information support systems, such as climate observation and early warning systems</p>	<p>Natural capital & ecosystems</p>  <p>Enhancing coastal wetlands could save the insurance industry USD52bn a year in reduced losses from storms and flood damage.⁹</p>

Source: HSBC Global Asset Management 1. IRENA 2019, 2. New Climate Economy 2016, 3. Danfuss 2020, 4. FC 2019, 5. McKinsey 2019, 6. Global Commission on Adaptation 2019, 7. BAML 2020, citing UN 2019, 8. World Economic Forum, 9. Barbier et al 2019.

1) Renewable Energy Examples & Opportunities

- Renewable electricity generation - wind, solar, marine power
- Manufacture of components of renewable energy
- Construction/maintenance/expansion of associated distribution and transmission networks
- To achieve a sustainable transition away from fossil fuels there will need to be USD110trn of investment in renewable energies cumulatively by 2050¹
- For every \$1 spent for the energy transition, there would be a payoff of \$3 to \$7 to 2050

2) Clean Transport Examples & Opportunities

- Low energy or emission transportation products, components and services including electric, hybrid, public, rail, and infrastructure for clean energy vehicles
- Low emission passenger car technologies are growing at

30% annually, and will be a near USD400bn global industry by sales in 2020²

- Improved and digitalised planning in shipping could lead to fewer km travelled, allowing for industry revenue benefits of USD1.5trn by 2025³

3) Sustainable water and wastewater management

- Water collection, treatment, recycling, re-use, technologies and related infrastructure
- We target a minimum water efficiency improvement of 20% compared to the baseline
- Closing the gap between water supply and demand by deploying water productivity improvements could cost USD60bn annually over the next two decades. Many of these investments yield positive returns in just three years²



OUR LATEST GLOBAL FUND OF FUND - HSBC GLOBAL EQUITY CLIMATE CHANGE FUND OF FUND (HGECCF) INVESTS IN THE UNDERLYING FUND CALLED “HSBC GLOBAL INVESTMENT FUNDS - GLOBAL EQUITY CLIMATE CHANGE” (HGECC). THIS UNDERLYING FUND AIMS TO PROVIDE LONG-TERM PERFORMANCE BY INVESTING PRIMARILY IN COMPANIES THAT ARE POSITIONED TO BENEFIT FROM EFFORTS TO ADAPT TO CLIMATE CHANGE.



- The people living in water scarce / stressed areas is expected to rise to 3.5 bn by 2025⁴

Source: HSBC Asset Management, any forecast, projection or target when provided is indicative only and is not guaranteed in anyway. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target. 1. FC 2019, 2. McKinsey 2019, 3. Global Commission on Adaptation 2019, 4. World Bank

When identifying investment opportunities, we like to “follow the tonnes”, and by this we mean follow the tonnes of carbon dioxide. Although the majority of the greenhouse gasses that exist in the atmosphere today came from the US, UK and Europe as they went through the industrial revolution, incremental polluters are coming from the large population centres including China, India and Indonesia. This is where we think the big commercial opportunities will be and over time.

HSBC Global Equity Climate Change Fund of Fund

Our latest global fund of fund - HSBC Global Equity Climate Change Fund of Fund (HGECCF) invests in the underlying fund called “HSBC Global Investment Funds - Global Equity Climate Change” (HGECC). This underlying fund aims to provide long-term performance by investing primarily in companies that are positioned to benefit from efforts to adapt to climate change. HGECC provides potential benefit of opportunities arising from Climate Change theme supported by ESG investment approach and global diversification.

As the COVID virus has reminded us we are one world and unfortunately we have only one. So we all better do our best to save it “Climate change does not respect border; it does not respect who you are - rich and poor, small and big. Therefore, this is what we call ‘global challenges,’ which require global solidarity.” - Ban Ki-moon

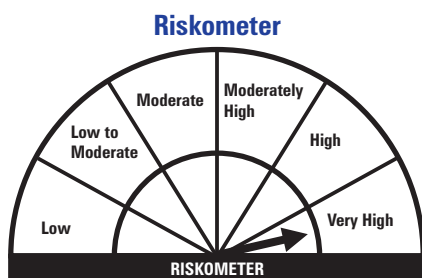
Scheme Name

HSBC Global Equity Climate Change Fund of fund

(An open ended fund of fund scheme investing in HSBC Global Investment Funds - Global Equity climate Change)

This product is suitable for investor who are seeking

- To create wealth over long-term
- Investment predominantly in companies positioned to benefit from climate change through fund of funds route



Investors understand that their principal will be at Very High risk

Investors should consult their financial advisers if in doubt about whether the product is suitable for them

Note on Risk-o-meters: Please note that the above risk-o-meter is as per the product labelling of the scheme available as on the date of this communication/disclosure. As per SEBI circular dated October 05, 2020 on product labelling (as amended from time to time), risk-o-meter will be calculated on a monthly basis based on the risk value of the scheme portfolio based on the methodology specified by SEBI in the above stated circular. The AMC shall disclose the risk-o-meter along with portfolio disclosure for all their schemes on their respective website and on AMFI website within 10 days from the close of each month. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an e-mail or SMS to unitholders of that particular scheme.

Note: For complete details of the scheme, please refer to the Scheme Information Document of HSBC Global Equity Climate Change Fund of Fund.

Any forecast, projection or target when provided is indicative only and is not guaranteed in anyway. HSBC Asset Management accepts no liability for any failure to meet such forecast, projection or target.

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Mutual fund investments are subject to market risks, read all scheme related documents carefully.

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HSBC Asset Management, India is one of the largest managers / advisors of Indian equity and fixed income strategies. He is a member of the HSBC Asset Management Asia Pacific Executive Committee which steers HSBC's asset management business in the region.

He joined HSBC Group in June 1998 and has held various leadership positions across the HSBC Group. He was previously a Member of the HSBC Bank India Executive Committee and Head Strategy & Planning. His earlier experience included being Chief Executive Officer, HSBC Specialist Investments, Managing Director & Co- Head Investment Banking, HSBC Securities & Capital Markets India.



BUSINESS OPPORTUNITIES AT GIFT CITY – THE ROAD AHEAD FOR THE BROKING FRATERNITY

By Chetan Bharkhada
CEO, Anand Rathi International Ventures (IFSC) Pvt. Ltd.

The Government of India in the year 2011, conceptualized an SEZ, as a global Financial and IT Services hub, a first of its kind in the country, designed to be at par with globally benchmarked financial centres. With this aim in focus and to successfully develop and implement this project, the Government of Gujarat through its undertaking Gujarat Urban Development Company Limited (GUDCL) and Infrastructure Leasing & Financial Services Limited (IL&FS) have established a 50:50 Joint Venture Company, "Gujarat International Finance Tec-City Company Limited" (GIFTCL), Gujarat International Financial Tech City popularly known as "GIFT City".

- To realize the vision of the Government of India to emerge as a major economic power by facilitating development of 'strong base of International Financial Services' in the country,
- To facilitate the implementation of the Government's strategy for the 'development of a financial hub in the South Asian sub-continent', and
- To position the IFSC as a 'world-class zone for the long-term provision of office/service accommodation and high technological, economical and commercial infrastructure'.



MASTER PLAN OF GIFT CITY FACILITATES MULTI SERVICES SEZ WITH IFSC, AS AN INTERNATIONAL FINANCIAL SERVICES CENTRE, DOMESTIC FINANCE CENTRE AND ASSOCIATED SOCIAL INFRASTRUCTURE. GIFT SEZ HAS BEEN FORMED BY GIFTCL FOR DEVELOPMENT OF MULTI SERVICES SEZ AT GANDHINAGAR IN THE STATE OF GUJARAT.



Master plan of GIFT City facilitates Multi Services SEZ with IFSC, as an International Financial Services Centre, Domestic Finance Centre and associated Social infrastructure. GIFT SEZ has been formed by GIFTCL for development of Multi Services SEZ at Gandhinagar in the state of Gujarat. The primary focus of the Multi Services SEZ is to provide world class financial services to intermediaries, including stakeholders' part of this value chain.

I would briefly touch upon the core objectives of developing an International Financial Services Centre (IFSC), which are :



GIFT City - IFSC, is a gateway for inbound and outbound business from India, and is emerging as one of the preferred destination for undertaking International Financial Services. It provides a very competitive cost of operation with Competitive Tax regime, Single Window clearance, relaxed Company Law provisions, International Arbitration Centre with overall facilitation of doing business, with ease.

Business Avenues bound to explode

Market intermediaries can provide financial services to the following category of clients in GIFT (IFSC):

- A person resident outside India,
- A non- resident Indian,
- Financial institution resident in India who is eligible under FEMA to invest funds offshore, to the extent of outward investment permitted, and
- Person resident in India who is eligible under FEMA, to invest funds offshore, to the extent allowed under

the Liberalized Remittance Scheme of Reserve Bank of India, subject to a minimum investment as specified by the Board from time to time.

A Finance Company can undertake the following permitted core and non-core activities,

- 1. Permitted Core Activities** like Lending in the form of loans, Commitments and Guarantees, Securitisation, Sale and Purchase of portfolios, Undertake investments etc.
- 2. Permitted Non-core Activities** like Merchant Banking, Authorised person, Registrar and Share Transfer Agent, Trusteeship Services; Investment Advisory Services; Portfolio Management Services; AIF; Distribution of mutual fund units, Distribution of insurance products; Function as trading and clearing members or professional clearing member of exchanges and clearing corporations set up in IFSC; Asset Management support services permitted under the Framework for Enabling Ancillary Services as specified by the Authority, Undertake derivative transactions only for the purpose of hedging their underlying exposures.

The source of funds for Finance Company or a Finance Unit, as the case may be, shall be from residents and non-residents: Provided that any dealing with residents shall be subject to the provisions of Foreign Exchange Management Act, 1999.

Financial Services in GIFT International Financial Services Centre is being regulated by International Financial Services Centres Authority (IFSC Authority). The International Financial Services Centres Authority Bill, 2019 was introduced in Lok Sabha by the Minister of Finance, Ms. Nirmala Sitharaman, on November 25, 2019. The Bill provided for the establishment of an Authority to develop and regulate the financial services market in the International Financial Services Centres in India.

The Bill sets up the International Financial Services Centres Authority to regulate financial products (such as securities, deposits or contracts of insurance), financial services, and financial institutions which have been previously approved by any appropriate regulator (such as RBI or SEBI), in an IFSC. The appropriate regulators are listed in a Schedule to the Bill, and includes the RBI, SEBI, IRDAI, and PFRDA. Other functions of the Authority include: (i) regulating any other financial products, financial services, or financial institutions in an IFSC, which may be notified by the central government, and (ii)

recommending any other financial products, financial services, or financial institutions to the central government, which may be permitted in an IFSC.

Our Broking fraternity has numerous opportunities and un-explored potential to service customers across globe, particularly NRIs, Foreign Residents, Foreign Portfolio Investors (FPIs), and Corporate registered in Foreign jurisdiction at GIFT City IFSC.

Few of the major financial services, which can be undertaken and can be of interest across spectrum are being presented through this article.

- Members of International Exchanges - INDIA INX and NSE IFSC**

An opportunity to be registered members of the two Exchanges - India INX and NSE IFSC. As a registered member of the exchange, an intermediary can facilitate trading (in US Dollar) to its customers at these exchanges.

India INX, a subsidiary of BSE, currently has a market share of over 80% and the first at the GIFT IFSC to introduce a single platform across multi-assets i.e., equities, commodities, and currencies derivatives. The Exchange's equity product portfolio encompasses flagship INDIA50 and S&P BSE SENSEX Equity in Index Derivatives, and 131 Single Stock Futures. As for Commodities and Currencies, India INX offers futures in Gold, Silver, Aluminium, Lead, Nickel, Copper, Zinc and Brent Crude and futures in pairs of EURUSD, INRUSD, GBPUSD, USDINR, JPYUSD, respectively. Within a short span, daily turnover in rupee derivatives at India INX is averaging more than US\$ 200mn. on a good day. India INX, clocks average daily volume in April 2021 of USD 110 mn.

NSE IFSC Limited (NSE International Exchange) is a fully owned subsidiary company of National Stock Exchange of India Limited (NSE) and has received approval from Securities and Exchange Board of India (SEBI) to establish an international exchange in Gujarat International Finance Tech City (GIFT) - International Financial Service Centre (IFSC) Gandhinagar.

NSE International Exchange has been launched to grow the financial market as well as expected to bring capital into India. NSE IFSC Limited launched trading on June 5th, 2017, offers longer trading hours in various products including in Index Derivatives, Stock Derivatives, Currency Derivatives, Commodity Derivatives and Debt Securities.

NSE- IFSC, NIFTY 50 contributes the major chunk of average daily volume in April 2021 of USD 21 mn.

Transaction costs are Nil at India INX and NSE IFSC, as compared to US\$ 0.51 - 0.96 per transaction for DGCX and US\$ 1.4 - 2.4 for SGX.

- **Global exchange - INX Global Access (INXGA)**

India INX Global Access is a single centralized platform through which hedgers, traders and investors can access international exchanges from GIFT City - IFSC. The first of its kind platform from India, offers access to derivative and investment products traded on International exchanges. India INX Global Access has already established necessary connectivity with CME Group of exchanges namely CME, CBOT, COMEX, NYMEX, and Moscow Exchange (MOEX).

Through INX GA - a 100 % subsidiary of India INX, approved services by SEBI to officially access international markets can be offered. Few of the benefits are:

- A low cost alternative and a readymade solution in GIFT IFSC to access global exchanges via a single centralized platform,
- Multiple options to connect using various trading platforms (ISVs),
- Diverse trading strategies across Global Exchange Markets,
- Trading and settlement through International FCM.

The platform provides a gateway to tap on Indian residents (as permitted under LRS), who wish to have an international exposure of securities such as equity shares, debt etc. (other than derivatives). This opportunity is suited for investors who want to invest in global blue-chip companies such as Google or Apple.

The members and their clients can trade in international commodities too in the commodity exchanges setup in the IFSC as well as other international exchanges such as LME, CME etc.

- **Diverse Products & Services**

Apart from the trading of securities, the members of the Exchanges would also be able to offer:

- Margin trading products
- Investment Advisory / Portfolio Management
- Sales & Distribution of Mutual Funds, IPOs, Insurance products issued in Foreign Currency by Foreign or Indian entities, registered in foreign jurisdiction

- **Gold Spot Exchange**

The International Financial Services Centres Authority (IFSCA) had announced the enabling regulation for International Bullion Exchange (IBE) and International Bullion Clearing Corporation (IBC) on October 27, 2020.

IFSCA had notified the IFSCA (Bullion Exchange) Regulations 2020 on December 11, 2020, paving the way for setting up the entire eco systems for bullion trading, including bullion exchange, depository, clearing house and vaults.



OUR BROKING FRATERNITY HAS NUMEROUS OPPORTUNITIES AND UN-EXPLORED POTENTIAL TO SERVICE CUSTOMERS ACROSS GLOBE, PARTICULARLY NRIS, FOREIGN RESIDENTS, FOREIGN PORTFOLIO INVESTORS (FPIS), AND CORPORATE REGISTERED IN FOREIGN JURISDICTION AT GIFT CITY IFSC.



Any Indian Bullion Exchange or recognized stock exchanges or any bullion exchange or bullion depository stock exchanges of a foreign jurisdiction may on its own or through a consortium form a subsidiary to provide the services of a bullion exchange or bullion clearing corporation as the case may be wherein 51% of equity share capital is held by such bullion exchange or stock exchange or consortium formed by them.

As we all are aware of our lust towards Gold, India imports about 900 tonnes of gold every year. Even if 10 % of our imports are routed via GIFT city, i.e. 90 tonnes, this translates to a potential of a business worth Rs 50,000 crores. A brokerage of 100 bps on trades related to this, translates to a business of Rs 500 crores.

- **Wealth and Portfolio Management Services**

The entities registered at GIFT City IFSC as a Finance company can provide Wealth Management / Portfolio Management Services for non-India centric portfolios of non-resident investors and also for Indian residents investing abroad as permitted under the LRS.

- **Asset Management Services**

Under Asset Management services, an offshore fund can be set up in the IFSC that sources funds from offshore investors and invests these funds in offshore markets and onshore market. The fund can also be sourced from Indian investors (subject to LRS) and these funds in

offshore markets. The investments can encompass investment in a wide range of securities such as equity, debt, commodities, ETFs etc.

- **Alternative Investment Funds (AIFs)**

Globally, financial centres are locations with an agglomeration of participants in banking, asset management, insurance and financial markets with venues and supporting services for these activities.

IFSC AIFs have 5 investment avenues to deploy funds, which are:

- Securities listed in IFSC.
- Securities issued by companies incorporated in IFSC.
- Securities issued by companies incorporated in India or foreign jurisdiction.
- Units of an AIF
- Securities which a domestic AIF is permitted to invest in.

The recent changes in regulations such as diversification limit not applicable to IFSC AIF, permitting IFSC AIF to undertake leverage, co-investment through a segregated portfolio, waiver of GST, capital gains tax, etc., for entities operating in the IFSC, have made India's tax and supportive regulatory framework comparable to any global financial centre.

All these advantages along with other tax incentives, world class infrastructure and robust business environment make a strong case of IFSC GIFT as one of the leading financial hubs of the world in years to come.

- **Depository Receipt (DRs):**

In October 2020, the IFSCA issued the regulatory framework for listing of depository receipts. A depository receipt is a foreign currency denominated instrument, listed on an international exchange, issued by a foreign depository to a domestic custodian and includes GDRs. As per the rules, proceeds from a GDR issue can be remitted in an International Financial Services Centre Banking Unit (IBU).

Since, Indian companies now have the option to list their global depository receipts at GIFT City IFSC, with government amending the rules. The framework enables the eligible listed companies to raise capital through

issuance and listing of DRs on the stock exchanges in the GIFT IFSC - another avenue for raising funds.

- **Infrastructure Investment Trusts (InvITs):**

The InvIT market is relatively a nascent one in our domestic market, but with various enabling factors such as the growth of the economy, concomitant need for infrastructure and the requisite political will, the market for these investment vehicles will witness considerable growth at a continued pace.

The National Infrastructure Pipeline (NIP) envisages an investment of INR 111 lakh crore or US\$ 1.5 trillion by 2025, which is double of more than twice the infrastructure investments between the fiscal 2014 to 2019.

From the path breaking reforms, as can be seen from the above initiatives taken by the Government of India over the last few years, makes GIFT - IFSC a preferred destination.

It would not be wrong to say that there lies a huge unexplored potential in offerings at the GIFT City and would surely continue to be!

Chetan Bharkhada, CEO, Anand Rathi International Ventures (IFSC) Pvt. Ltd.

With over 23 years of rich experience and expertise in complex hedging in currencies and derivatives segment, he is a seasoned, real-world tested Financial Services professional with broad based background in Stocks, Commodities, Treasury, Strategic Financial Management and Execution.

His association with Anand Rathi group is since March 2006. In his present role as CEO of Anand Rathi International Ventures (IFSC) Pvt. Ltd, he is responsible to set up Business Model for GIFT IFSC (Gujarat International Finance Tec-City Co. Ltd) for the organization, which includes Business at BSE - INX (India International Exchange (IFSC) Limited (India INX), NSE IFSC, AIF Fund (India and Global Asset) and Investment in Global Asset Class for NRI Clients and Corporate hedging clients (Equity, Commodity and Forex).

In the past, as the Executive Director - Anand Rathi Commodities Pvt. Ltd. & Head of Commodities and Currencies business at Anand Rathi Group, he was strategically involved in designing and execution of business strategies to meet complex hedging and price risk requirements of Group's Corporate Clientele, including international business at Dubai & London to drive NRI business (for equity, commodity & FOREX business).

Prior to the Anand Rathi Group, he was with Sterlite Industries, where he played a crucial role in setting up the Treasury Division that comprises of Forex, Derivative, Commodity, Trading and Equipment sector for the Vedanta Group. He has also worked at IFCI Limited and with Haribhakti & Co setting up the marketing and trading department, providing support to Corporate advisory Group in Pre - investment Review, PMS and financial restructuring.

A Postgraduate and MBA in Finance from Sydenham Institute of Management in Mumbai, Chetan holds a certification in Treasury Management.



FIXED INCOME MARKETS – THE ROAD AHEAD

By Bekxy Kuriakose
Head Fixed Income
Principal Asset Management Pvt Ltd.

The Turning point in 2021

When the Finance Minister presented the Union Budget for FY 22 on Feb 1st and the Revised Estimates for FY21, future prospects for Indian debt market looked grim. For not only had she announced an extra borrowing of Rs 80,000 cr for FY 21 and announced a revised estimate of 9.5%, Gross Borrowing for FY 22 was pegged at Rs 12.06 lakh cr and Fiscal deficit at 6.8%*. Most market observers including me expected the ten yr gilt benchmark to move towards 6.50% in the new few months. And indeed in the next few weeks the ten yr gilt benchmark rose to touch a high of nearly 6.25% by second week of March*.

Digesting the Budget

However a series of positive actions both from the Government and RBI turned the tide and as I write, the ten yr gilt benchmark closed at 5.99% as on 6th May 2021*. Due to abundant cash balances, RBI in consultation with government cancelled the last auction of FY 21 worth Rs 20,000 cr. This gave some relief to market participants. RBI also supported by conducting OMO gilt purchases worth nearly Rs 62,000cr for both Feb and March combined. In April came another big bang measure which helped in considerably softening gilt yields further. In its Policy Review Statement, RBI MPC announced GSaP 1.0 (Government Securities Acquisition programme) whereby RBI said it intended to buy Rs 1 lakh crore worth of gilts for the April to June quarter of FY 22 and conducted Rs 25,000 successfully in April itself. Besides this it also made creeping secondary market purchases. More importantly an element of large surprise was introduced into the weekly primary gilt auctions whereby in three successive auctions it announced devolvement's and cancellations even forcing traders to cover their short positions.

RBI uses its firepower

All this fits in with RBI's stated strategy to "ensure an orderly movement in yield curve". Since there has been a rapid increase in COVID cases across the country in the Second wave of the Pandemic and the RBI governor made a televised appearance on 7th May further reinforcing their intention to support growth and announcing specific targeted measures to the worst

affected segments. In the last one week market has been remarkably calm with placid range bound movements and the latest weekly gilt auction saw the much desired "orderly movement" with market linked cutoffs, no devolvement and no cancellations. In the backdrop of ample banking system liquidity (averaging above Rs 5 lakh crores since several months), benign money market rates trending close to the reverse repo rate of 3.35% and with a Central Bank who has used its powers to control yields it would seem gilt yields may remain this way for some time to come.



IN THE BACKDROP OF AMPLE BANKING SYSTEM LIQUIDITY (AVERAGING ABOVE RS 5 LAKH CRORES SINCE SEVERAL MONTHS), BENIGN MONEY MARKET RATES TRENDING CLOSE TO THE REVERSE REPO RATE OF 3.35% AND WITH A CENTRAL BANK WHO HAS USED ITS POWERS TO CONTROL YIELDS IT WOULD SEEM GILT YIELDS MAY REMAIN THIS WAY FOR SOME TIME TO COME.



Inflationary Clouds on the Horizon

However there are some factors which can spoil the mood. If we set aside the matter of the large supply where RBI is trying to manage it dynamically, there is Inflation. Headline CPI inflation is around 5.50% and WPI inflation has crossed 7% for the month of March*. Globally Crude Oil Prices are again trending up with Brent Crude nearing the USD 70 per barrel mark. Commodity prices are at significantly higher levels and many business have started talking about high input prices impacting their margins. The US and China are the large key economies which seem to have rebounded quite well

from the first wave of COVID with the former announcing large scale stimulus to revive the economy and the latter effectively curbing the pandemic spread and resuming its export manufacturing processes.

Getting past the Second and Third Waves: Will RBI succeed in keeping yields locked down?

This is really the moot question. For India faces a twin dilemma; rising inflation and risks to growth. There is every indication that the second wave may lead to a more debilitating impact on consumer demand and Industry. Added to it the rise in inflation be it fuel, commodities, food prices or even medical costs. It thus becomes necessary to keep yields stable so to ensure credit flow to deserving sectors is at reasonable levels and lower interest rates can help to not only manage the government's interest costs for its sizeable debt but also those of the States (who now have a sizeable borrowing programme as well) and the Industry. For this in absence of large buyers like FPIs, RBI will need to undertake aggressive market purchases which it has already started doing from April itself. However RBI needs to ensure its purchases don't add to the glut of banking system liquidity which may fuel asset price inflation. Given the declaration of intention to purchase Rs 1 lakh cr in first quarter of FY22, we can expect RBI to purchase in excess of Rs 4 lakh cr worth of securities in FY 22 and maybe even more. Will this be enough? Probably yes if global bond yields don't rise further. Since Jan of this year, the ten yr US Treasury yield has risen from just below 1.00% to 1.74% in March end*. It's possible that yields may rise further if the recovery is entrenched and vaccination progresses smoothly. This could in turn see some ripple effect domestically as well and lead to yields rising by 15-25 bps across the curve.

RBI has also been trying to nudge up short term yields to bring it somewhere between the corridor of reverse repo and repo rate (3.35% and 4.00%). This attempt was started in Jan 2021 with a stated objective of normalization of liquidity conditions and initially led to a sharp panic reaction with yields rising across the curve and short to medium tenors rising by 15 to 30 bps. Market has since then settled down as RBI has not gone beyond conducting 14 day reverse repo auctions where the cutoff yields has been in range of 3.45 to 3.55% by and large. However it's possible that RBI will look to gradually increase the tenor of reverse repos but will not want to upset the medium to long end of the yield curve. This will need some delicate balancing.

To Sum up

RBI's bold and aggressive actions both in secondary and primary gilt segments and periodic Open Market operations have kept the bears at bay. So far it's just

been one month into the new fiscal and State and Corporate borrowing are yet to pick up. Last year we saw RBI conducting SDL OMOs for the very first time and the successive round of TLTROs helped in boosting demand for good quality corporate bonds in the three year segment from banks. Mutual fund debt funds also received record inflows in excess of Rs 2.5 lakh crores.* RBI may very well do same in current year if need arises. In the coming months it's quite possible despite RBI best efforts yields may move up in range of 15-25 bps or more. On the fiscal front the Central Government may not incrementally announce further big bang stimulus measures but States might on the health front. This may impact respective State government credit spreads if supply of SDLs go up.



RBI'S BOLD AND AGGRESSIVE ACTIONS BOTH IN SECONDARY AND PRIMARY GILT SEGMENTS AND PERIODIC OPEN MARKET OPERATIONS HAVE KEPT THE BEARS AT BAY. SO FAR IT'S JUST BEEN ONE MONTH INTO THE NEW FISCAL AND STATE AND CORPORATE BORROWING ARE YET TO PICK UP.



We would advocate investors to follow a balanced asset allocation approach with incremental exposures to high yield short term and medium active duration categories. More conservative investors may look at 3-5 yr maturity passive funds with rolldown strategies.

The views expressed and information herein are independent views of the Fund Manager(s) and for informative purpose only and under no circumstances should be construed as an opinion or Investment advice. The information contained herein is not intended to be an offer to seek solicitation for purchase or sale of any financial product or instrument. Investors are requested to consult their investment advisor and arrive at an informed investment decision before making any investments. The Sponsor, Trustee, AMC, Mutual Fund, their directors, officers or their employees shall not be liable in any way for any direct, indirect, special, incidental, consequential, punitive or exemplary damages arising out of the information contained in this document.

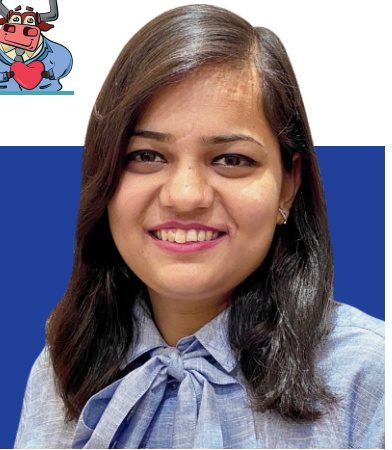
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Bekxy Kuriakose is currently Head Fixed Income at Principal Asset Management Pvt Ltd. She has over 20 years of experience in dealing, research and fund management. Having primarily managed Fixed Income funds, she has worked as Asst. Vice President with L&T Mutual Fund and DBS Chola Mutual Fund, as Fund Manager with Reliance Life Insurance and SBI Mutual Fund.

She holds a graduate degree in Economics (Hons) from Lady Shri Ram College, Delhi University and a PGDM from IIM Bangalore (PGP batch 1998-2000).

INDIA'S GROWTH STORY: WHAT TO EXPECT FROM FY 2022?

By Avni Jain
Economist, HDFC Bank



Indian economy appears to be stuck in a spiral of bad times. The economy was still recovering from the NBFC crisis when the ongoing health crisis hit the country. Needless to say, driven by the nationwide lockdown, the first quarter of the last fiscal year was one of the worst quarters that the economy had ever witnessed. As the production disrupted and demand dried up, the employment situation also became grim. As per the CMIE's unemployment survey, all India unemployment rate jumped to double digits level in Apr-May 2020 as compared to 7.8% in Feb-20 and 7.3% in Apr-19.

The situation started looking up after the first wave of the pandemic peaked in September last year. The improvement in the majority of high-frequency indicators, followed by a rebound in Q3 GDP, strengthened growth outlook. To recall, the economy contracted in the first two quarters, before recording 0.4% YoY growth in Q3. The good news started feeding in with the international agencies, the RBI and professional forecasters projecting double-digit growth for FY22.

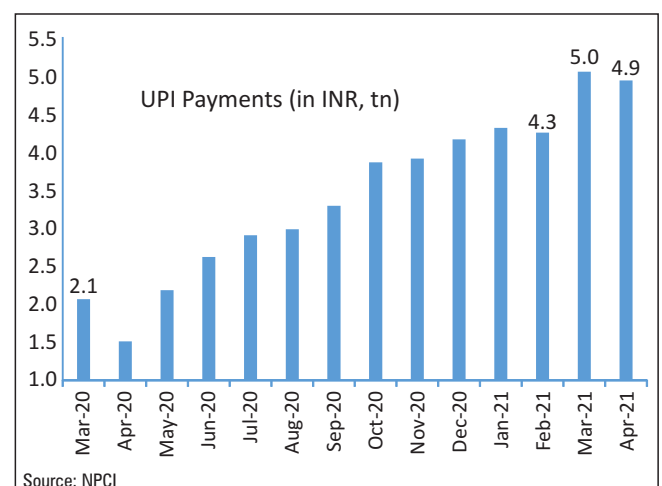
However, the positive sentiment could be short-lived as infection cases are on the rise again. Daily infection cases crossed the previous peak of 98K in April 2021 and were tracking in the range of 300-400K in early May. With 22.6 Mn total confirmed cases as on 10th May 2021, India has the second highest number of cases in the world. Moreover, India's performance on other covid related parameters like Ro (tracks how many people a patient can infect), test positivity rate (share of positive tests in total tests) and the number of days in which cases double up is also concerning.

Against this backdrop, everyone has the same questions in mind- are we back to where we started? Is the economy headed for another bad year? While the question is quite obvious, the answer is not that straight forward. There are both plus and minus for FY22 outlook. On the brighter side, vaccine availability is one of the major differences between the two episodes. The recent relaxation of age criteria could be a game-changer, if implemented effectively. Any citizen aged 18 years and above can now get vaccinated as compared to the earlier criteria of 45 years and above.

Another difference lies in preparedness. Due to the sudden lockdown and mobility restrictions, all spheres of the economy were severely impacted during the previous episode. While work-from-home is the new normal now, infrastructure for working remotely was not that smooth during the first wave. The time period after the first peak gave preparation time not only to corporates but also to educational institutes and other players to switch to respective online mediums.

On the consumption side, a shift towards online shopping and digital payments could continue supporting demand. Grocery supplying platform, Big Basket, said in a recent media statement that "the company has worked on building infrastructure and increasing capacity" in the wake of the pandemic and "the scaling up" has helped them in dealing with recent surge in demand. On the payments side, UPI payments jumped to a record high of INR 5 Tn in Mar-21 before slowing marginally to INR 4.9 Tn in Apr-21.

Exhibit 1: UPI Payments increased three fold in the last 12 months



Policy support is the other big plus for FY22 outlook. Both the RBI and the central government announced a slew of measures to support growth and address pandemic related slowdown. The government plans to spend INR 34.8 Tn in FY22 with a special focus on capital expenditure, with which, FY22 fiscal deficit is targeted at 6.8% of GDP vs. the revised target of 9.5% for FY21.

On the monetary policy side, the RBI adopted a pro-active approach and announced various measures including rate cuts and liquidity injection among others to arrest the slowdown. In the wake of second wave, the RBI announced a number of measures in early May 2021, which include on-tap liquidity for emergency healthcare services and long-term repo operation (LTRO) for small finance banks. The LTRO facility is available to small business units, micro and small industries, and other unorganised sector with an option to avail fresh credit up to INR 10 lakhs per borrower. Furthermore, subjected to some conditions, the central bank provided loans restructuring option to retail borrowers in addition to MSMEs and corporates.



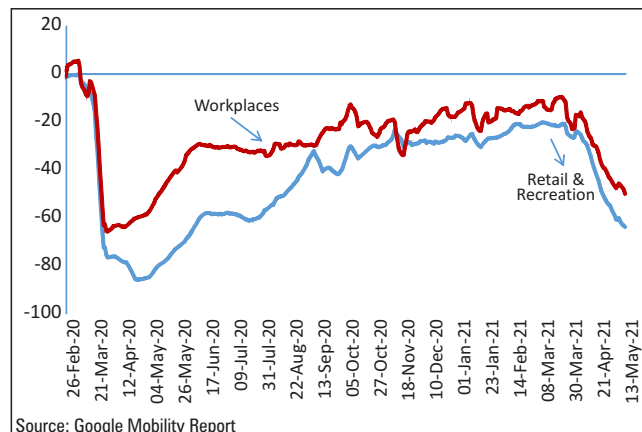
AGAINST THIS BACKDROP, EVERYONE HAS THE SAME QUESTIONS IN MIND- ARE WE BACK TO WHERE WE STARTED? IS THE ECONOMY HEADED FOR ANOTHER BAD YEAR? WHILE THE QUESTION IS QUITE OBVIOUS, THE ANSWER IS NOT THAT STRAIGHT FORWARD. THERE ARE BOTH PLUS AND MINUS FOR FY22 OUTLOOK.



Externally, a sharp rebound in global growth on the back of the US and China's recovery could support India's exports demand. The IMF estimates global GDP to grow by 6.0% in 2021 after contracting by 3.3% in 2020. Taking these factors into account, FY22 growth is estimated in the range of 8-10% vs. a decline of 8% in FY21 (CSO's 2nd advance estimates).

That said, the good news is not all good. Lockdowns and mobility restrictions appear to share a strong relationship with economic growth. With more and more states issuing stay-at-home guidelines, Google mobility indicators dipped sharply in Apr-May 2021 suggesting economic recovery might be slowing. Furthermore, the micro-containment strategy which appears to be adopted with the idea of preventing a collapse in economic activity could actually slow economic recovery. Cross country experiences from the UK and California, US suggest that compared to partial lockdowns, a complete lockdown is more effective in slowing down the virus spread.

Exhibit 2: Mobility indicators dropped sharply in Apr-May 2021



Source: Google Mobility Report

Unlike the last time, the virus has a wider spread now and anecdotal evidences suggest that rural areas are not isolated anymore. This could slowdown agriculture activity which provided some support to ailing economic activity in the last fiscal year. With rising infection cases, states like U.P., Bihar and Chhattisgarh which are both agriculture dependent and have high incidence of infection cases, could come under stress. Separately, a relatively unhealthy population could also have a bearing on farm productivity and income.

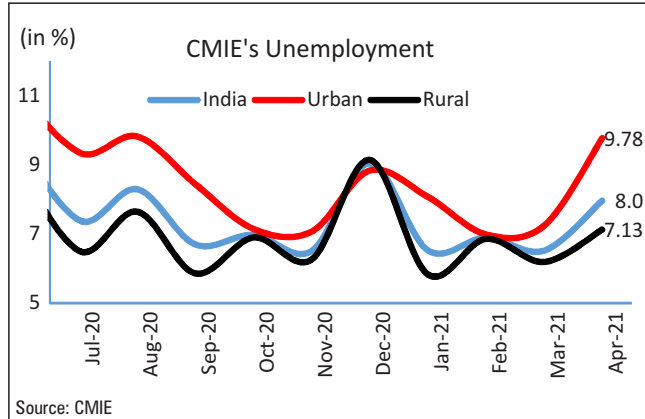
Among other sectors of the economy, recovery in industry output could halt. To recall, manufacturing GVA rebounded with 1.6% YoY growth in Q3 after contracting in the first two quarters. At present, while some states (like Haryana, Maharashtra) have permitted some industries to operate, labour availability could act as a key hindrance. After containment measures were announced in U.P. and Bihar, migrant labour started rushing to their native places. Taking cues from last year's episode, reverse migration could be slow with a possibility that some workers might not return due to the fears of another wave of the pandemic and lockdown. This could prompt a replacement of migrants with locals and an increase in labour cost and low profitability.

Moving ahead, contact intensive services were already under pressure since the first lockdown and witnessed a slow recovery. While complete reopening of economy aided recovery of some sectors, improvement in contact intensive sectors was limited. Furthermore, with the onset of the second wave, sectors, like, travel, tourism, hospitality etc. are likely to take a further beating.

From the demand side, private consumption which accounts for ~60% of India's GDP is another looming concern. Besides stressed farm income, rising unemployment could drag down private demand. According to the CMIE, over 7.5 million jobs were lost in April 2021, with rural and all India unemployment

increasing to 7.1% and 8.0% respectively. Moreover, containment measures that restrict the availability of non-essential items could also weigh on growth.

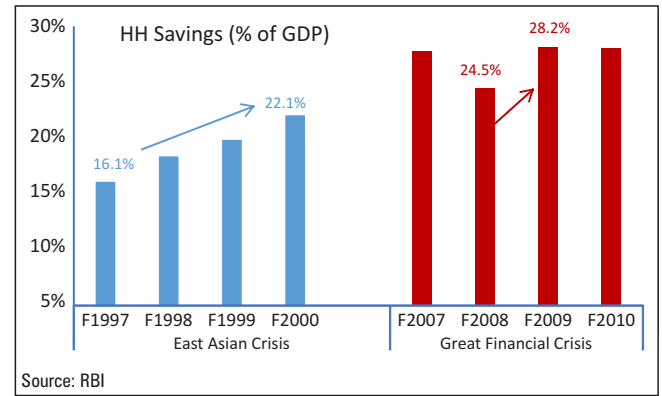
Exhibit 3: Unemployment rate rose further in Apr-21



Lastly, the pandemic might also result in a behavioral shift away from consumption and towards savings. The Buffer Stock Theory suggests that individuals tend to increase their savings during a crisis period. This is primarily on account of income uncertainty that a crisis period brings in. In the Indian context, household savings increased both during the East Asian Crisis as well as during the Great Financial Crisis. Recalling the textbook relationship

between the two (savings is the consumption foregone today), private consumption could take a hit and delay recovery.

Exhibit 4: Household Savings could increase in FY21 and FY22



Disclaimer: Views expressed are personal.

Avni is currently working as an Economist in the Treasury Research Team of HDFC Bank. In her current role, she tracks the Indian economy, developments in the bond market and foreign exchange movement. Having found her interest in Macroeconomics, she previously worked with the research division of Morgan Stanley and Crisil. She is an active council member of UP Mentoring & Soft Skill Council at WICCI, where she is engaged in increasing financial literacy among underprivileged women.

She is an Economics Post-Graduate from the Delhi School of Economics.



INDIAN EQUITIES – COVID SECOND WAVE VS VACCINATION PROGRAMME

By Ayush Aggarwal
 CIO (Chief Investment Officer) – SMC Private Wealth,
 Director – SMC Group

India continued to reel under sudden and massive second wave of pandemic with new strain of virus, which is much more contagious than earlier one but launch of vaccination programme against Covid-19 provide hopes that pandemic may be under control sooner than later. The economy was recovering well however various regional lockdowns and restrictions due to the second wave put the economic growth under stress. The January-March (Q4) headline numbers have turned out encouraging but some slowdown is expected to be seen in April-June, 2021 quarter on the back of regional lockdowns amid raging second wave of Covid-19 currently visible in many states of the country. The speed and sustainability of economic recovery also depend on how speedily the vaccination programme can be executed. The GST collections touched all time high at INR 1.41 trillion in April, 21 which is for March activity. The monthly GST collections are sustaining above INR 1tn since October month last year. The various headline numbers continued to do well however since April first week it has slowed down a bit due to massive second wave of pandemic. If the second wave of pandemic does not prolonged beyond a month the economic recovery may not come under serious jeopardy.

RBI released Government borrowing calendar for H1 FY22 wherein the total gross borrowing in the first half is pegged at Rs 7.24 Lakh Crore which is 60% of total budgeted gross borrowing. According to latest RBI policy meeting minutes, RBI is likely to keep the policy stance to ultra-accommodative for a prolonged period which is the obvious call looking at the present catastrophe going across the nation. Inflation currently is within RBI range on the back of lower food and vegetable prices and expected to remain moderate in current financial year. The RBI has clearly indicated to support growth measures post second wave of Covid-19 pandemic at least for next one year and further as may be needed. It continues to inject sufficient liquidity for better transmission of interest rate cuts in the system. The steep cut in reverse repo and massive liquidity infusion in the system during 2020 is pushing the banks to increase lending to the businesses. The banks although flush with massive liquidity are still risk averse and credit growth continues to be muted.



THE SPEED AND SUSTAINABILITY OF ECONOMIC RECOVERY ALSO DEPEND ON HOW SPEEDILY THE VACCINATION PROGRAMME CAN BE EXECUTED. THE GST COLLECTIONS TOUCHED ALL TIME HIGH AT INR 1.41 TRILLION IN APRIL, 21 WHICH IS FOR MARCH ACTIVITY. THE MONTHLY GST COLLECTIONS ARE SUSTAINING ABOVE INR 1TN SINCE OCTOBER MONTH LAST YEAR.



The corporate results announced till now are better however FPI turned out net seller post several months of inflows as India is facing massive second wave of pandemic. The FPI turned net seller for the first time in last seven months with net outflow of INR 9659cr in equity during April, 2021. The rising US bond yields was another factor which have raised concern among global investors and slowdown a bit the fund inflow to emerging markets. During FY 2020-21 the FPI net inflows in equity crossed all time high at INR 274,032cr. The higher bond yields can spook the equity and currency markets in short term however massive liquidity in the system backed by lower rates by central bankers across the globe is expected to keep interest rate regime benign at least in next few quarters till economy recover back to its normal. The core inflation currently under pressure on the back of higher raw material prices expected to remain moderate in medium term amid fear of global recession and this should also support the benign interest rate regime. The regional lockdowns and restrictions have put the nascent economic recovery in jeopardy and kept the markets on the edge. The market seems jittery and volatile currently but consolidating with long term view. In short term the rising inflation, US bond yields and raging pandemic have raised concern and some reallocation may happen towards debt however economic growth prospects in

next 3-5 years post pandemic are expected to keep the markets buoyant.



THE MARKET RALLY HAS BROADENED IN LAST FEW MONTHS WITH MIDCAP AND SMALL CAP INDICES CATCHING UP THE LARGE CAP SEGMENT HOWEVER CURRENTLY MARKET HAS AGAIN BECOME CONSCIOUS AND SEEKING REFUSE IN DEFENSIVES. THOUGH IN MEDIUM TO LONG TERM THE MIDCAP AND SMALL CAP WILL CONTINUE TO PROVIDE MANY OPPORTUNITIES TO THE INVESTORS SITTING ON CASH WITH RISK APPETITE.



The control on current wave of pandemic in India and global clues on Covid-19 vaccination are expected to drive the markets going forward. The global economy is expected to see substantial recovery during 2021 & 2022 on the back of quick vaccination against Covid-19. Moreover as the pandemic situation subsides India is expected to do relatively better. The earnings are expected to be better in FY2021-22 however short term concerns will remain with second wave of pandemic and regional lockdown. The market is expected to continue with positive bias post Union budget and RBI accommodative monetary policy pronouncements as sufficient liquidity expected to keep interest rates low for time being. The banking sector post decent catch up in March quarter is under consolidation and expected to do well in medium to long term although some concerns on asset quality will remain in short term as economic activity slowing down post current wave of pandemic. The corporate performance in next 2-3 quarter will be watched closely for sustainability of the economic recovery. The stimulus along with various reforms measures announced by the government and RBI easy monetary policy will be positive for the economy in mid

to long term however in short term the corporate sector shall remain under some stress amid this unprecedented health crisis seen post independence.

The market rally has broadened in last few months with midcap and small cap indices catching up the large cap segment however currently market has again become conscious and seeking refuge in defensives. Though In medium to long term the midcap and small cap will continue to provide many opportunities to the investors sitting on cash with risk appetite. The investors can continue to put money on dips keeping in mind the overall asset allocation. As COVID-19 situation subsides the markets may see further recovery but any sustainable upside depends on how the government implements measures announced in FY2021-22 Union budget. Hence only long term money with time horizon of more than 3 years can be invested in equities as opportunities are still available. The market is expected to provide good opportunities in various segments but stock selection will be the key. In short term airlines, transportation, hospitality, entertainment is expected to remain under pressure with healthcare, IT, pharma and consumption sectors to be immediate favorite. However in medium to long term consumption, IT, healthcare, private banks, Infrastructure, Capital goods and Agri with large government spending and rural recovery are expected to do well.

In Debt space, we suggest investors to continue with bonds for tenure of 12-18 months post which interest rates may start rising as economy recovery get firmly anchored post pandemic crisis and demand rising to its normal in next two years which may see inflation also returning back and corresponding hike in the interest rates. Although interest rates seems to have bottomed out however may remain benign in next 1-2 years timeframe.

Ayush Aggarwal is a young dynamic business leader. He is an MBA (PGP-FMB) from SP Jain Institute of Management and Research, Mumbai, and a graduate from Delhi University. He has a great understanding and an in-depth knowledge of financial Market. He is the CIO (Chief Investment Officer) of SMC Private Wealth Vertical at SMC Global Securities Ltd. managing and handling portfolio management activities. He has an excellent understanding of the various Macro & Micro factors driving the economy and financial markets. He has a knack of Identifying high growth potential as well as fundamentally strong companies. HNI clients at SMC have benefitted significantly from his practical and pragmatic views.



DISSECTING THE PERFORMANCE OF INDIAN EQUITY ACTIVE FUNDS IN 2020

By Arpit Gupta
Senior Analyst, Global Research & Design
S&P Dow Jones Indices

The percentage of active funds that underperformed their respective benchmarks in the Indian Equities Large-Cap and Mid-/Small-Cap fund categories over a one-year investment horizon doubled from 2019 to 2020, as seen in the SPIVA® India Year-End Scorecards for 2019 and 2020. The percentage of Large-Cap active funds that underperformed the **S&P BSE 100** over a one-year investment horizon increased from 40% (in 2019) to 80.65% (in 2020). During the same period, the percentage of funds in the Mid-/Small-Cap category that underperformed the **S&P BSE 400 MidSmallCap Index** increased from 27.91% (in 2019) to 66.67% (in 2020).

A drag in active fund performance (relative to the benchmark) could result from multiple reasons, including adverse stock selection and sector allocation, unfavorable investment style, or failing to time market trends and turning points. In this blog, we evaluated the return betas of active funds to investigate as a potential reason that may have led the majority of Indian Equity Large-Cap funds and Indian Equity Mid-/Small-Cap funds to underperform in 2020.

In 2019 and 2020, the benchmark for Indian Equity Large-Cap funds, the S&P BSE 100, returned 10.92% and 16.84%, respectively. Only 40% of active funds in this category underperformed the benchmark in 2019, but over 80% lagged in 2020 (see Exhibit 1). The large-cap active funds had an aggregate category beta of 1.02 in 2019, which was higher than the 0.96 recorded in 2020 (see Exhibit 2). We noticed a much higher number of Indian Equity Large-Cap fund managers with beta less than 1 in 2020 than in 2019 (see Exhibit 3). Due to the COVID-19 pandemic, many active large-cap fund managers might have positioned their portfolios with higher allocation to cash or low beta stocks to avoid market volatility or drawdown, which would have hurt their relative performance during market recovery in the latter part of 2020.

By dissecting the benchmark and fund returns during the market decline and recovery in 2020, it was obvious that the low beta allocation in large-cap funds affected their relative performance in opposite manners during the two periods. In Q1 2020, the S&P BSE 100 lost 28.8%, whereas Indian Equity Large-Cap active funds, with lower aggregate beta, suffered a slightly lower drawdown of -28.0% and -26.7% in their asset-weighted and equal-weighted average returns, respectively (see Exhibit 4). In contrast, when the market

rallied during the latter nine months of 2020, active funds gained much less than the S&P BSE 100 (64.1%) across asset- and equal-weighted returns (57.4% and 55.0%, respectively).



DUE TO THE COVID-19 PANDEMIC, MANY ACTIVE LARGE-CAP FUND MANAGERS MIGHT HAVE POSITIONED THEIR PORTFOLIOS WITH HIGHER ALLOCATION TO CASH OR LOW BETA STOCKS TO AVOID MARKET VOLATILITY OR DRAWDOWN, WHICH WOULD HAVE HURT THEIR RELATIVE PERFORMANCE DURING MARKET RECOVERY IN THE LATTER PART OF 2020.



For Indian Equity Mid-/Small-Cap funds, we noticed low aggregate category beta (< 1) in both 2019 (0.87) and in 2020 (0.94). Over 86% and 83% of Indian Equity Mid-/Small-Cap funds had beta less than 1 in 2019 and 2020, respectively. Low beta allocation in mid-/small-cap funds effectively avoided or reduced draw down for many funds in 2019, with only 27.9% of Indian Equity Mid-/Small-Cap funds underperforming the S&P BSE 400 MidSmallCap Index (which was down by 2.1%). However, in 2020, the continuation of low beta allocation by active mid-/small-cap fund managers were penalized when the benchmark recorded a strong gain of 26.76%, resulting in over 66.67% of Indian Equity Mid-/Small-Cap funds lagging the benchmark in 2020.

As observed in the Indian Equity Large-Cap fund category, low beta allocation affected the Indian Equity Mid-/Small-Cap funds' performance differently during market sell-off and rally. In Q1 2020, the S&P BSE 400 MidSmallCap Index dropped 29.4%, while the Indian Equity Mid-/Small-Cap funds marked a smaller drawdown of 27.7% and 25.9% in asset- and equal-weighted returns, respectively. But for the rest of the nine-month period in 2020, the Indian Equity Mid-/Small-Cap funds lagged the benchmark index by 10.2% and 7.4% on an asset- and equal-weighted basis, respectively.

When active managers tailor the risk exposures of their portfolios, the success largely depends on their market-timing skills, which can be challenging, especially during volatile times. Low beta portfolio allocation for the Indian Equity Large-Cap and Mid-/Small-Cap stocks penalized more than helped their overall benchmark-relative performance in

2020, which reflected the difficulties in estimating the timing and size of market recovery from the pandemic crisis. This could explain why an increasing number of market participants shifted their preference toward passive investing, which provides plain vanilla market exposure at a competitive cost.

Exhibit 1: Percentage of Funds Outperformed by the Index during a One-Year Period Ending in 2019 and 2020

FUND CATEGORY	COMPARISON INDEX	2019 (%)	2020 (%)
Indian Equity Large-Cap	S&P BSE 100	40	80.65
Indian Equity Mid-/Small-Cap	S&P BSE 400 MidSmallCap Index	27.91	66.67

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of Dec. 31, 2020. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 2: Underperformance and Risk/Return Profile of Funds in Large Cap and Mid-/Small-Cap Fund Categories

CHARACTERISTIC	INDIAN EQUITY LARGE-CAP		INDIAN EQUITY MID-/SMALL-CAP	
	2019	2020	2019	2020
Benchmark Returns (%)	10.92	16.84	-2.1	26.76
50th Percentile Returns (%)	11.74	13.93	2.41	24.28
Beta (Based on A.W. Returns)*	1.02	0.96	0.87	0.94

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of Dec. 31, 2020. Benchmark for Indian Equity Large-Cap Funds is S&P BSE 100 and S&P BSE 400 MidSmallCap Index for Indian Equity Mid-/Small-Cap. *Category beta is calculated using Asset-Weighted (A.W.) Fund returns of the aggregate fund category. Please refer 'Quartile Breakpoints of Fund Performance' exhibit in the SPIVA India Year-End 2019 and 2020 Scorecards. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 3: Percentage of Funds with Beta Lower Than 1 in 2020 and 2019

LARGE-CAP FUNDS	2019	2020	MID-SMALL-CAP FUNDS	2019	2020
Beta ≥ 1 (Number of Funds)	12	6	Beta ≥ 1 (Number of Funds)	6	8
Beta < 1 (Number of Funds)	18	24	Beta < 1 (Number of Funds)	37	41
Total Funds	30	30	Total Funds	43	49
Beta ≥ 1 (% Funds)	40	20	Beta ≥ 1 (% Funds)	14	16
Beta < 1 (% Funds)	60	80	Beta < 1 (% Funds)	86	84

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Category average beta is calculated by the simple averaging of the beta for each fund. 2020 data represented by the one-year period ending Dec. 31, 2020. 2019 data represented by the one-year period ending as of Dec. 31, 2019. Please note Total Funds represents only those funds that have survived the one-year observation periods for the relevant year. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4: Dissecting the Performance of Indian Equity Funds in 2020

FUND CATEGORY	Q1 2020 (%)	Q2 2020 to Q4 2020 (%)
S&P BSE 100	-28.8	64.1
Indian Equity Large-Cap (Asset-Weighted)	-28	57.4
Indian Equity Large-Cap (Equal-Weighted)	-26.7	55
S&P BSE 400 MidSmallCap Index	-29.4	79.4
Indian Equity Mid-/Small-Cap (Asset-Weighted)	-27.7	69.2
Indian Equity Mid-/Small-Cap (Equal-Weighted)	-25.9	72

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of Dec. 31, 2020. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

This article is not an advice. Please read at <https://www.spglobal.com/spdji/en/disclaimers>

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He joined S&P DJI in 2018, and he has worked extensively in portfolio construction and back - testing. Prior to joining S&P DJI, He worked with Swiss Re as a valuation risk analyst.

He graduated with a dual degree from the Indian Institute of Technology (Kharagpur), with a Bachelor of Technology degree in agricultural & food engineering and a Master of Technology degree in financial engineering. He is a certified FRM.



CAN EVEN THE VIRUS BE UNCONSCIOUSLY BIASED LIKE HUMANS AT WORK PLACE?

By Dr. Nirav Mandir
 Chief Human Capital Officer
 Shree Ramkrishna Exports Pvt. Ltd. (SRK)

It is pretty much evident that we all are residing in extraordinary times due to the dreadful impact of pandemic. Even if we wish to, we cannot ignore what is prevailing around all of us. Recently, I came across a very interesting study conducted by The Lancet which reveals that patients from Black ethnicity were twice as likely to get more infected by the novel coronavirus compared to White individuals.

Published in The Lancet, the study said ethnic minority groups are “disproportionately affected” by the novel coronavirus. It was also found that people of Asian ethnicity were at a higher risk of Intensive Therapy Unit (ITU) admissions and death. The findings were based on reviews and meta-analysis of 50 research papers that had studied the 18,728,893 patients in the UK and US. As many as 42 papers were from the US and the remaining eight are from the UK.

It doesn't matter how much we might not want to admit it but unconscious biases influence a vast majority of our decisions. This is due to the fact that our brains can consciously process 40 pieces of information per second - while we unconsciously process 11 million pieces. So, in order to keep up with all of the stimuli around us, we create mental shortcuts that ostensibly make decision-making easier. A Yale study found that - when given the choice between two similar candidates, one from each sex - college faculty preferred hiring male candidates who they perceived to be more competent and worthy of commanding higher salaries. It didn't matter whether faculty members were male or female; all were biased against women applicants.

Even at the workplace, we make countless decisions every day without even realizing it. Even as you sit here reading this article, you're making decisions. Decisions about the content, the questions being asked of you. And the answers to these are influenced heavily by something researchers refer to as “Unconscious Bias.”

- **What “Unconscious Bias” is all about?**
 Bias is an inclination or prejudice for or against one person or a group. So, unconscious biases are

unconscious feelings we have towards other people – instinctive feelings that play a strong part in influencing our judgements away from being balanced or even-handed.

One of the most prominent areas of life, where bias can play out is the workplace. For example, one of the strongest biases we have in the workplace is gender bias. Why? Well, our feelings about gender and the stereotypes we've all associated with gender are something we've developed throughout our life. Things like how or where we've been brought up, socialized, exposure to other social identities and social groups as well as media influences, all affect how we think and feel about certain types of people. It's just a deep seated, unconscious stereotype that's been formed in our brains through years of different influences we often had no control over.



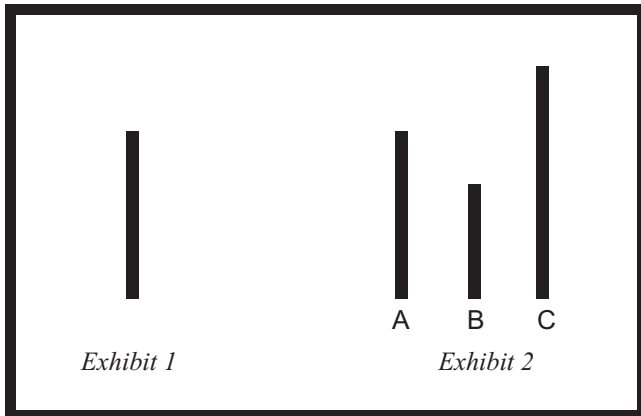
ONE OF THE MOST PROMINENT AREAS OF LIFE WHERE BIAS CAN PLAY OUT IS THE WORKPLACE. FOR EXAMPLE, ONE OF THE STRONGEST BIASES WE HAVE IN THE WORKPLACE IS GENDER BIAS. WHY? WELL, OUR FEELINGS ABOUT GENDER AND THE STEREOTYPES WE'VE ALL ASSOCIATED WITH GENDER ARE SOMETHING WE'VE DEVELOPED THROUGHOUT OUR WHOLE LIVES.



- **How does bias affect our actions?**
 “Most of us believe that we are ethical and unbiased. We imagine we're good decision makers, able to objectively size up a job candidate or a venture deal and

reach a fair and rational conclusion that's in our, and our organization's, best interests," writes Harvard University researcher Mahzarin Banaji in the Harvard Business Review.

• **Models of Unconscious Bias at Workplace:**



1. Conformity Bias

Based on a famous study that's been around for decades, conformity bias relates to bias caused by group peer pressure. In the study, a group of people is asked to look at the picture above and say which line in Exhibit 2 matches the line in Exhibit 1. One individual is told to say what they think. The rest of the group is told to give the wrong answer.

We can see that line A of Exhibit 2 matches the line in Exhibit 1. But, when the individual who doesn't know this is a test gives the correct answer is informed that the rest of the group has said Line B, in 75% of cases the individual decides to scrap their own opinion in favor of the groups' opinion. Just think how this may play out in a panel talking about a candidate. If an individual feels the majority of the group are leaning towards/away from a certain choice, they will tend to go along with the group, rather than voice their own opinions.

2. The Halo & Horn Effect

In the 1920s, Psychologist Edward Thorndike found that people who think highly of an individual in a certain way are likely to think highly of them in several other ways. For example, if we think someone is good looking, we'll probably also think they are intelligent and charismatic. Thorndike described this as the "halo effect." Managers need to be wary of generalizing an employee's performance based on one specific characteristic of their personality or appearance. They need to also understand that just because someone might have done an A-plus job on a project six months ago doesn't necessarily mean that person is still contributing as

effectively. The opposite effect is called the "horns effect." Just because someone dropped the ball once doesn't mean they're incapable of improving.

3. Gender Bias

At the office, an assertive woman might be perceived as "aggressive" while a man with the same attributes might be described as "confident." This is an example of gender bias, which is more prevalent than many might want to admit. One recent study, for example, found that male scientists were likely to place more value on the opinions of their male colleagues than their female colleagues. Companies that are influenced by gender bias will miss out on great ideas and likely disengage the women that work for them.

4. Similarity Bias

Companies often prefer hiring candidates who've worked at specific companies or schools. For example, Silicon Valley tech companies are most likely to hire candidates who went to UC Berkeley. Companies that only hire candidates with particular experiences may be held back by group think.

5. Confirmation Bias

Thanks to confirmation bias, once we make a decision or opinion about something, we tend to look for information that confirms our beliefs and overlook information that goes against them. This is perhaps why the Coca-Cola Company's disastrous New Coke product came to the market in the first place. Despite the fact that loyal Coke drinkers were perfectly happy with the product, Coca-Cola's executives felt the need to shake things up in 1985 as a response to Pepsi's increasing popularity. Once the decision-makers settled on releasing a new product, they ignored evidence suggesting their customers were satisfied by the original recipe.

6. Bro-Propitiating Bias

In a group meeting, a female member of the team makes a point that no one seems to feel too strongly about. Thirty minutes later, a male member of the team makes the same point - and everyone jumps on board with "his" idea. Companies that allow this kind of behavior to exist at the workplace will discourage women from sharing their ideas.

• **Process to Abate Unconscious Bias:**

Unconscious bias doesn't have to be permanent. While it may be impossible to completely abolish these biases, we can take steps to reduce the chances as many of our decisions are influenced by them.

1. Cram what unconscious biases are.

The first step of limiting the impact unconscious biases have on your organization is making sure everyone is aware that they exist. "Awareness training is the first step to unraveling unconscious bias because it allows employees to recognize that everyone possesses them and to identify their own," explains Francesca Gino, a professor at Harvard Business School.

2. Gage which biases are most likely to distress you.

Take tests-like Harvard's Implicit Association Test - to figure out which of your individual perceptions are most likely to be governed by unconscious biases. Armed with that information, you can take proactive steps to address them on an individual basis.

3. Work out where biases are likely to affect your organization.

Biases tend to affect who gets hired, who gets promoted, who gets raises and who gets what kind of work, among other things. By knowing where bias is most likely to creep in, you can take steps to ensure that biases are considered when important decisions are made in those areas.

4. Remodel your approach to hiring.

In order to make sure that unconscious biases don't adversely impact your hiring decisions, you may need to make some big changes. Re-work on job descriptions so you're able to draw from a wider pool of applicants. You may also want to try judging candidates "blindly," i.e., not looking at anyone's name or gender and instead hiring on merit alone. Additionally, consider giving candidates sample assignments to see what their work contributions might look like. Finally, standardize the interview process, as unstructured interviews tend to lead to bad hiring decisions.

5. Data driven decisions.

If your company's upper management echelons are only staffed by respective group, unconscious biases are determining which employees are promoted. Make it a priority to diversify your management team so that more voices and backgrounds are represented.

6. Boost team members to speak up about biases.

More the people involved in a decision - more transparent the decision making process will be - the less likely an organization will be to be affected by unconscious biases. Create a culture that encourages open dialogue. That way, when employees realize a decision might have been influenced by unconscious

biases, they won't be afraid to speak up and set the record straight.

7. Employees must hold accountability.

Actions speak louder than words. While you shouldn't necessarily reprimand someone for making a decision influenced by unconscious biases, you should keep a track of whether such decisions are being made. If a manager does 10 performance reviews, five to men and five to women, and four out of the highest five are women, it should at the very least call for a review into whether there might be a pro-female bias in the process. If the data reveals biasness, then someone may need to intervene.

8. Have diversity and inclusion goals.

From more innovation to more talented employees to higher retention rates, there are a number of reasons why companies should focus on creating diverse workplaces. Set diversity and inclusion goals to make sure that your diversity program is more than just a lip service and you actually make progress toward building a diverse team.

• Abridgement:

All of us are affected by unconscious biases. From an organizational perspective, the sooner we realize this reality - and take proactive steps to overcome the biases that hold us back - the stronger our companies will become, and better our position will be to serve our stakeholders effectively.

Dr. Nirav Mandir has been instrumental as a Chief Human Capital Officer with Shree Ramkrishna Exports Pvt. Ltd. (SRK), World's largest Diamond & Jewellery Manufacturing and Export conglomerate, generating a revenue of more than \$1.3 billion. He shoulders the strategic responsibilities for SRK's Global HR, IR, Administration, HSE, CSR, and Compliances. He is also the Project Administrator for SRK's state-of-the-art manufacturing facilities certified by the U.S. Green Building Council.

He has achieved his Post-Doctoral Fellowship from South Korea, a Ph.D. from the USA, Advanced HRM from IIM-A, M.Phil., Post Graduate Diploma in Industrial Safety & Environmental Management, M.S.W.; L.L.B. (Special) & B.Sc. (Physics). He has published Six HR/IR/HSE-related Research Papers in various National & International Journals. He is also certified Lead Auditor for ISO standards, i.e., 9001, 45001 and 27001. A Certified Assessor for LEAN MFG.; Material Flow Cost Accounting; Psychometric Assessments; Value Stream Mapping; Certified HR Analytics & Metrics Professional; Certified Employee Engagement Professional; Certified Food Safety Supervisor; First Aid Senior; Certified Industrial & Fire Safety Professional; Certified Leadership Coach; Innovation & Strategy Professional from Harvard University, USA and a Certified Independent Director-IICA, Ministry of Corporate Affairs - Gol.

He is recognised for his untiring work with prestigious awards in his HR journey:

- Youngest HR Professional of the Year-2018 by National Institute of Personnel
- Management.
- 100-Top HR Minds (India) - 2018 by Times Ascent.
- Most Influential HR Leaders in India - 2016 by World HRD Congress.



COPING WITH THE SECOND WAVE OF COVID 19 AND INDIA'S HEALTHCARE SYSTEM

By Professor Piya Mahtaney
Economist / Author

Introductory Exposition

At the beginning of this year, I had a fairly optimistic outlook about the ensuing months ahead and among others the main factor or premise that this was anchored in was the availability of the vaccine and the drive to vaccinate India's population. In the light of India's extensive experience in implementing Universal Immunization for decades a fact that elicits plaudits globally it was not surprising if I did not envision that the vaccination policy would run into the delays and deterrents that it is beset with currently. Procurement of enough vaccines in time, rapid expansion of capacity for domestic production of the vaccines and addressing supply chain bottlenecks could have been done. But it obviously hasn't been and the human and economic costs of this have and will be significant. As I write this I do hope that when this edition is out we would have more clarity and positive information about when enough vaccines will be available and how expedient the vaccination policy will be.

As India finds itself in the eye of the storm -the second wave that hit India over the last few weeks and the magnitude of the surge that it has unleashed has thrown the lid of the laxity in of society and conspicuous lack of preparedness by the health care system. This in conjunction with the non-adherence to covid appropriate behaviour by large segments of the Indian polity has driven the accelerated spread of the Covid variants.

Importantly a year after the pandemic there is much more that we know now about the invisible enemy and the induction of a number of vaccines has given the world better tools to mitigate the pandemic. The compelling challenge however is the acute shortage of vaccines that confronts India and other less developed nations. One of the fundamental reasons that this was not the case was a sense of complacency in India about the occurrence of the second surge, this despite the fact that both Europe and U.S thereafter found themselves in the throes of the second wave of COVID after December last year. The dismal consequences of this continue to play out and a health infrastructure that is stretched beyond its limit makes an integrated, well coordinated, expedient vaccination policy a national exigency. Insights in this context by eminent members of the medical fraternity

would be useful in informing us better about the way ahead.



AS INDIA FINDS ITSELF IN THE EYE OF THE STORM -THE SECOND WAVE THAT HIT INDIA OVER THE LAST FEW WEEKS AND THE MAGNITUDE OF THE SURGE THAT IT HAS UNLEASHED HAS THROWN THE LID OF THE LAXITY IN OF SOCIETY AND CONSPICUOUS LACK OF PREPAREDNESS BY THE HEALTH CARE SYSTEM. THIS IN CONJUNCTION WITH THE NON-ADHERENCE TO COVID APPROPRIATE BEHAVIOUR BY LARGE SEGMENTS OF THE INDIAN POLITY HAS DRIVEN THE ACCELERATED SPREAD OF THE COVID VARIANTS.



In this article for Econ Buzz I incorporate the observations of Dr Bharat Prem Shivdasani who is among the leading cardiologists of Mumbai and is consultant with Jaslok and Breach Candy Hospital. An excerpt of the Q&A with Dr Bharat Shivdasani is as follows:

Q (1) Would you agree that the second wave unprecedented spread been averted with greater medical vigilance and health infrastructure?

Dr Bharat: The country led by leadership proclaimed a premature victory over the Covid 19 pandemic. The stronger second waves in Western countries were ignored. Our leadership and citizens believed we were immune thanks to false propaganda and limited knowledge. The common man is loathe to observing rules and take every chance to slyly violate it. When individuals, families and the society can't follow Covid

appropriate behaviour and violate all laid out norms, it is pointless blaming the health force and industry. We collectively should have been prepared for the second wave.

Q (2) Is there an area where the medical fraternity or the healthcare sector could have applied more effort towards the evolution of a national integrated vaccination policy that is conspicuously lacking?

Dr Bharat: The administration should not have dismantled the large field hospitals set up in the first wave. Adequate monitored and ICU beds with oxygen (O₂) supply created. O₂ plants and logistic chain for manufacturing and supply created. Vaccine production should have been prioritized for our country instead of export.

Q (3) Evidently the vaccination drive needs to be stepped up, what do you think in terms of timeline should be the goalpost by when all citizens would be vaccinated?

Dr Bharat: Supply chains should be created to distribute vaccine all over country. We should aim to vaccinate 50% of population in 3 months

Q (4) Are there any recommendations that you would like to articulate in so far as enabling rural India to be able to step up its vaccinations? Vaccine program created on lines of Universal Immunisation Program.

Dr Bharat: Vaccines should be given at all Private and Government hospitals and clinics. Spread it wide like election booths.

Another aspect that Dr Shivdasani emphasizes is the need in terms of logistics to have a well-organized vaccination drive if it is to avoid being a virus spreader. This would entail a better utilization of available spaces such as schools to catalyze the vaccination drive. Furthermore he underscores the importance of having clear guidelines that would enable more efficient utilization of oxygen and also minimize the wastage of vaccines. Explaining this Dr Shivdasani says, "every person matters and every vaccine counts."

Ramping up the country's health care system is an imperative that has been accentuated by the pandemic and thus at this point it would be useful to describe in brevity some of the challenges confronting India in this context.

A country of 1.36 billion and a fair proportion of this population lack access to basic healthcare, clearly a fundamental building block of development that continues to be a laggard in India even as the expenditure allocated to healthcare accounts for only about 1 per cent of total GDP. Thus, even compared to its developing country counterparts this is extremely low.

In its Development Dialogue series NITI Ayog brought out a report (November 2019) about the healthcare system in India wherein it demonstrated that there essentially four constituents of healthcare that has to be viewed and these include: risk pooling, strategic purchasing, and health service provisioning and digital health. Each of these healthcare themes requires coordination between the multiple stakeholders and this has to be undertaken across states. As the report explains, "It is also true that the evolution of India's health system is still a work in progress and there remains a large unfinished agenda. There are significant inter-state and intra-state differentials in health outcomes with socio-economically disadvantaged groups being particularly vulnerable to gaps in access as well as quality of healthcare available to them. Further, the double burden of disease – with a rising burden of non-communicable diseases in addition to the persistence of communicable diseases – stretches the system thin and makes the task of health policy makers all the more complex. India's health system reveals a story of multiple fragmentations: a fragmentation of payers and risk pools; deep fragmentation of providers of healthcare services; and also of the digital backbone running it." Furthermore, according to the report India suffers from inadequate and fragmented delivery of healthcare services and this is indicated by the fact that over 98 per cent of healthcare facilities in India are those which employ ten persons or less.

Agreeing to the fact that this pandemic has been a compelling reminder of the blatant deficiencies in India's healthcare system Dr Om Shrivastav, Director Infectious Diseases, Jaslok Hospital says, "the more you sweat in peacetime the less you bleed in wars." Taking a broader view of controlling disease outbreaks Dr Om explains that this entails identifying triggers of various disease outbreaks across communities and surmounting the causes underlying the same. This also requires adopting an integrated approach towards the provision of healthcare infrastructure for instance in the case of hepatitis prevention better standards of public hygiene are critical.

Healthcare spending should be increased to on the aggregate, Dr Shrivastava recommends that it should be ramped up to about 7 to eight percent of GDP and in addition at a personal level he would like to see more individuals opting for a career in the realm of infectious diseases. A notable instance that dispels the contention that a resource constrained nation such as India cannot raise their healthcare budgets significantly is that of Cambodia which spends over 6.1 per cent of its GDP on healthcare. Among the poorest nations in Asia and globally the increase in healthcare financing has been one of the highlights of Cambodia's growth strategy and this

has resulted in an increase in life expectancy to 68 in 2014 from 58 years in 2000. Furthermore there has been a discernible improvement in maternal and infant mortality rates such that the former has declined from 472 per 100000 live births in 2005 to 161 per 100000 in 2015. Undeniably Cambodia has a long distance to cover before it achieves desired health outcomes however the moot point is that binding resource constraints have not prevented it from assigning priority to the healthcare sector.



CLEARLY THE PRESENT CRISIS IS AN UNPRECEDENTED, CERTAINLY ONE THAT THE WORLD HAS NOT BEEN CONFRONTED WITH FOR OVER A CENTURY. THERE ARE MANY LESSONS AND POINTS OF INTROSPECTION THAT CAN BE DRAWN FROM THE CURRENT CRISIS AND IN ESSENCE THE MOST IMPORTANT ONE IS THAT IT DEMONSTRATES HOW CLOSELY INTERLINKED ECONOMIC PROGRESS IS WITH HEALTHCARE.



Conclusion

Clearly the present crisis is an unprecedented, certainly one that the world has not been confronted with for over a century. There are many lessons and points of introspection that can be drawn from the current crisis and in essence the most important one is that it

demonstrates how closely interlinked economic progress is with healthcare. The immediate trigger for COVID-19 crisis may have arisen from external factors that relate to the fact that it is a global pandemic however managing the present fall out of this crisis and initiating preventive measures will compel closer scrutiny of India's healthcare system and more expedient measures to plug its blatant gaps. More than anything else doing so has now become a matter of life and death.

Access my book "Structural Transformation: Understanding the New Drivers of Investment, Innovation and Institutions 1st ed. 2021 Edition" at <https://www.amazon.com/Structural-Transformation-Understanding-Investment-Institutions/dp/9813346612>

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

The books that I have authored are as follows:

- Structural Transformation: Understanding the New Drivers of Investment, Innovation and Institutions, Palgrave Macmillan, Singapore, April 2021
- Globalization and Sustainable Economic Development, Palgrave Macmillan (U.S), August 1st 2013
- India China and Globalisation* was published by Palgrave Macmillan (England, 2007)
- Globalisation Con Game or Reality was published by Alchemy Publishers, India (2004) 2004.
- The first book titled Economic Con Game, Development fact or Fiction was published by Pelanduk Publications (Malaysia) in 2002.
- India China and Globalization, (paperback, Palgrave Macmillan, England December 2014)

Besides authorship I am a visiting lecturer with St Xavier's Institute of Communications and St Xavier's College, Department of Economics. I am also a council member of the Forum of Free Enterprise and I write a monthly column for Forum Views which is a magazine brought out by the BSE.

My interest is classical Western Ballet in which I have received training for many years since I was a child.



SECOND WAVE OF COVID AND THE INDIAN LIMITATION ACT

By Neha Ahuja, LLM Advocate

With a sharp rise in the number of Covid-19 cases and related causalities across the country, the second wave has led the country into an unprecedented crisis. When Covid-19 first hit the planet last year, the Supreme Court took cognizance of the situation and accordingly on March 23, 2020, passed an order extending the limitation period

The bench comprising Chief Justice of India NV Ramana, Justices Surya Kant and AS Bopanna passed the order in the suo moto case In Re Cognizance for Extension of Limitation.



THIS JUDGMENT TAKES INTO ACCOUNT THE EXTRAORDINARY SITUATION CURRENTLY PREVALENT IN INDIA AND THE EXTRAORDINARY MEASURES REQUIRED TO MINIMIZE HARDSHIP OF THE LITIGANT-PUBLIC ACROSS INDIA.



The order said:

"We, therefore, restore the order dated 23rd March 2020 and in continuation of the order dated 8th March, 2021 direct that the period(s) of limitation, as prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings, whether condonable or not, shall stand extended till further order"

"It is further clarified that the period from 14th March, 2021 till further orders shall also stand excluded in computing the periods prescribed under Sections 23

(4) and 29A of the Arbitration and Conciliation Act, 1996, Section 12A of the Commercial Courts Act, 2015 and provisos (b) and (c) of Section 138 of the Negotiable Instruments Act, 1881 and any other laws, which prescribe period(s) of limitation for instituting proceedings, outer limits (within which the court or tribunal can condone delay) and termination of proceedings".

"We have passed this order in exercise of our powers under Article 142 read with Article 141 of the Constitution of India. Hence it shall be a binding order within the meaning of Article 141 on all Courts/Tribunals and Authorities".

The order dated March 23, 2020 has been restored until further orders and the next date of hearing in the matter is July 19, 2021.

This judgment takes into account the extraordinary situation currently prevalent in India and the extraordinary measures required to minimize hardship of the litigant-public across India.

Neha Ahuja, Advocate

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



COMPLIANCE REQUIREMENT FOR THE MONTH OF JUNE – 2021

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

Authorities	Particulars	Due Date
NSE/ BSE	Mandatory field in unique client code (UCC) information provided to exchange (For New clients registered)	01.06.2021
CDSL/ NSDL	Mandatory updation of certain attribute of KYC of clients.	01.06.2021
BSE/ NSE/ MCX/ NCDEX	% of Peak margin obligation to be compared with respective peak margin available for computation of shortfall in peak margin: 75% from	01.06.2021
All Exchanges	Contingency Drill / Mock Trading Session (Subject to circular to be issued by respective exchanges)	05.06.2021
PMS	PMS- Certification for Activity Report- through SEBI portal for the month of May, 2021	Within 7 working days of next month
Income Tax	TDS Payment for the Month of May 2021	07.06.2021
Income Tax	Advance payment of Income tax for Corporate	15.06.2021
NSE/ BSE	Reporting of client level cash and Cash Equivalent Balances by trading members to the clearing members (New Compliance requirements) (First submission for the week ending on June, 19, 2021 & for each week thereafter within next four trading days of subsequent week)	24.06.2021
Depository	Investor Grievances (Report) ' • CDSL & •NSDL for the month of May, 2021	30.06.2021
BSE/ NSE/ MSE	Uploading of client funding reporting for the month of April & May 2021	30.06.2021
NSE/ BSE/ MSE	Issuance of Global Report to clients for the trade executed during the F.Y. 2020-21(Through physical mode)	30.06.2021
All stock exchanges	To operate the trading terminals from designated alternate locations	30.06.2021
All stock exchanges	Maintaining call recordings of orders/ instructions received from clients	30.06.2021
BSE	No. of STR filed with FIU-IND for the month of May 2021. (Including NIL STR)	Before 30.06.2021
NSE/ BSE/ MCX/ NCDEX	Requirement of sending a complete 'Statement of Accounts' for funds, securities and commodities in respect of each of its clients on weekly basis.	Weekly basis
NSE / BSE/ MCX/ NCDEX	Reporting of client level Cash and Cash Equivalent Balances and Bank account balances	Weekly basis
All Equity & Commodity Exchanges	Uploading of Clients' Funds, collateral and other details lying with the member broker. (Enhanced Supervision)	Weekly basis
All Exchanges	Uploading of day-wise Holding statement in the specified standard format to exchange within 4 trading days of subsequent week	Weekly basis

Kamlesh P. Mehta, B.Com. FCA, DISA (Post qualification course in information system audit from ICAI) is a practicing Chartered Accountant by profession having an experience of 26 years in the field of capital market compliance consultancy, depository services audit, management consultancy, system audit and Commodity market compliance consultancy.

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

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

He is a regular speaker of the various seminars for broking and DP compliances organized by WIRC (Western India Regional Council of ICAI) and study circle group. **For further assistance, kindly contact at: kamleshmehtaca@gmail.com**

SEBI'S INFORMAL GUIDANCE ON ADVISORY SERVICES RENDERED BY INVESTMENT ADVISERS

On April 09, 2021, SEBI in its informal guidance (**Guidance**) issued to Paytm Money Limited (**PML**) clarified that an investment adviser (**IA**) cannot receive any reimbursements from the asset management companies whose direct plans are sold to the IA's clients.

PML being registered with SEBI as an IA, provides advisory services to its clients, and facilitates the implementation of advice issued to its clients. Under its advisory services, PML recommends direct mutual fund products to its clients. Considering the above, PML sought clarification from SEBI regarding the permissibility to avail reimbursement for out-of-pocket expenses related to the KYC process, technology hosting, platform maintenance etc. from asset management companies (**AMC**) whose direct plan may be subscribed to, by an advisory client of PML. In its response, SEBI clarified that Regulation 22A of the SEBI (Investment Advisers) Regulations, 2013 (**IA Regulations**), permits non-individual IAs to offer implementation services to its advisory clients without being entitled to any commission or brokerage. Further, Regulations 22A(1) and 22A(3) clearly state that an IA shall not receive any consideration, in any manner, either directly or indirectly, in relation to the financial products it had issued advice on, and cannot charge any implementation fee from its clients, for providing implementation services in relation to these products. Considering the above, SEBI clarified that PML cannot avail reimbursement of any amount from AMCs

for the implementation services provided to its client.

The second query raised by PML was whether PML could seek electronic consent from its clients on the points mentioned in Annexure A to the SEBI circular on 'Guidelines for Investment Advisers' dated September 23, 2020 (**IA Guidelines**), and share the same over email to comply with the requirements under Regulation 19(1)(d) of the IA Regulations read with Clause 2(ii) of the IA Guidelines.

Responding to the above query, SEBI highlighted that as per the provisions of Regulation 19(1)(d) read with the Clause 2(ii) of the IA Guidelines, it is mandatory for an IA to enter into an investment advisory agreement with its client and cover the mandatory terms and conditions as provided in Annexure A to the IA Guidelines. Further, no investment advice shall be rendered and no fee shall be charged by the IA until an agreement is signed with the client and the client is provided a copy of the same. Based on the above reasoning, SEBI advised that merely seeking an electronic consent on the matters provided in Annexure A to the IA Guidelines and sharing the same with the clients on their registered email addresses would may not be considered as sufficient compliance with the provisions of the IA Regulations and the IA Guidelines.

The third query raised by PML was regarding the definition, and employment of a principal officer as per the provisions of the IA Regulations. PML, in its query, requested

SEBI to define an 'equivalent management body who is responsible for the overall function of the business and operations' and enquired whether a committee appointed by the board of directors of PML, to oversee the advisory functions, would qualify as a management body enabling a member of the committee to be appointed as the principal officer.

SEBI, in its response clarified that the head/member of the board of directors of a corporate IA is responsible for the functioning of business and operations of the IA. The term 'equivalent management body' is used in this context and is to be understood in respect of non-individual IA's other than a body-corporates such as LLPs which do not have a board of directions. In such scenario, the executive chairman of the equivalent management body can be the principal officer of the IA. Hence, SEBI concluded that a member of the advisory committee or the department head, in charge of advisory business appointed by the IA's board of directors cannot be appointed as the principal officer unless he is also the managing director or designated director or managing partner or executive chairman of the board as required under the IA Regulations.

The Guidance provides requisite clarifications on the issues of IAs receiving implementation fees from the producers of financial products, and who may be appointed as a principal officer of institutional IAs that do not have a body corporate structure.

SAT ORDER IN ALANKIT ASSIGNMENTS V. PFRDA

In its order dated February 15, 2021 in the matter of Alankit Assignments Ltd v. Pension Fund Regulatory and Development Authority (**PFRDA**), the Securities Appellate Tribunal (**SAT**) quashed PFRDA's orders which had barred the appellant from acting as a Point of Presence (**PoP**) under the National Pension System (**NPS**) and as an Aggregator under the NPS Lite/SwavlambanYojna.

The appellants were certified to act as PoP under the NPS and as an Aggregator under NPS Lite by the Interim PFRDA. After the enactment of the Pension Fund Regulatory and Development Authority Act, 2013 (**PFRDA Act**), the Pension Fund Regulatory and Development Authority (Point of

Presence) Regulations, 2015 (**PoP Regulations**) and the Pension Fund Regulatory and Development Authority (Aggregator) Regulations, 2015 (**Aggregator Regulations**), the appellants filed applications for certificate of registration (**CoR**) to act as PoP and for fresh registration as an Aggregator in 2015. While the applications were pending, an investigation was conducted into the affairs of the appellant and by an order in January 2019, a penalty of Rs. 9,00,592/- was imposed on the appellant and its directors for, inter alia, causing loss to subscribers due to the failure to adhere to the Turn Around Time (**TAT**) prescribed for collection and remittance.

In light of this order, by another order dated February 21, 2019, PFRDA rejected the application for PoP under Regulation 8(1)(b) and Regulation 8(3)(e) of the PoP Regulations and application for Aggregator under Regulation 8(1)(a) and 8(2)(e) of the Aggregator Regulations.

On the validity of PFRDA's orders, the SAT clarified that Regulation 8(1)(b) referred only to past penalties which occurred prior to the date of filing of the application for grant of CoR. Hence, any penalty imposed after the date of application for grant of CoR – as was done in the present case – cannot be considered for rejecting the application seeking registration under Regulation 8(1)(b)

of PoP Regulations. With respect to Regulation 8(3)(e), which states that CoR may not be granted if the authority opines that the grant of registration was not in the interest of subscribers or development of NPS, the bench noted the absence of any reasoning in the refusal order. Reading the principles of natural justice as inherent in the bare text of regulations, SAT opined that as the appellant was already holding a certification of registration by the Interim PFRDA, a refusal to grant a fresh certificate of registration under Regulation 3 required an opportunity of hearing to be given to the appellant, which was not done in the present

case. On these grounds, SAT set aside the order refusing grant of CoR for PoP under NPS to the appellants.

The Aggregator Regulations are verbatim to the PoP Regulations and the grounds for refusing CoR for 'aggregator' is identical to the PoP refusal order. Hence, on the same grounds, the bench set aside the PFRDA order refusing grant of CoR as an aggregator under NPS Lite.

On the question of imposition of penalty, the bench held that the show cause notice proceeded on the wrong premise since the

time line on which the decision was made stood modified by the subsequent circulars issued by the PFRDA (dated 27.07.2015) and the circular of NSDL (dated 04.12.2012). These circulars were not considered by the AO or the DM/WTM, and thus the order levying penalty was quashed.

SAT has appropriately analysed the provisions of PoP Regulations and Aggregator Regulations while adjudicating the issue of 'past penalties'. Further, it has rightly held that PFRDA failed to comply with the principles of natural justice while passing the order.

SEBI ISSUES CIRCULAR ON PROVISIONAL RATING BY CREDIT RATING AGENCIES FOR DEBT

Instruments

While credit rating agencies (**CRAs**) are required to frame a detailed policy on provisional ratings and disclose the same on their website, on April 27, 2021, SEBI issued a circular to standardize and strengthen policies related to provisional rating by CRAs for debt instruments (**Circular**).

As per the Circular, a CRA cannot assign a rating, including a provisional rating, for an issuer or client evaluating strategic decisions. Further, a CRA would now have to prefix the word 'Provisional' before the rating symbol for all provisional ratings, in all communications. Furthermore, a rating will not be considered final till such time the said rating is contingent upon:

- (i) execution of a letter of comfort, corporate guarantee, or other forms of explicit third-party support;
- (ii) execution of documents such as debenture trust deed/ debenture trustee agreement, legal agreements/ opinions, representations and warranties, final term sheet;
- (iii) assignment of loan pools or finalization of cash flow escrow arrangements;
- (iv) setting up of a debt service reserve account; or
- (v) opening of an escrow account.

Additionally, a CRA must convert a provisional rating into a final rating within 90 days from the date of issuance of the debt

instrument. However, on a case-to-case basis, the said period may be extended by another 90 days in accordance with the CRA's internal policy, but no further.

Additional Disclosures

While assigning provisional ratings, SEBI has mandated the following additional disclosures to be included in the rating rationale and the press release:

- (i) pending steps/ documentation considered while assigning provisional rating;
- (ii) risks associated with the provisional nature of the credit rating, including risk factors that are present in the absence of completed documentation / steps;
- (iii) rating that would have been assigned in absence of the pending steps/ documentation considered while assigning the provisional rating;
- (iv) conversion of the provisional rating into a final rating in case of issuance of debt instrument;
- (v) rating and timeline implications.

Further, in relation to Real Estate Investment Trusts ("**REIT**") and Infrastructure Investment Trusts ("**InvIT**"), CRAs would have to disclose the broad details of the assets that are proposed to be held by the REITs/ InvITs, the proposed capital structure, etc. Further, the rating rationale of the CRAs should disclose that the sponsor of a REIT/ InvIT has given an undertaking that

assumptions related to assets, capital structure, etc. are in consonance with the details provided by the sponsor with SEBI. Lastly, the Circular mandates that in the event the provisional rating is not accepted by the issuer, then along with publishing the 'non-accepted ratings' the CRA would have to disclose the steps for assigning the rating in detail.

These additional disclosure norms would aid investors in better understanding the rating rationale of CRAs and make informed decisions. Investors will now be able to compare changes between a provisional and a final rating with greater ease, taking into account the factors that were responsible for the changes in the rating. Further, by mandating that in case of provisional ratings, the term 'Provisional' would have to be prefixed to the rating, it allows investors to clearly identify the nature of the rating and serves as an additional disclaimer.

SEBI's move to strengthen the norms regarding provisional rating and the decision to disallow assignment of a rating, including provisional decisions, to an issuer or client evaluating strategic decisions will bring further transparency in the securities market apart from standardizing the criteria for assigning a credit rating, as any rating for an issuer evaluating strategic decisions would be highly subjective.

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BEAT COVID WITH POSITIVITY

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

The world has been going through an unprecedented crisis for over a year. Just when we thought the worst was over the second wave has hit us. When the outlook is all gloom and doom even the most optimistic among us find it difficult to remain cheerful.

We cannot take the virus lightly. It continues to inflict untold misery on people the world over. However, getting drawn into a negative mind set can be counter productive. You need to keep track of developments on the coronavirus to take proactive steps. But you do not need to be obsessed over it. Focus on the positives to gain the vitality and resolve to weather the storm. Here are some things you can do to remain calm.

Firstly, ensure you have a healthy diet of spiritual content. Devote an hour a day to the intake of powerful, positive thoughts. Reflect over them and apply them in your life. Prepare a schedule of activity and stick to it as much as possible.

Schedule a slot for physical exercise. It makes for a more cheerful attitude in life. And generates energy. Maintain a sense of humour and discuss cheerful stories. Watch inspiring movies that take your mind off despondency and give you the much-needed impetus to go through the day's routine.

Remember that things could be much worse. At least you have a loving family, enough financial resources, a wonderful circle of friends and so much more to be thankful for. You have had a relatively happy, stress-free life so far. The current crisis is a passing phase that will vanish before you know it. So take things in your stride.

Develop the attitude of sharing, caring and serving. When you think of yourself you feel dejected, lonely and miserable. Espouse a larger cause, a nobler ideal, and you are full of beans, enthusiastic and motivated. Offer help to people in need. Just the thought of giving brings a smile to your face and lifts your spirits.

Be kind, gentle and courteous to people. They are finding the situation just as frustrating as you are, perhaps more. A little empathy goes a long way in making them feel loved. Make a conscious effort to put yourself in their shoes.



DEVELOP THE ATTITUDE OF SHARING, CARING AND SERVING. WHEN YOU THINK OF YOURSELF YOU FEEL DEJECTED, LONELY AND MISERABLE. ESPOUSE A LARGER CAUSE, A NOBLER IDEAL, AND YOU ARE FULL OF BEANS, ENTHUSIASTIC AND MOTIVATED. OFFER HELP TO PEOPLE IN NEED. JUST THE THOUGHT OF GIVING BRINGS A SMILE TO YOUR FACE AND LIFTS YOUR SPIRITS.



Do all the things you always wanted to but never found the time for. Learn how to cook, play an instrument or even master bridge. Cultivate a hidden talent, enrol in a course that will improve your skills at work. Or study the Bhagavad Gita. Now is the best time to get into learning mode.

Perform random acts of kindness. This does not mean spending money only. Send a note of appreciation to someone, write a book review for a friend. Donate to a cause.

Take a daily inventory of all that you have been gifted with - unasked for and unacknowledged. Close your day with a positive recognition of at least five things you should be grateful for. It will help dilute some of the negativity you may have absorbed through the day.

In times of constant bad news, you need an antidote to maintain a positive attitude and march forward with determination and hope. Consciously promote activities that are positive, heart-warming, stress-reducing and laughter-inducing!



**SEND A NOTE OF APPRECIATION TO SOMEONE,
WRITE A BOOK REVIEW FOR A FRIEND. DONATE
TO A CAUSE.**



Any challenge seems formidable and daunting when you feel isolated from people. Feel one with your family members and friends, reach out to those you may have had an altercation with or have a negative relationship with. Include them in your circle of love. You will develop the resilience to face the challenge and emerge victorious.

Foster powerful positive thoughts every Saturday at the Bhagavad Gita webinars with Jaya Row on Zoom/YouTube. WhatsApp 9820138429
Register free: vedantavision.org/gita

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

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

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

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

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

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

EATING RIGHT, HEALTHY

By Karishma Chawla
Nutritionist and Lifestyle Educator

Let me begin this with my favorite quote “You are what you absorb” by Jeff Bland. In fact you are the foods you eat, the fluids you drink, the thoughts you think and the feelings you feel! And as rightly said you are not just what you eat but what you are capable of doing with what you eat. Eating healthy nutrient dense foods help you to reach optimal well-being. Let’s look at the elements of eating healthy and optimal health.

A) Principles for Healthy Eating

1. Eat every 2-4 hours and avoid skipping meals

- Improves energy level and muscle recovery
- Increases metabolism and body tone

2. Eat lean, complete protein with each meal

- Improves muscle growth, activity and recovery
- Increases metabolism and fat burning
- Improves body tone and workout performance
- Sources : lean meat: chicken, fish, eggs, dals, pulses and dairy (if tolerated)

3. Eat high-fibre foods with each meal:

- Increases metabolism and fat burning
- Reduces free radical attack, and risk for cancers, diabetes, heart disease
- Increases digestive health by feeding your gut bacteria
- Sources : high fiber fruits like orange, papaya, apple, pear and veggies such as green veggies and cruciferous veggies

4. Eat good fats daily

- Reduces risk for cancers, diabetes, heart disease
- Increases metabolism and fat burning
- Reduces inflammation, improves fluid balance, improves skin and hair
- Sources : olive oil, rice bran oil, coconut oil, ghee, nuts and seeds along with omega 3 fats such as fatty fish, walnuts, chia, flax and supplements

5. Eat whole grains

- Maintains steady energy levels
- Provides calories with minimal chance of fat storage
- Sources: jowar, bajra, amaranth, nachni, oats, brown rice and quinoa

6. Exercise daily

- This should comprise of aerobic as well as resistance training. Vigorous resistance training will maintain or increase your lean body mass. Muscle burns calories, which means that every pound of muscle gained, you will be burning more calories and increasing the rate of fat loss.
7. Avoid foods with sugar or trans fats and packaged these create inflammation in the body and we know that inflammation is the root cause of many diseases
 8. Use low fat protein supplements, dairy or vegan depending on the body tolerance to meet daily protein requirement
 9. Do not eat out daily. These foods are usually high in fat, salt and calories. Food cooked at home contains vitamin L (love) that makes food energy positive and helps to nourish the body!
 10. Consider taking high quality vitamins and antioxidants in addition to eating a variety of nutrient rich foods.

B) Cooking Wisdom:

Adopting healthy cooking habits is the most important ingredient in the recipe of optimal health. It increases the amount of nutrients and decreases the toxic substances we ingest. Considering the focus of health changing from the survival health (absence of disease) to optimal health whereby the body is as healthy as possible and not merely alive, it is imperative to learn about healthy cooking basics.

Cooking is like making love. It should be done with complete abandon or not at all- Oscar Wilde.

To list a few:

1. Fruits are best eaten raw
2. Beans must be sprouted or cooked
3. Veggies should be steamed and sauted and avoided fried
4. Meats, fish and poultry should be baked, grilled and occasionally sauted
5. Eat whole grains

6. Avoid refined flour
7. Two-thirds of the food we eat is processed, resulting in diminished vitamin and mineral contents- Avoid
8. Avoid sugar and highly processed refined carbohydrates, these are empty foods low in nutrition and high in calories that force your body to borrow nutrient reserves in order to digest the junk
9. Over cooking meats and veggies can oxidize and destroy heat -susceptible vitamins such as B group, C and E. Boiling vegetables leaches out the water-soluble B group and C and as well as many minerals. Therefore steaming is preferred
10. Frying is out. It creates highly toxic products that destroy the body. If consumed must be accompanied with a bowl of green veggies.
11. Replace sugar with fruits, for example can add fruits to cereal to sweeten it. Can add nuts and dried fruits(in moderation) as well. Can experiment with natural herb like stevia to add sweetness and flavor to food.
12. Best cooking oils are rice bran, olive oil, coconut and ghee
13. Salt use must be limited as much as possible. Try to switch to spices like black pepper and herbs like basil, celery, parsley and oregano. Can also consider consuming sea weed and replace your salt shakers with herb shakers!

approximately the size of a tennis court or a studio apartment. And gut has functions beyond just digestion, infact it is the largest immune organ supporting the immune system, it helps regulates mood and behavior (90% of the feel good hormone responsible for your mood and behavior is made in the gut) and helps in weight management, every girl's dream!! The gut is largely influenced by the foods you eat and the environment you live in, and the integrity of the gut lining can be easily compromised with the toxins that come in with the wrong foods and faulty lifestyle leading to inflammation in the gut which can extend to different parts of the body and lead to health disorders.



ADOPTING HEALTHY COOKING HABITS IS THE MOST IMPORTANT INGREDIENT IN THE RECIPE OF OPTIMAL HEALTH. IT INCREASES THE AMOUNT OF NUTRIENTS AND DECREASES THE TOXIC SUBSTANCES WE INGEST.



Incorporating right foods and using right ways of cooking or preparing meals will help and allow the body to nourish well wherein the body is healthier, more energetic and less likely to develop diseases that are lifestyle related. Therefore, Eat Vital and have fun now and then.

C) The Healthy Gut Protocol

As rightly said everything begins and ends in the gut, Having a healthy gut is imperative for optimal health and well being. The total surface area of the gut is



Karishma Chawla

The health of the digestive tract is taken care by the wonderful species that reside within us, predominantly in the large intestine. They are essential for human development, immunity, and nutrition. Also has the reputation of a supporting organ weighing 5LBS, due to its key roles in promoting the day-to-day operations of the human body.

Every person has a unique organ that is determined by one's DNA. Its like fingerprints! The first exposure to these bacteria is as an infant, during delivery in the birth canal and through breast milk. As you grow, the bacteria begins to diversify with environmental exposures and diet changes that can be beneficial to your health or place you at greater risk for disease. The key is to keep the right balance.

The many functions of these bacteria are :

- regularizing bowel movements, detoxification resulting in glowing skin
- managing blood sugar levels, preventing diabetes and obesity
- lowering inflammation in the body, preventing diseases, improving focus and aiding brain health
- prevents mood swings reducing risk of depression, adding more joy and laughter and also sharpens your gut instincts

Feed your gut with :

- Experiment with fermented veggies like cabbage, cauliflower, carrot, cucumber, radish and cucumber, Fermented drinks like kombucha and kefir, these are loaded with the beneficial bacteria
- Increase fiber in the form of whole grains, legumes, fruits and veggies specifically oat bran, quinoa, amaranth, onion, garlic, leek, asparagus and Jerusalem artichoke. The fiber in these foods that are not digested in by us are actually consumed by these bacteria that make essential vitamins, short chain fatty acids and immune regulating compounds in the body supporting over all well being.
- Don't feed it too much sugar, refined flour and packaged foods, be loyal to them
- Avoid excessive usage of anti-biotics and anti-inflammatory drugs. And when consuming these, remember to give your gut a little more love with the adequate rest and nutrient dense foods
- avoid artificial sweeteners, give them natural love with real whole foods and not fake processed foods
- avoid meat heavy diets, these diets result in breeding bacteria that can lead to inflammation
- -add turmeric to all foods, its an anti-inflammatory herb creating a healthy environment in the gut
- Add moderate amount of healthy fats such as coconut oil, ghee, olive oil, raw nuts, raw seeds, avocados.

These provide energy for the detoxification process, promote the growth of beneficial bacteria and reduce inflammation

- eat a rainbow of foods ensuring variety of nutrient dense foods, too much of one group of food often leads to deficiency of other food groups and we know balance is the key and a consumption of foods that populate diverse bacteria is beneficial.



INCORPORATING RIGHT FOODS AND USING RIGHT WAYS OF COOKING OR PREPARING MEALS WILL HELP AND ALLOW THE BODY TO NOURISH WELL WHEREIN THE BODY IS HEALTHIER, MORE ENERGETIC AND LESS LIKELY TO DEVELOP DISEASES THAT ARE LIFESTYLE RELATED. THEREFORE, EAT VITAL AND HAVE FUN NOW AND THEN.



4) Eat to boost your Hormone Health

It is interesting to know that the foods have a deep impact on hormonal health. The right quality foods can help create the best quality hormones that have a profound impacts on the mental, physical and emotional well being. Hormones are the body's chemical messengers and are produced in the endocrine glands. These intelligent chemicals are constantly telling the tissues and organs what to do. They help in controlling appetite, weight, moods and others.

However, hormonal imbalances have become very common. A healthy diet comprising of hormone balancing foods and lifestyle tools can help improve hormonal health and lead to optimal health boosting performance.

The foods we eat play a big role in hormone balance. Our hormones are made using amino acids from protein and fatty acids from fats. The better quality raw materials we give our bodies, the better quality hormones our body creates. Variety is as equally important! Every type of food has a different structure and offers a different group of macronutrients. To keep our systems balanced and optimize hormonal health, we need everything in the right

amounts. Too much of one macronutrient can throw off the balance of another and lead to imbalance in the body.

Here are few ways to balance Hormones naturally that include hormone balancing foods, foods for hormonal imbalance correction, exercise and more .

Eat clean protein in every meal: Eating protein regularly help to stabilize blood sugar levels and prevent insulin spike and are used as raw material for hormone production. Aim for 15-20 gm protein per meal . Sources are lean meat such as chicken, fish, turkey, eggs, dairy, pulses and legumes.

Consume a moderate amount of healthy Fats: Good fats are building blocks for hormones. These help to reduce insulin resistance. Aim for 2-3 tsp for the entire day consumption. And drop trans fat that are found in packaged and fried foods. Sources of good fats include olive oil, coconut oil, ghee, nuts, seeds, nut & seed butter.

Eat omega 3 fats, they help to lower inflammation and help in insulin sensitivity. Sources include walnuts, flax seeds and fish. Aim to consume nuts and seeds everyday and fish thrice a week.

Eat magnesium rich foods, these help to balance blood sugar levels and get the hormones back in balance. Sources are dark green leafy vegetables, pumpkin and sunflower seeds, almonds and cashews.

Exercise well, individuals with hormone imbalance, intense extended exercise can actually make the problem worse in the short term. Sleep and recovery is much more important during the balancing phase, so focus on relaxing exercises like walking or swimming and avoid high intensity workout till hormones are balanced.

Limit caffiene ,too much caffiene can wreak havoc on the endocrine system, especially if there are other hormone stressors involved too like pregnancy, presence of toxins, beneficial fat imbalance or stress. Rather opt for a vegetable juice on waking in the morning and consume caffeine not within an hour of waking and ideally over breakfast.

Say No to plastics, these contain endocrine disrupting chemicals like BPA. Choose glass and stainless steel instead.

Prioritize Sleep, Without adequate sleep, hormones will not be in balance. While you're sleeping, your body is extremely active removing toxins, recharging the mind, and creating hormones. Aim for 7-8 hours of sleep everyday and avoid late nights. Can also indulge in

magnesium salt baths, meditation, prayers, journaling to enhance the quality of sleep.

Get natural light during the day, spend at least 30 minutes in natural light everyday preferably within one hour of waking. This helps boost serotonin levels which balance melatonin levels at night and helps to sleep better.

Consume thyroid enhancing food regularly such as cooked cruciferous vegetables, iodine rich foods such as eggs, strawberry, fish and iodized salt, selenium foods such as mushrooms, chia seeds and others include whole grains and legumes, lean protein and good fats. Experiment to go gadget free one hour prior sleep to help your thyroid perform better. A happy thyroid means a happy you.

5) Target to achieve a balance in the circle of life.

Optimal health is achieved not only by eating healthy but also aspiring a balance between finance, career, relationships, social connection, creativity, joy, exercise, stress and spirituality. These together help in achieving a positive self image and confidence leading to the healing of mind body and soul!

Karishma Chawla, Nutritionist and Lifestyle Educator

Academic qualifications

- Integrative Gut Microbiome, IIN, New York
- Integrative Hormone Health, IIN, New York
- Integrative Health Coach, IIN, New York
- Life Coach, Symbiosis, USA
- Certificate of Personal Counselling, Institute of Human Technology
- 6-month Psychology in children certificate course, SNDT
- Fellowship in Clinical Nutritional, Medvarsity in association with Apollo Hospital
- International Coach Certification, Approved Coach Specific Training Hours
- Continuing Functional Medicine Nutrition with FMCA

You become what you eat! Simple but eternally true. A philosophy that has guided and molded She, one of India's leading integrative gut microbiome and hormone experts.

She has built her decade long practice with a clear focus on the gut microbiome and hormones as a way to help raise metabolism in order to make your body work for you to achieve a healthy weight.

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THE POWER OF SOUND

Priti K Shroff
Founder & Managing Director
PRISIM – The Healing Temple



By Ritu Zaveri
Yoga Teacher & Writer

Yoga as we know it, entails sitting on our mats while an instructor guides us through a beautiful flow. Ever so often, our instructor incorporates a rather soothing hymn or sacred chant as a part of the agenda. And instantly, we feel a sense of release as tranquillity takes over. But what is chanting really about? How does it really work and what exactly does it do?

Chanting is a part of traditional yoga- one of the branches of the eight limbs or “Ashtanga yoga”. It falls under the limb- Svadhyaya which means self-study and reflection. Chanting is the yoga of sound. It is the repetition of a certain word or mantra in a specific manner creating a certain sound, with a specific intent. It helps establish a connection with our deeper selves which brings about a sense of harmony within the body and mind. It bears the ability to cleanse the emotional energies of the body thus replenishing ‘prana’ or life force. It is one of simplest ways to prevent negative thoughts from entering the mind when repeated consistently. The greater the faith and belief, the more impactful and potent it is. When we keep thinking a certain thought over and over again, by the law of attraction, we create it into our realities. When we reiterate a certain mantra or word using a higher frequency sound- its sanctity and power increases, leading to manifestation on the physical level.

While chanting without proper intention of heart and mind can make the action less effective and meaningful, the act of chanting can bring us back to a place of ‘pure energy’ and contact with the divine. It is the best means to connect with higher energies and deities that rejuvenate and replenish our beings on all levels. The positive effects of mantras can only be realized by those who open their hearts to the mantra, and who believe in the deities they are accessing through the act of chanting. But because such openness and faith cannot be seen, touched, or rationalized, the effects of these practices cannot be fully realized or judged from an outside, or “objective,” perspective.

(Source- Harvard Divinity School Article)

We heard our mother’s voice when we were growing in the womb, responded to the language of love when we

were born and became more attentive to sounds as we grew up. We respond differently to different kinds of sound. The sound cars honking in traffic makes us feel anxious and drained, while fast and upbeat music makes us want to dance. Similarly, when harsh or abusive words are heard or spoken, they have a disturbing effect on our being, mental state and internal system. If an abusive word can cause such damage to the system, the converse is also true. Speaking positive words can cause immense benefit, especially when they are musically coordinated. The Indian spiritual sages and seers always highlighted the significance of the human consciousness, the mind and how it responds to sounds that nurture and cultivate it. Scientific studies have found that **chanting** mantras like ‘Om’ for 10 minutes can decrease anxiety and depressive symptoms in the human body.



WHILE CHANTING WITHOUT PROPER INTENTION OF HEART AND MIND CAN MAKE THE ACTION LESS EFFECTIVE AND MEANINGFUL, THE ACT OF CHANTING CAN BRING US BACK TO A PLACE OF ‘PURE ENERGY’ AND CONTACT WITH THE DIVINE.



Chanting is essentially logging onto the timeless technology of our ancient seers. They devised certain compositions using ancient sounds from the Sanskrit language. A few aspects of yoga and chanting:

1. Each Sanskrit letter has a sound, which relates to a specific subtle energy center (chakra) in our subtle bodies. Sanskrit chanting activates subtle energy centers. Sanskrit chants are known to have soothing and healing effects on the human mind and body, leading to calmness.

2. There is a great benefit in group chanting as well. As we sit together in one place, we have different thoughts. But, when we start chanting, there is one thought and one rhythm in all our minds. All minds become one. This oneness creates a profound energy that enlivens us.
3. Chanting, when done in the proper manner, allows all other senses to dissolve into one, and allows the mind to sync into itself. Chanting can be considered as the yoga of the mind.
4. While chanting can be done at any time and any place, best effects are experienced when the ambience is right.
5. To maintain the subtle effects of the chants, they are revered and chanted in holy places across the world.
6. There are many simple chants that everyone can chant and experience the energizing effect.

(Source: The Yoga and Ayurveda Centre, Pennsylvania, YTTC Course 200 HR Hours)

Amongst all sounds Om is considered to be the primordial sound. It is the most important sound which merges the mind in it's source. Chanting "Om" helps bring the mind back to the Supreme Mind thus aligning the being with its highest possible sense of well being.

Just as we feed our bodies with the right kind of food to keep it strong and healthy, our minds must also be fed with the right kind of thoughts to maintain a healthy and strong mind. Practises such as chanting and yoga help us gain mastery over our mind so that we are no longer victims of its waywardness but rather assume control of its workings. Chanting is a tool that helps us achieve just this.

Ever so often, chanting is disregarded as mere spiritual mumbo jumbo with no real significance but when we inculcate this practise into our everyday life we can experience its healing powers first hand.

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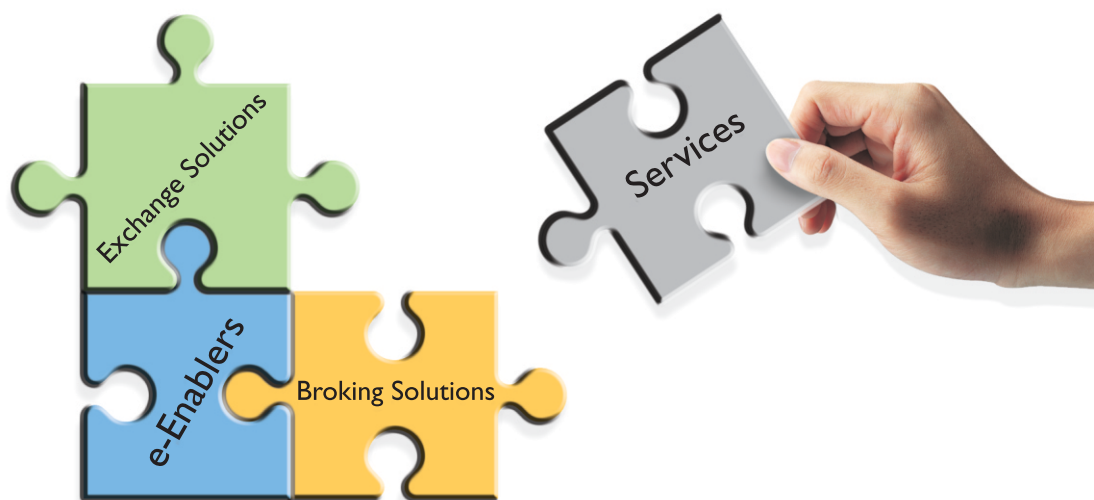
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