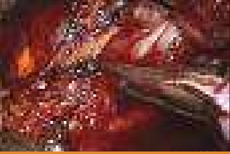

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Double Spread Beleed	301mm	416mm	Double Spread	255mm	370mm
Cut Marks on (Trim)	295mm	410mm	Full Page	255mm	165mm
Full Page Bleed	301mm	211mm	Half Page Vertical	243mm	80mm
Cut marks on (Trim)	295mm	205mm	Half Page Horizontal	127mm	165mm
Half Page Bleed	150mm	211mm	Single Column Vertical	255mm	53mm
Cut marks on (Trim)	147mm	205mm	Single Column Horizontal	53mm	165mm

THE DAYS AHEAD

Basav Bhattacharya
Consulting Editor

Achey Din, Good Days, Peace and Prosperity – these are all that the human heart looks for. Not always do we get it on a regular basis, but the aspiration remains. It is hope for the best and the good to remain for all.

Philosophers and opinion makers believe that downfalls and degradation happens when we humans stoop to folly. This may be a cynical approach of passing the buck, but it is also a fact that much of the world's sorrow is actually man made. At the same time for good things to happen regularly we need the help of 'the Hand of God'.

Whether it is true or not, the fact remains that this year's monsoon will be the single most deciding factor for an overall improvement at the markets, sentiments and moods of all stakeholders in India. While the pundits at the met office meet to discuss the advance of the rain bearing clouds all of us can brace our hearts and hope for a good harvest that is so very important to enliven the rural economy to enhance purchasing powers.

However it is also a fact that certain developments in the Indian political scenario will also help boost situations in not too distant future. Given the situation that the government at the centre has not been able to deliver to the high expectations of the masses in general, particularly for reasons that are entirely political they have weighed down crucial decision making. Thus we need to move fast and quick to remove mind blocks and obstacles for the good days to come in reality.

It is heartening to note that investors' sentiments turned positive after the electoral victory of the ruling party at the centre in Assam, which could potentially strengthen the central government's ability to push through economic reforms. This is an enormous build up to the confidence at all levels – from producers, service providers, market men and consumers.

If we look into the immediate past of Indian economy, ours did break the trend of a worldwide downslide. For the financial year 2015 – 16 the country's economy became the fastest growing in the world with the GDP of 7.6 per cent. This was despite an adverse situation in amongst global economic circumstances that has put a great deal of pressure on earnings exports and overall development. The government at the centre was able to contain the fiscal deficit to the budgetary target of 3.9 per cent, and is working on lowering it further to 3.5 per cent in financial year 2016-17. RBI rate cut of key interest rates by 1.5 per cent since January 2015 added its bit too with repo rate coming down to 7.5 per cent. These have started to show up as visible impacts on the economy. Industrial growth moved back to a positive zone at 2.1 per cent in March 2016, crude oil prices stabilised at a favourable price band for India, CPI inflation decreased further at 4.83 per cent. Mathematically the numbers may not be great achievements but the sheer size of the Indian markets and their power to move paves a way for a growth at a healthy rate of 7.7-7.8 per cent. This could be lower than expected because of the inherent weaknesses in the system and inadequate infrastructure development that continues to put road blocks for faster growth.

Once again, riding on the back of a favourable monsoon, the revival will be led through the development of the rural economy. Incidentally, 2015 – 16 was led through the development of the urban economy. To note that the growth rate in agricultural and its allied industries were to the tune of 1.7 per cent between 2012 and 2015-16. The target is to double farmers' incomes by 100 per cent in 6 years will require multi-faceted reforms impacting the sector. To double agriculture incomes by 2022, income will have to grow at an annual average rate of just over 12 per cent. This imperative for an unprecedented rate growth rates will require reforms covering all facets of the agricultural sector. The contribution of agriculture to our economy is as much as 15 per cent of the GDP at present. Also FDI increased by 37 per cent during the year 2015-16, up to US $ 39.2 billion from US $ 28.78 billion in the previous financial year. Judging by how the economy is expected to move, there is definitely a rationale for positivity in terms of business performance.

However, there is a sense of concern as global developments affect us harshly than ever. There have been profit bookings, low growth and negative developments in many global corporations in the recent past. This led to the key indices closing the day's trade in the red, as heavy selling pressure was witnessed in capital goods, banking, fast moving consumer goods (FMCG), consumer durables and metal stocks. Asian and domestic markets receded after harsh comments that the US Federal Reserve will resort to a future rate hike. The US Federal Open Market Committee's (FOMC) April minutes disclosed that the US central bank might raise key lending rates in June. This will lead away FPIs from emerging markets as ours. There is also the problem arising from lower Rupee that may dampen investors' confidence.

It is also expected that global growth will pick up somewhat after many years of lying very low. Presently at 3.5 per cent it is lower than the 4.5 per cent average for the decade but is actually more than the average of the past five years.

However these are grand opportunities to buy and make investments at lower volumes. It is expected that along with the expected reforms by Sebi the confidence in the capital market will be restored to an extent that is presently not so apparently visible. Recently the market regulator was briefed about the possible reforms that will boost investor confidence and increase retail participation. Also the regulator's move to implement a common and simple KYC will be a major step towards increasing market participation. As an apex organisation ANMI has had a discussion and exchanged thoughts for increasing market participation by retail investors.

This will be a step beyond just holding hands to tide over difficult times. It is a time when all of us stakeholders to get our acts together. As a strong national body representing all in the capital market it is the opinion that is evaluated at all decision making levels for a better harmony in functioning of the capital market as a whole.

It is also a time when we would have to move away from the fear of the past and look towards the future. The days of Greek and Chinese disasters have died down and will not revisit. But there could be greater external treats. Indian stocks have been relatively resilient to these kinds of turmoil. It is believed that one good reason as to how we have managed to hold our neck out of the water is because of the gradual improvement of macros in our economy. The foreign exchange reserves have increased providing the much needed cushion in troubled situations. There is a general opinion that an overall growth in Indian economy is slowly becoming visible. There is a very slow, but noticeable increase in capital investments. However, an area of concern is that bank credits have not been on the rise in similar proportions and points to lower off takes for working capital for businesses. Also is the revival in the manufacturing industry which is yet to accelerate in terms of growth rate, though indications are that there are definite signs of improvement.

We in India need to need to grow not only in agriculture but also in manufacturing to be a global player in a fast changing world. Our domestic market is huge and hungry for better quality products that are enjoyed by developed countries. The huge mass of people can be a boon and strength in future.

"Nobody can go back and start a new begining,
but any one can start today and make a new ending"

:: MARIA ROBINSON ::

Namastey dear friends!

It has been about a month since the new National Council Members assumed office. As I have mentioned earlier, and I reiterate even now, that the road ahead though up hill and sometimes steep, will not be impossible to negotiate.

At the onset I bring to your notice the recently signing of the protocol amending the India Mauritius Treaty by the government of India. The government does deserve due credit for avoiding any retrospective impact and on implementation of reforms in a phased manner. Through the signing of the protocol the government's intention is apparent. It wishes to align itself with BEPS, tackle treaty abuse and round tripping. It also wishes to establish a favourable environment for promoting FDI by providing ample opportunity for business houses to adjust to the changes. It will offer stability of tax environment and attract foreign investment.

This will provide a stable tax environment for foreign institutional investors and other foreign investors who wish to invest in India. Mauritius contributes nearly 34 per cent of total FDI flow into India and thus providing a sense of credibility to foreign investors and their investments was indeed a need of the hour.

However, there are certain issues that remain. These are applicability of capital gains amendment to securities other than shares, interplay of the tax treaty with GAAR and its impact on India-Singapore Treaty. I am sure and hope best that the government will be as proactive and come out with suitable clarifications to alleviate any future controversies and ensure a stable tax regime.

It was discussed in detail at the National Council meeting to conduct a few important research papers that may serve as guides for the future development of the capital market. Your organisation ANMI has decided to go ahead with conducting the first research to produce a white paper on penalties imposed by SEBI, under which where the market regulator has been imposing stiff penalties on companies following a recent ruling by the Supreme Court. This has begun to cause serious concerns across various segments of industries. ANMI has decided to prepare a White Paper on the subject of Rationalizing the Monetary Penalty imposed by SEBI on Capital Market participants and as per the regulations of SEBI. This will be done in partnership with the West Bengal National University of Juridical Sciences under which ANMI has decided to undertake a research study to produce a white paper on the Need to Rationalize Monitory Penalties Imposed by SEBI. The said White Paper would tentatively have as its content a review of the different orders delivered and associated monetary penalties imposed by the SEBI in relation to different infractions and violations of its regulations during the period 2011-2016, as well as a cross-border comparison of the same with the monetary penalty regimes under the governance of similar capital market regulators in other jurisdictions, along with a possible comparison of the quantum of the said penalties with those imposed by other financial and fiscal regulators in India for comparable infractions and violations. The time line and the budget for the above study have been approved by ANMI.

We are all very happy to note that the, still illusive signs of revival of the Indian economy are now finally setting in. The news from the met office indicate that the south west monsoon is expected to hit the Indian coast at the appointed hour and India, after two years of poor rainfall, will be having more than adequate rainfall. This brings in hopes of good agriculture that will keep food inflation under control.

It is also heartening to note that the ruling party at the centre has now become stronger following its emergence as a majority for government formation in Assam. This is a major confidence boost for the capital market which is expected to revive in shortly. We also appreciate the recent observations made by the finance minister Mr. Arun Jaitley where he stated that the government has decided to go ahead with placing the GST bill in the forthcoming session of the Rajya Sabha, despite stiff opposition. Once through the move will pave the path for other reforms to come forth from the government that will ultimately translate into a stronger development of the economy. It is important for Indian economy to gain strength from within and develop a domestic market base for its good and services. This will allow us a stronger wall of fortification from external factors and disruptions in other economies.

As an organisation we do benefit from meeting decision makers from various fields. ANMI has to play a pivotal role in help build opinion with the decision makers and at various ministry levels. This helps in developing overall confidence levels at market levels too and amongst our members. These are best achieved within the regulatory framework and by implementing good practices for future prosperity of all.

ANMI had meetings with the SEBI top brass in April and followed up with two meetings with the NSE and BSE in May. The effort is to meet all who matter and are involved in ideating and decision making in the capital market. To note, the meeting with the SEBI was particularly fruitful where much of it were on the present capital market situation and on possible steps to be taken for increasing retail investors. At National Stock Exchange we have successfully made them agree to 'Create Pledge of Shares' from our own DP and to ease various compliance procedures towards Dormant Clients etc. BSE has welcomed our suggestion for regularisation the transaction charges and to bring down the cost of transactions.

An organisation such as ANMI has passed through many tests of time. Experiences have now made us stronger and able to function as an apex body that helps members to understand various complex matters and thus perform at their best.

It is also an appropriate time when we need to increase our membership base at all corners of the country to carry the good norms already preached and practised. Small and medium sized market intermediaries from all regions are invited. This is an initiative that will be best performed by chairpersons of various regions. I am sure that in the days to come we will have more persons amongst us to carry the ANMI mantel forward.

With warm regards and good wishes

S. K. Rustagi

president@anmi.in

"We learn more by looking for the answer to a question and not finding it than we do from learning the answer itself"

:: Lloyd Alexander ::

INVESTOR CONFIDENCE AND PROTECTION

Sujatha Sekhar Naik
CEO of SIDREC, talks of high levels of financial investment literacy and a collective effort by all intermediaries to ensure a high-end protection to investors, in an exclusive interview with ANMI Journal

As an independent body established to settle disputes between investors and capital market intermediaries what changes do you think are necessary to improve the confidence in the market?

To properly address this we need to take stock of what has eroded investor confidence over the last 2 decades, as with each economic crisis, issues of governance, conflict, fraud, poor disclosure and sales practices,have surfaced, undermining the investor protection frameworks set up by regulators and the market globally. The opacity of business practices in the financial markets and examples of poor risk controls, provided fertile ground for all of this.Alongside this is the relatively low level of financial or investment literacy and capability on the part of investors. A consequence of needing to both build their financial/investment knowledge and skills and to have more access to meaningful and timely information, but also often due to apathy on the part of investor to take the steps required to enable them to better plan and monitor their investments, understand and make good judgment calls on their investments.

Collective effort

The positive outcome of all this is, that these issues and their impact on investor confidence and consequent impact on investor participation in the market, has drawn the attention of all players and become a priority and focus of both regulators and markets globally.

Effort needs to be put in recalibrating the 3 overarching disciplines of self-discipline, market discipline and regulatory discipline, to cater to the demands of a rapidly developing market and build investor confidence

The regulator's roleof providing a regulatory framework, withthe necessary investor protection framework embedded (i.e. has the infrastructure that ensures systemic stability and integrity of our markets; facilitates both market and self-discipline of all players; and engenders investor confidence), whilst facilitating market development and vibrancy, is a perennial challenge. From the regulator's perspective, this means keeping instep with market developments and ensuring the continued relevance and nimbleness of the regulatory framework.

From the Market perspective, keeping instep with regulatory requirements,(both in substance and form) whilst developing a vibrant and participative market, is critical. Done well, there is a healthy tension that works.When done with a check list mentality, the ground is laid for a recurrence of all the problems that erode investor confidence.

This is a problem that affects all and as such one that needs to be addressed by all, regulators and the market alike. Effort needs to be put in recalibrating the 3 overarching disciplines of self-discipline, market discipline and regulatory discipline, to cater to the demands of a rapidly developing market and build investor confidence. And this needs to be done with a clarity of sight of the implications of the globalised market place and the creativity and innovativeness required to keep pace with these developments.

In this context, all stakeholders in the market ecosystem must play their respective roles. Not just the primary players (the investor, the market (product issuer/ intermediary/online market platforms/Exchange etc.) and the regulator),but the broader support system, which includes the SROs (self-regulatory organisations), dispute resolution bodies/financial ombudsman, Industry Associations, investor/ shareholder watchdog groups, investor education proponents, professionals (such as the auditors, lawyers, valuers, etc.), the media. And for the ecosystem to work effectively there must also be the appropriate level of coordination, collaboration and sharing of information, to enable each cog in the wheel to meaningfully play their part, in keeping the wheel not just sturdy and stable but working with the requisite momentum. And for it to be truly effective in this globalized market, the efforts to coordinate and collaborate should extend beyond domestic boundaries across the borders. Indeed this is something regulators have long found to be very important in all aspects of regulation. The standard setting bodies such as IOSCO and bodies such as OECD, have all been able to effectively play their role due to the collaborative spirit in which regulators approach their work. Similarly in the commercial context, the market have honed skills of collaboration and coordination to be able to increase their reach to investors (or on the flip side, providing greater access to investors) across geographical boundaries.

It is at this point, that the market has an important role in building investor confidence. As they develop and roll out new products and extend their investor base, they must pay equal attention to ensure ethical practices and the quality of their service to their clients is embedded in the development and delivery of these products to investors.

Alternative redress avenue as part of the supportive eco- system

In Malaysia, SIDREC is part of the overall eco system, a cog in the wheel that contributes to investor confidence, through the provision of an alternative redress avenue that provides the investor access to a free, fair and efficient specialist dispute resolution service, which isindependent and impartial. This means that the smaller investor is not denied assistance in resolving a monetary dispute, because they do not have the resources to pay for the legal process.Market intermediaries are mandated by the regulations to participate and should the dispute proceed from mediation to adjudication, they are bound by the award. It does not mean that we advocate for the investor. What we provide is independent and impartial help in resolving a dispute. Indeed, for claims beyond our claim limit, we will provide mediation services, on a voluntary basis with the consent of both parties. This is the add value provided to our members as well as investors with higher claims, where they need the help of independent mediation. In this context, we see both sides of the coin from both our members (the market intermediary) and investors (their clients) perspectives. The issues cut across those that are conduct or disclosure related, sales practice issues as well as systems or process issues or just plain misunderstandings.

Putting investor's interest first

What we have seen clearly coming through is where, the intermediary operates on the principle of putting the investor's interest first in their business with client investors, everything else flows through naturally. As, by virtue of placing importance to the interest of the investor, the quality and timeliness of disclosures, the quality of sales practices etc. all translate into fair treatment of investors – an ethos very much consistent with a principle of 'treating investor fairly', that most regulators subscribe to. It is certainly one that the Securities Commission Malaysia has articulated in the securities laws, through guidelines issued relating to the same[1]. It also then translates to their constructive approach during the dispute resolution process. In any human interaction there is always bound to be human frailties, errors or lapses in judgement or behavior, that may cause monetary loss and angst, resulting in disputes. How the intermediaries address these instances when they occur, speaks to the quality of the intermediary and goes a long way in contributing to the confidence of their client investor. We have seen how the approach of the intermediary and ownership of lapses (where they occur) and willingness to come to the table to discuss fair resolution, completely changes the complexion of a dispute into an amicable one, where they may often retain the client, post dispute.

Clearly it is not always an outcome that one or the both parties would have preferred, but the process and the proactive and constructive participation in the process by the intermediary, without doubt builds the investor's confidence in the whole investment experience.

Opportunities to trade are no more confined to geographical boundaries but spread across the world. What are the challenges that you perceive can shape up from the view point of settling disputes with global investors?

In this globalized environment where there is greater ease of access to products cross border. The impact of technology in facilitating this access, the increasing disintermediation of services, have all fudged the boundaries e.g. is the product/service regulated? Who is it regulated by? What disclosure standards apply? What standards apply in 'know your client' and product suitability assessments? Which jurisdiction's laws apply? Where is the regulatory reach, enforcement? Which regulator? If not regulated, who does the investor turn to for help? All these questions are further complicated by differing regulatory and market infrastructures across borders, the scope of regulation and regulatory expectation, market best practices, role of industry associations and other stakeholders in market discipline, the existence of alternative dispute resolution avenues etc.

[1]Guidelines on Sales Practices of Unlisted Capital Market Products (Part 2 Treating Investors Fairly)– Issued 28 December 2012 - Securities Commission Malaysia

Some factors to be considered

What investors may be used to as a *given* in their own jurisdictions, may not be a given or be available in another or be slightly more complicated or difficult to access. These are considerations that a global investor must take into account and as such, choose their avenue of investment as carefully as they choose the investment. They must assure themselves that they have the comfort level they need when investing, regardless of where the investment is and what the modality of investment is. In this regard, they must be willing to do the homework required in ensuring the investment suits their objectives and risk profile and put the same effort into choosing the intermediary they invest through and pay for professional advice if they need it.

In addition, investors and market intermediaries when accessing markets in different jurisdictions should be aware of cultural and language differences This is not a barrier, as long as the difference s are understood and catered for. Similarly thought should be put to the adequacy and effectiveness of disclosures and the quality of communication in this context. Dispute resolution bodies too need to take this into account and cater for such differences when dealing with the global investor and cross border disputes. This would include engagement with other dispute resolution bodies in the jurisdictions concerned, if there is one.

The challenge is the speed at which markets develop and the increased complexity of products being made available to investors at various levels of sophistication or lack thereof, accessible through modalities that are increasingly disintermediated (part of the whole fintech revolution, so to speak). The investor protection infrastructure needs to be able to contend with these challenges and ensure investors are adequately informed and aware or have access to the information and skills required to be able to exercise their judgement intelligently when making their investment decisions. Alongside this all the players in this play,including the provider of these products and platforms need to be vigilant, staying true to the ethos of 'treating the investor fairly', to ensure that the risks are effectively managed.

By virtue of placing importance to the interest of the investor, the quality and timeliness of disclosures, the quality of sales practices etc. all translate into fair treatment of investors – an ethos very much consistent with a principle of 'treating investor fairly', that most regulators subscribe to.

Promoting consistency and quality

This is where international standard setters such as International Organization of Securities Commissions (IOSCO), and others such as theOrganisation for Economic Co-operation and Development (OECD) among others, help tremendously by providing guidance on both the must haves and the best practice components of both regulatory frameworks and expectations on market players. Multi- lateral and bilateral agreements go that step further in concretising the consistency of checks and balances and quality in terms of expected quality of competencies of intermediaries. In this context regional and global engagements and groupings both by regulators and market participants as well as all the other components of the market eco-system, also contribute to building the eco-system for the global investor. Malaysia like many other jurisdictions is a signatory of IOSCO's Multilateral Memorandum of Understanding Concerning Consultation and Cooperation and Exchange of Information (IOSCO MMoU) and subscribes to the standards espoused by IOSCO's Principles of securities regulation. These standardstogether with the IOSCO MMoU is intended to facilitate cross-border cooperation, mitigating global systemic risk, protecting investors and ensuring fair and efficient securities markets[2].

An example of this from the ASEAN context, is the efforts of the ASEAN Capital Market Forum (ACMF). The ACMF is a forum which comprises capital market regulators from 10 ASEAN jurisdictions, namely Brunei Darussalam, Cambodia, Indonesia, Laos PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. It was set up under the auspices ofthe ASEAN Finance Ministers in 2004. Initially focusing on harmonization of rules and regulations its objectives have now evolved towards achievingan 'inter-connected, inclusive and resilient ASEAN capital market, to help realise the ASEAN Economic Community Vision 2025 of deepening economic integration'over the next 10 years. ACMF's vision 2025 has 3 strategic objectives :

i. Enhancing and facilitating growth and connectivity;
ii. Promoting and sustaining inclusiveness; and
iii. Strengthening and maintaining orderliness and resilience.

The ACMF's implementation Plans operate on a practical 'opt-in' approach, in recognition of the differing levels of readiness of the markets.

[2]https://www.iosco.org

Settlement of disputes across borders

When it comes to the settlement of disputes across borders, from the investors perspective, it very much does depend on the regulatory and market infrastructure of the jurisdiction they invest in and what kind of bilateral or multilateral arrangements exist with their own jurisdiction, that helps facilitate cross border transactions and provide an adequate level of investor protection.

In the context of dispute resolution in Malaysia, apart from the availability of legal redress through the courts and arbitration services, investors also have access to the services of SIDREC for capital market related disputes (under the purview of the Securities Commission Malaysia) and the Financial Mediation Bureau (under the purview of the central bank, Bank Negara Malaysia) for banking and insurance related disputes.

With regards to the global investor, SIDREC is nationality neutral where investors are concerned. As long as an investor's dispute is related to a capital market product or service with an intermediary who is a member of SIDREC, SIDREC would have purview to accept the complaint[3]. This enables us to take on cases regardless of where the investor resides, as long as it falls within the eligibility parameters for claims.

The challenge is to build a consistency of standards and process for redress when investing in other jurisdictions. In the context of ASEAN, It is towards seeking to ensure the availability of a dispute resolution mechanism with consistency in theoverarching principles, due process and standards that the ACMF

When it comes to the settlement of disputes across borders, from the investors perspective, it very much does depend on the regulatory and market infrastructure of the jurisdiction they invest in and what kind of bilateral or multilateral arrangements exist with their own jurisdiction

has undertaken to work on *best practices guidelines for cross border dispute resolution and enforcement mechanisms*.

In the context, of greater participation in the ASEAN capital markets resulting in greater cross border investments, it was recognized that the investor protection regime should provide for a cross border dispute resolution mechanism that provides recourse to investors who have monetary disputes relating to capital market products or services, involving licensed persons or entities residing in other ASEAN member countries. In this regard, an ACMF Working Group on Dispute Resolution and Enforcement Mechanismsis under the ACMF's 2ndImplementation Plan for 2016-2025[4], finalising best practice guidelines and a framework for dispute resolution bodies to co-operate towards facilitating the resolution of such disputes. It was recognised that such an avenue was important towards building investor confidence when investing across borders. It was also recognized that there was a need to put effort towards capacity building with regards to the knowledge and skills and infrastructure required to provide such specialisedservices.

Extensive benchmarking was undertaken to ensure that SIDREC's dispute resolution framework met the best practice standards of its peers, when the Securities Commission Malaysia established SIDREC in December 2010. SIDREC continues to ensure it keeps informed on developments and instep with best practice, within the context of our market and

[3] For more information on SIDREC and its' purview, please visit : www.sidrec.com.my
[4] http://www.theacmf.org/ACMF/upload/acmfactionplan2016-2020.pdf

regulatory environment. From the perspective ofstandard setting and cooperation in the sphere of dispute resolution in the financial markets,SIDREC is also a member of the International Network of Financial Services Ombudsman Schemes (INFO Network). The INFO Network is a network of financial services ombudsman and dispute resolution schemes whoseoverall aim is for members to share their experience and information towards developing their expertise and best practice standards that reflect the principles of independence (to secure impartiality), clarity of scope and powers, accessibility, effectiveness, fairness, transparency and accountability[5].

How do you look at the new trends in protection of Financial Consumers?

The very rapid technological advances coupled with disintermediation of the traditional broking and advisory services (e.g. Robo advisers), have allowed market players to develop and roll out innovative and complex products and services to the market with greater reach across investor segments. Add to this other investment opportunities through crowdsourcing etc. Not a bad thing in and of itself. But this however is not always coupled with ensuring the necessary checks and balances. The more unsophisticated investor now has access to trading tools providing direct access to the market without necessarily the knowledge and awareness of the greater need to more closely monitor movements in the market and his portfolio in particular. Additionally, market participants, do not always assess if the tools and products being made available suit the type of investor segments they target and consequently the quality and scope of information provided leaves much to be desired.

From this context, as the approach to the content and delivery of education has begun to evolve, investors need to become more adept at how to filter the reams of information and savvier in using new technological tools. We need to now make a concerted shift in the content and modalities of delivery to focus on soft skills and meaningful information.

On the part of investors

On the part of investors, the focus needs to change from inculcating technical skills and education and requiring more and more disclosure to enabling investors with initiatives that develop

- Self-discipline and good habits that will help them exercise good judgment in their investment decisions;
- Skill sets that help them sift through the variety of sources to filter out the chaff and choose reliable, relevant and trustworthy sources of information and advice channels;
- Specialist skills for DIY trading;
- Skill sets to effectively use the data, analytics and tools that are available or developed to help them through the investment process, whether in choosing their investment, in making an investment or in monitoring their investment.

In doing this social media and other modes of delivery that evolve need to be more effectively harnessed to the benefit of investors.

On the part of market participants

On the part of market participants, the focus on the type, quality and timeliness of disclosure and the manner of its delivery needs to be further emphasised. To be effective, information must be both meaningful and timely. It should not matter the channel of information used or through which they offer investors a product or access to trade, under the umbrella of convenience, the same safeguards must be in place and it is up to them to ensure that any new modalities of sales or trades are adequately and effectively matched by the requisite safeguards.

Behavioral Analytics

This brings us to the question of investor behaviour. It is widely accepted today that we, as individuals, make decisions that are subject to behavioural biases i.e. systematic departures from thinking rationally. This can lead us to make poor investment choices that are ultimately against our best interests. Importantly, such biases can be predicted and exploited by others in ways that do not serve our interests but their own. At best, these decisions are still made with a clear awareness of the fact that they are emotional in nature and the possible adverse consequences, and we are willing to bear the consequences of such decision.This however is not always the case. Decisions are made from a smorgasbord of emotional platforms, triggered by financial need or crisis, family pressure, greed, apathy, herd mentality, reliance or belief in a person's opinion and the like. The investment arena is no different from any other in this regard.

[5]http://www.networkfso.org

Behavioural analytics has been recognised as a priority by regulators globally as reflected in developments in regulatory efforts in many jurisdictions. Indeed it has been an approach that has been inherent in regulatory efforts in Malaysia for a while and identified by the regulator as an area to be further explored. It would be very useful to study behaviour and understand these different triggers so that we may develop tools that 'nudge' investors into good investing habits that will override any emotive vulnerabilities. Tools that investors may conveniently use to at least alert them to possible wrong turns and to assess what steps they should take before making a given investment decision.

In doing this, we can of course learn from those jurisdictions who have undertaken studies of differing scope, but it is important to ensure that one has the pulse of one's own domestic market. On this note, it would probably be equally useful to also undertake an analysis of the behaviour of the market player to feed into a similar approach to building good habits.

Integration of best practices is key to growth in capital markets. How do SIDREC help in achieving this?

SIDREC, comes into the picture when a problem has arisen and the investor has suffered some monetary loss. The factual scenarios that emanate from this can cover a multitude of issues that cut across issues of misconduct in all its guises including fraud, sales practice, disclosures, conflict, process, systems glitches, misunderstanding or miscommunication and the contributory factor of the conduct of the parties in the context of these scenarios.

SIDREC in its case management undertakes a thorough review of the case and will investigate and engage the parties to the extent necessary to better understand the issues and verify the facts. Following from this, further insight is gleaned through the mediation process. Our approach in resolving disputes requires us to look at all the circumstances of the case, including the conduct of the parties, the applicable laws, best practices, practical challenges faced by either party etc. Issues of concern that come up would usually speak to any one or more of these aspects and are fully ventilated by both parties during the course of the dispute resolution process. Our Case Manager, mediator or adjudicator depending on the point of the dispute resolution process, will ensure through the process that the areas of concern are appropriately highlighted and explained

The very rapid technological advances coupled with disintermediation of the traditional broking and advisory services (e.g. Robo advisers), have allowed market players to develop and roll out innovative and complex products and services to the market with greater reach across investor segments

to the party concerned, either in the joint sessions with the other party or in breakout sessions.

Contributing to the Members' risk management tool kit

The intermediary (our Member) gains intelligence on areas of weakness or gaps, or practical process issues, providing valuable input to their own risk management. Additionally they get insight into the practical concerns and challenges investors face. It is a very valuable avenue for the Member to see where things may not be working as expected, to catch conduct issues that may go undetected but for the dispute. An investor's complaint that the intermediary's agent or representative may find easy to brush aside, especially if dealing with a less savvy client or emotionally vulnerable client, finds air to breathe and be heard during the dispute resolution process. At times it may be a lapse or weakness on the part of the Member's oversight or internal controls, process or system issue. This provides the Member an opportunity to sometimes catch an issue at a nascent stage before it becomes a systemic issue or at least one that may cause considerable problems and the loss of clients. It allows the Member to do their housekeeping without any *white noise*, as our process is a confidential one. This means that even if or when the regulator later picks it up as an issue, they will see that steps have been taken to mitigate, if not rectify it.

Of course if the matter cannot be resolved through mediation and the matter proceeds to adjudication, a finding may be made in favour of the investor where it is warranted. The Award will also clearly set out the grounds for the finding. In both the scenario where a resolution is a mediated one or through the issuance of an award at adjudication, the process ensures light has been shone on the area of concern for the Member to digest and any clarification needed on the best practice or regulatory expectations concerned are provided. In addition SIDREC will from time to time share insights gleaned to alert members as a whole to any trends or gaps that we see as being relevant to the broader industry members. We also welcome insight from Members on the challenges that they face.

This process contributes to enhancing greater self-awareness on the part of the Member vis a vis the quality and effectiveness of internal controls as well as compliance and conduct issues. It also provides them with a better understanding of the practical challenges faced by an investor. This then would, I believe, lead to a more effective integration of best practices.

Because there is someone who is independent and impartial mediating between the parties, there is a gradual release of the angst and a willingness to listen to each other and communicate more effectively. The fact that the case manager or mediator has experience and a sound understanding of the capital market and its workings, has the benefit of the questions being put to the parties, being informed and relevant and helpful towards trying to resolve the dispute. All this adds to the credibility of the process.

Point of need delivery of investor education to investor

On the investors' part, apart from having access to independent and impartial expert help to resolve their disputes, they also come away from the process much better informed, whether it be with regard to the product they invested in, the market process concerned or their rights and responsibilities. Effort is made through the process to educate and inform the investor in the context of the dispute and the issues raised. It is a very effective delivery of investor education as it is delivered at the investor's point of need, in the context of their very real problem, and so is more likely to be understood and stick, whatever the outcome of the dispute resolution process. It should be noted that sometimes the lesson the investor takes away is that of their own accountability in the investment process. The process as such also helps build best practice from the context of the investor.

Feed through to the regulator

The above indirectly supports the regulators supervisory and investor empowerment efforts, as we form part of the components in the eco system that empowers investors through the provision of a redress mechanism and delivery ofrelevant and useful learning points to both the investor claimant and the intermediary, on the investors' investment experience through the dispute resolution process. This in turn exerts market discipline on intermediaries when investors take the proactive step of seeking SIDREC's assistance and leave better informed about the product they invested in, the market process involved, as well as their rights and responsibilities. In addition, the consequent self-discipline that the intermediary and investor hopefully reflects back in their own processes and conduct moving forward, will be consistent with regulatory expectations. Finally,SIDREC is also able to provide valuable insight to regulators on any areas of concern that may be systemic in nature or emerging trends we see coming out of disputes . I would add that these trends need not only be ones of concern, but can also be positive in nature.

*Acknowledgment to **Dr. N. C. Maheshwari** (Past President of ANMI) for this Interview*

EMPLOYMENT IN THE CORPORATE SECTOR

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Creation of job opportunities is central to inclusive economic growth. A growing economy normally does generate more jobs as demand for labour increases.

Creation of job opportunities is central to inclusive economic growth. A growing economy normally does generate more jobs as demand for labour increases. However, the spread of technology and capital can be labour displacing. Further, the trend towards outsourcing does not show job creation on the books of the company though it would be accounted for elsewhere in the suppliers' registers. The Economic Survey for 2015-16 has pointed out that on account of the slow pace of labour reforms firms follow the strategy of hiring contract workers who are not considered to be workmen being employees of the contractor. This helps them to stay small enough to be exempted from some labour laws. Therefore, the numbers presented by companies can be understated. Also several companies have outsourced jobs that were hitherto performed by employees such as security, administrative functions, back office, sales etc.

The study on trends in employment in the last 4 years is based on employment numbers provided by companies in their balance sheets and hence does not include the impact of outsourcing. This report analyses employment data across various sectors as well as industries and is based on a sample of 1,072 companies across various sectors.

Aggregate employment

Table 1: Employment Performance of 1072 companies (in Numbers)

	FY12	FY13	FY14	FY15
Aggregate Employment	4,523,982	4,611,175	4,799,546	4,812,306
Growth (%)	4.6	2.7	4.1%	0.3%
GDP Growth (%)	n.a	5.6	6.6%	7.2%

Source: Ace Equity
n.a. GDP series starts with 2011-12 as base year.

- Aggregate employment for these sample companies increased from 4.32 mn in FY11 to 4.81 mn in FY15.
- The compound annual growth (CAGR) for total employment between FY11 and FY15 was 2.7%.
- As indicated in Table 1, 188,371 jobs were added in FY14 with total employment increasing by 4.1%. However in FY15 only 12,760 jobs were created, leading to a near zero growth (0.3%) in employment for the year.
  - In incremental terms FY15 had the lowest incremental jobs added. In FY12, 201,105 jobs were added while in FY13 it was lower at 87,193.
- Growth in employment has not been smooth with the rate slowing down in alternative years.
  - Higher GDP growth in the economy in FY14 relative to FY13 did bring about a higher increase in employment, which however was not replicated in FY15 when GDP grew at the highest rate. Also in FY12 when GDP growth was lower based on the old methodology, employment generation was higher.
- There is no clear explanation for these variations as at times employment increases when companies expect future conditions to be buoyant and turn conservative when these conditions do not materialize.
  - Further, demand for labour is also sector specific and rarely will all pockets be growing at the same pace. Hence, there would be a skewed picture across various sectors with some growing faster than the others.

Sector wise break up

Growth in the economy is always variable across sectors with some doing better than the others. In general there has been a more positive picture posited by the services sector as against industry, which has been growing by 1.1% in FY13, -0.1 in FY14 and 2.8% in FY15. This coupled with low capacity utilization rates has affected growth in employment.

Table 2 provides the employment situation in the broad sectors for FY14 and FY15 along with the compound growth over the last 4 years which provides some kind of trend in this parameter. Manufacturing has been separated from mining and services. Services have been sub-classified under the headings of banking, financial services, Information technology, construction, and non-financial services as the factors affecting them are quite different.

Table 2: Growth in employment across sectors (%)

Particulars	Share	FY14	FY15	CAGR (FY11 – FY15)
Manufacturing	43.2	3.2	-5.2	0.2
Banking	23.0	4.9	2.1	4.0
IT	18.4	10.0	21.7	12.7
Mining	8.2	-2.5	-3.8	-3.1
Financial Services	3.2	2.8	1.8	2.3
Construction	2.0	3.8	-17.1	1.5
Non-Financial Services	2.0	6.1	-17.4	1.5
Total	**100.0**	**4.1**	**0.3**	**2.7**

Source: Ace Equity

Shares in total

- Manufacturing had the highest share in employment accounting for more than 40% of the employment, followed by banking (23.0%) and IT (18.4%). This means that the future of job creation would largely be dependent on the growth in this sector and the low growth in the last 3 years is a cause for concern. In FY16 too growth has ranged around 3% as this sector has been affected on the demand side which has led to lower production and less demand for labour.
- Mining also has a proportionately higher share in employment at 8.2% which indicates that this can be a jobs provider in future. Also any increase in import of minerals would have a bearing on the job creation in this area.
- Construction has a relatively small share in this profile, though arguably the labour class would be on contract and not enter the books of companies.
- Financial and other non–financial services together account for 5.2% share in total employment.

Trends in growth in employment

- IT sector witnessed the highest growth in employment with a CAGR of 12.7% which is reflective of the demand for such services and the better performance of the IT companies in terms of business prospects.
- Banks have also done relatively better with 4% growth as they have tended to go in for greater depth through rural inroads which means opening more branches and increasing the staff. This is a positive development.
- Financial Services (2.3%) has also performed reasonably well in relative terms.
- Mining witnessed negative growth in employment with a CAGR of -3.2%. The stalling of production in this sector due to administrative issues did contribute to lower employment in this sector.
- Despite having the highest share in employment, manufacturing sector has stagnated in terms of job creation with a CAGR of just 0.2%.

FY15 scene

- IT, banking and financial services were the only sectors to witness positive growth in this year.
- Manufacturing witnessed negative growth of 5.2%.
  - Positive CAGR were seen in the sectors such as consumer food (14.7%), plastic products (4.5%), automobiles (2.5%) and household & personal products (5.5%)
  - Negative CAGR was witnessed in electronics (-4.5%), engineering (-6.6%), telecommunication (-7.9%) and textiles (2.6%)
- Other sectors with a negative growth in FY15 were:
  - Non–financial services (-17.4%),
  - Construction (-17.1%) and
  - Mining (-3.8%)

Industry-wise employment growth

Table 3 below provides information on the employment growth across specific industries in the last 2 years as well as compound growth over the 4 years period.

The table reveals that the highest growth rate in jobs was in forgings, consumer foods, IT, breweries and pharmaceuticals. The second category of between 5-10% CAGR was in wood products, TV broadcasting, household and personal products, steel/sponge iron and ceramics.

The industries that witnessed decline in employment (in terms of growth rate) were packaging, cables, telecom, engineering and electronics.

Table 3: Industry wise Employment Growth (%)

Industry	No of Companies	CAGR	FY14	FY15
Aluminum & Aluminum Products	5	-1.5	1.9	-9.9
Auto Ancillary	27	-4.2	1.8	-17.9
Automobile	11	2.5	1.1	2.9
Bank	47	4.0	4.9	2.1
Batteries	6	3.0	3.7	6.9
Bearings	5	1.0	-0.8	-0.2
BPO/ITES	6	0.0	-4.0	-1.5

Table 3: Industry wise Employment Growth (%) (Contd.)

Industry	No of Companies	CAGR	FY14	FY15
Breweries & Distilleries	8	11.6	6.7	1.0
Cable	8	-8.0	-16.4	-20.6
Cement & Construction Materials	20	2.0	1.4	-0.3
Ceramics	11	4.9	18.7	-7.4
Chemicals	50	0.3	1.2	-3.3
Cigarettes/Tobacco	4	1.3	-0.3	-1.1
Compressors / Pumps	7	3.6	-3.8	-1.9
Construction - Real Estate	34	0.2	8.0	-43.7
Consumer Durables	10	-1.5	0.0	-6.1
Consumer Food	22	14.7	12.5	10.9
Diamond & Jewellery	6	0.4	13.0	-28.4
Dyes & Pigments	10	-2.0	-0.5	-8.0
Electric Equipment	17	-0.4	1.3	-3.9
Electrodes & Welding Equipment	5	-2.7	-5.0	-5.8
Electronics	8	-4.5	-0.8	-6.1
Engineering	67	-6.6	-3.3	-26.4
Fasteners	5	-2.5	-8.1	-3.1
Ferro & Silica Manganese	8	2.0	0.4	-0.6
Fertilizers	11	-3.0	-3.8	-7.9
Film Production, Distribution & Entertainment	7	-0.5	56.5	-41.9
Finance	76	2.4	1.6	3.5
Forgings	8	16.2	33.7	31.1
Hospital & Healthcare Services	7	1.4	1.0	-20.5
Hotel, Resort & Restaurants	23	2.0	3.0	-4.2
Household & Personal Products	7	5.5	6.9	-0.1
IT	78	12.7	10.0	21.7
Leather	8	1.5	5.0	-1.3
Logistics	6	3.7	-1.2	4.3
Metal - Non Ferrous	5	-6.5	-7.1	-10.2
Mining & Minerals	9	-3.4	-3.1	-4.2
Oil Exploration	5	-0.2	2.4	-1.1
Packaging	11	-17.5	-17.5	-29.2
Paints	5	4.7	5.4	1.2
Paper & Paper Products	13	-1.6	-3.9	-2.3
Pesticides & Agrochemicals	15	1.6	3.8	-0.9
Petrochemicals	6	-5.4	-8.9	-7.4
Pharmaceuticals & Drugs	42	9.5	6.9	21.7
Plastic Products	24	4.5	-1.2	8.1
Power Generation	17	-1.6	-4.5	-2.5
Printing And Publishing	6	2.0	3.9	4.5
Refineries	7	0.0	0.0	-0.5
Retailing	4	-0.6	4.1	-17.7
Shipping	8	-2.7	-14.8	11.2
Steel & Iron Products	10	4.0	11.1	-3.1

Table 3: Industry wise Employment Growth (%) (Contd.)

Industry	No of Companies	CAGR	FY14	FY15
Steel/Sponge Iron/Pig Iron	25	5.4	38.2	-4.6
Sugar	23	-0.5	2.3	-2.0
Tea/Coffee	7	-0.5	-1.6	-2.9
Telecommunication	16	-7.9	-5.8	-15.8
Textile	72	-2.6	-2.2	-12.9
Trading	14	-1.7	28.3	-28.9
Transmission Towers	5	-0.2	4.3	-17.3
TV Broadcasting & Software Production	11	5.7	8.6	6.3
Wood & Wood Products	5	6.4	18.6	-10.5
Total	**1,072**	**2.7**	**4.1**	**0.3**

Concluding remarks

- Growth witnessed at the macro level in GDP has not translated into more jobs being created in a smooth manner. Therefore, while the economic growth performance has been impressive, the employment curve has not kept pace with the same.
- Manufacturing in particular has not done too well, while services performed better. The preference for services even for the pool of employable people can distort the demand-supply equation when manufacturing is back on track. There has progressively been preference for services jobs for professionally qualified students even with an engineering background, while the lower skilled jobs are being outsourced.
- Even within services,IT and financial services including banking had registered better growth rates.
- Jobs need to be created not just to sustain the issue of employment, but also add to consumer demand which has been lagging in the last three years and has to be reversed.
- In this context, the efforts made by the government through the start-up India (for entrepreneurs) and Skill India (to provide the requisite skill sets) is useful.

Disclaimer

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REPLIES TO QUERIES ON INCOME – TAX

By Subash Agarwal
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Query No. 1:

Accident compensation alongwith interest – tax implications

Ms. Z is a resident of India and regular tax-payer. On 06th May 1996, she was travelling in a car, which met a serious accident, leaving her permanently disabled, what is termed by the competent authority, at ninety percent level. She claimed a compensation of Rs. 10,00,000 for her loss of physical ability. The assessee has to go through various judicial processes and finally Hon'ble Supreme Court granted her compensation alongwith interest after 20years. The litigation did not get over with the receipt of compensation. The Assessing Officer in his assessment stated that the interest component on compensation awarded by Hon'ble Supreme Court is taxable as it is covered under section 145A(b) r.w.s. 56(viii) of the Act and therefore, the said interest component is subject to tax. The CIT(A) confirmed the order of the Assessing Officer. Whether it would be appropriate to insist the victim who is awarded compensation to part with it or the interest that accrued on it towards payment as Income from other sources as under the Income Tax Act 1961?

In the instant case, the assessee has received amount in the nature of compensation for the loss of her mobility and physical damages.

Reliance can be placed on the decision of High Court of Madras in the case of *Managing Director, Tamil Nadu State Transport Corpn. (Salem) Ltd vs Chinnadurai [(2016) 70 taxmann.com 53]* and the order of ITAT Ahmedabad in the case of Urvi Chirag Sheth vs ITO [(2016) 70 taxmann.com 33], wherein it is held that the receipt of such an amount is a capital receipt and beyond the ambit of taxability of income since only such capital receipts can be brought to tax as is specifically taxable under section 45 unless it is in the nature of a revenue receipt. The accident compensation is thus not taxable as income of the assessee. Subsequently, the interest received is also of the same character and it seeks to compensate the time value of money on account of delay in payment. If compensation itself is not taxable, the interest on account of delay in payment of compensation cannot be taxable either. The accident compensation for the delayed payment of which the interest is awarded, itself is outside the ambit of taxation, similar fate must follow for the subsidiary transaction, i.e. interest for delay in payment of compensation, as well. Thus, the appeal of the assessee is allowed and the interest received as compensation is not subject to tax.

Query No. 2:

Payment of finance charges under Hire purchase contract

Alloy & Steel Pvt Ltd is deriving income from lorries and income from financing. The assessee paid finance charges amounting to Rs. 2,50,633/- to Mahindra Finance under Hire purchase contract. The Assessing Officer observed that the said payment of finance charges is in the nature of commission or brokerage and made disallowance u/s 40(a)(ia) of the Act for violation of the provisions of section 194H of the Act. On appeal before the CIT(A), the assessee contended that the payment of finance charges under hire purchase contract to Mahindra Finance does not come within the ambit of commission or brokerage. The assessee relied on the CBDT Instruction No.1425 F.No.275/9/80 IT(B) dated 16-11-81 and stated that there is no violation of any TDS provision. The CIT(A) stated that Mahindra Finance plays the role of a financier to the assessee. Thus, the amount of installment includes inter alia interest on money borrowed and hire charges and is in the nature of commission and brokerage. The CIT(A) confirmed the order of the Assessing Officer. Whether CIT(A) is correct in not considering the CBDT Instruction No.1425 F.No.275/9/80 IT(B) dated 16-11- 81?

The assessee is engaged in the business of financing and lorries. The payment of hire charges to Mahindra Finance under the hire purchase does not come within the ambit of commission or brokerage and thus, the provision of section 194H would not be applicable. With regard to the applicability of the provisions of section 194A of the Act the reliance placed by the assessee on the CBDT Instruction No.1425 F.No.275/9/80 IT (B) dated 16-11-81 is well founded. Therefore, the CIT(A) erred in not considering the said CBDT Instruction.

Reliance can be placed on the order of the Kolkata Tribunal in the case of *I.T.O., Ward-9 (3) Kolkata vs M/s. Indian Leasing & Trading Pvt. Ltd. [2016 (5) TMI 1105]*

QUERY NO. 3:

Interest paid on borrowing for acquiring house deductible u/s 24(b) & 48

Mr Avinash has filed his return of income declaring an income of Rs.8,00,000/-. The case was selected under CASS. During scrutiny proceedings it is noticed that the assessee has purchased a house property at Madras on 17.06.2009 for Rs.45,00,000/-. In addition to the said purchase amount, the assessee has paid Rs. 6.5lacs on the registration cost of the property and a further cost of Rs.50,000/- as the cost of improvement. In the return the assessee has shown an interest of Rs.7.2lacs on housing loan taken in 2008 for the purchase of the property. Finally, the assessee sold the property in 2010 at Rs.38,00,000/-. The assessing officer observed that the assessee has claimed deduction u/s 24(b) on interest on housing loan. The interest on housing loan is again taken for the computation of capital gains u/s 48. Assessing Officer made an addition of the interest amount from short term capital gains. The assessee preferred an appeal before the CIT(A). CIT(A) allowed assessee's appeal. The revenue is in appeal before the Hon'ble ITAT. Whether assessee can claim deduction on interest on housing loan u/s 24(b) as well as 48?

The assessee has availed loan for purchasing the property and there is no dispute in regard to that. Thus, the income received is shown under the head "income from house property", on which the assessee claimed deduction u/s 24(b). The deduction claimed u/s 24(b) is allowed and there is no dispute regarding such. Both the sections are covered under separate heads of income. Further, a perusal of section 24(b) and section 48 makes it unambiguous that none of them excludes operative of the other. In other words, a deduction under section 24(b) is claimed when concerned assessee declares income from 'house property', whereas, the cost of the same asset is taken into consideration when it is sold and capital gains are computed under section 48. In other words, a deduction under section 24(b) is claimed when concerned assessee declares income from 'house property', whereas, the cost of the same asset is taken into consideration when it is sold and capital gains are computed under section 48.

In the order of Chennai, ITAT Bench in the case of *ACIT vs C. Ramabrahmam [ITA No. 943/Mds/2012]* and order of Mumbai ITAT Bench in the case of *Smt. Neelam Sunil Soorma [I.T.A. No. 4954/Mum/2012]* it was held that there is no slightest doubt that the interest in question is indeed expenditure in acquiring the asset. Since both the provisions are altogether different, the assessee is entitled to include the interest amount at the time of computing capital gains u/s 48 as well.

QUERY No. 4:

Addition made on account of mismatch of AIR data.

Univ Corp Limited is a wholly owned

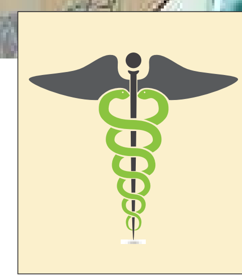
subsidiary of Hindusthan Unilever Limited. The assessee company is engaged in the business of market research services and FMCG products. The assessee filed return of income and the case was selected for scrutiny proceedings. The assessing officer observed mismatch of the AIR data amounting to Rs. 10,00,000/-. The assessee was asked to reconcile the disputed amount arising out of the receipt of rent. The assessee denied to have received any such disputed amount in regard to rent. The Assessing Officer made addition of the said amount on the basis of AIR details. On appeal before CIT(A), it upheld the order of the Assessing Officer. Please give your views on the same.

The assessee is engaged in the business of market research services and FMCG products. The assessee denied to have received any amount in regard to rent. The addition was solely made on account of mismatch of AIR data available with the assessing officer.

It is pertinent to note that in the case of *M/s. Nielsen (India) Private Limited (formerly known as M/s. AC Nielson ORG Marg Private Limited) vs Addl. Range-6(1) [2016 (6) TMI 172]*, it is held that the addition was made only on the basis of AIR report, that the assessee had specifically mentioned that the entries did not pertain to it. The Assessing Officer should have made further investigation before making the addition. The disputed amount pertained to receipt of rent and it is not difficult to find out the facts for the AO. Further, only on the basis of AIR information no addition should be made-specially when there is no other material with the AO to demonstrate that the assessee had received income more than what was declared by it.

Reliance can be placed on the following:

1) ANS Law Associates (ITA/5181/M/2012 order dated 05.12.2014),
2) S. Ganesh (ITA 527/Mum/10),
3) Thread Needle Investment Fund ICVC Asia Fund (27 taxmann321).



Dr. Mohan Das Gupta
Cancer Research Centre Kolkata

CANCER REALITIES

Arunachal Pradesh has the highest number of liver cancer patients in the country and the second highest stomach cancer cases in the world after China

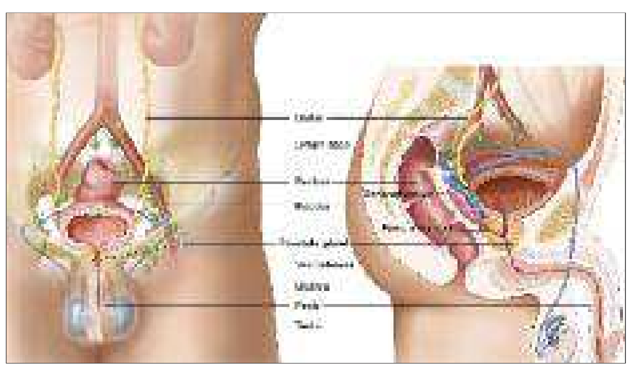
A study conducted by The Indian Council for Medical Research has found that Arunachal Pradesh has the highest number of liver cancer patients in the country and the second highest stomach cancer cases in the world after China. The study also indicates that that Aizawl in Mizoram has the highest incidence of cancer in men, while Papum Pare in Arunachal accounts for the maximum cases among women. One of the major causes for the killer disease to spread could be because of lack of awareness about precautions required for blood transfusion that leads to the occurrence of Hepatitis B infection that finally leads to cancer. It is estimated that nearly 20 per cent of people who suffer from Hepatitis B are likely to develop liver cancer at later stages. The infection comes from sharing needles amongst drug users and untested blood for transfusion. Consumption of alcohol, smoked meat and fermented food aggravates situations. Added to this is the use of tobacco and smoking habits.

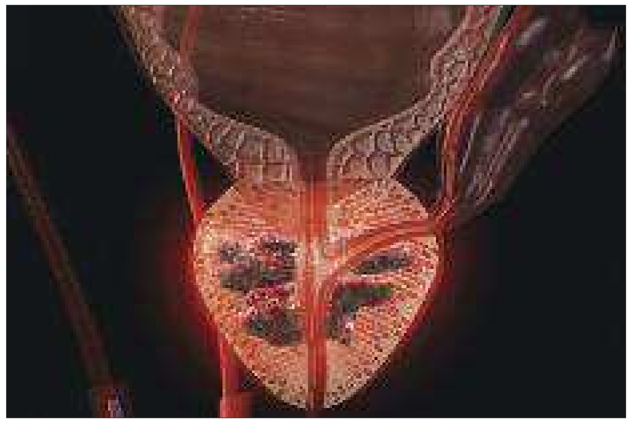
This gory story above is not isolated to the north east only. All over Indian and in the developing world incidents of cancer in men and women are growing in proportions that cannot be contained any longer unless we as humans do not change the way we live and eat. Modern lifestyle is the root cause of the killer disease to spread.

Prostate cancer

Happens only to men and is a growing menace. It is a "must" for all men above 40 to have tests regularly as the risk becomes higher from the age of 50. Prostate cancer is very rare in men below 40, but its possibility increases rapidly after the age of 50. About 6 in 10 cases of prostate cancer are found in men over the age of 65. As the age increases the chances of prostate cancer grows. It is estimated that 70 per cent of all prostate cancers diagnosed in men are over the age of 65. Studies suggest that after 70, most men have some form of prostate cancer, though there may be no outward symptoms.

In India more than a hundred new cases are registered in each large city every month, while there is a good possibility of undetected cancer in rural and smaller cities simply because of lack of awareness. Experts feel that besides increase in life expectancy, increased consumption of deep fried food and unhealthy diet in general are among the reasons for the rise in the number. If deep fried food is consumed more than once in a week chances of getting prostate cancer increases by up to 30 per cent or more. Deep fried food is associated with not only prostate cancer but other cancers as well. This is because of the potential carcinogens like *acrylamide*, hetero cyclic amines and poly aromatic hydro carbons generated while frying the food at high temperatures and also reusing and re-heating the oil. Fried food also produces high levels of advanced *glycation* end products (AGEs) responsible for oxidative stress and inflammations - conditions associated with cancer.





A good lifestyle with balanced diet that is rich in fibre possibly makes a positive difference. A healthy diet with reduced carbohydrates and animal fats and more of vegetable oils and nuts could also benefit men with prostate cancer to increase chances of survival.

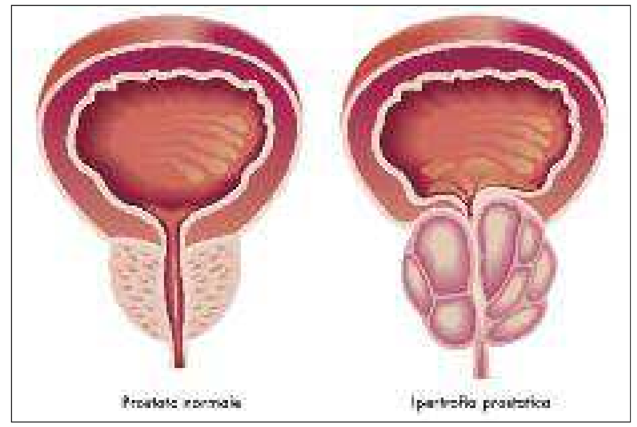
What does the prostate gland do? It produces a thick, clear fluid that makes the semen more fluid and protects and nourishes sperm cells in the semen. It also plays a part in controlling the flow of urine.

Prostate cancer forms in the cells of the prostate gland. It is caused when cells in the prostate multiply and grow out of control to form a mass or tumour. Being a very variable disease, some tumours remain small and grow so slowly that they cause no problems for the rest of a man's life. Others are aggressive and may even spread to bone, grow quickly and become life-threatening. Though several types of cells are found in prostate, almost all prostate cancers develop from glandular cells (*adenocarcinomas*). Prostate cancer is usually a very slow growing cancer and most patients do not have significant symptoms until the cancer reaches an advanced stage. Most men with prostate cancer die of other unrelated causes, and many never know that they have the disease. But once prostate cancer begins to grow quickly or spreads outside the prostate, it is dangerous.

Symptoms

- Frequent urination, especially at night
- A weak or interrupted urinary stream
- Blood in urine or semen

If any of these happens to a person then it becomes extremely important to visit the doctor as quickly as possible. The good part is that prostate cancer is a relatively slow-growing cancer, and the survival rate is therefore high.



Treatments include surgery (prostatectomy), radiotherapy, hormonal therapy using androgen-depriving drugs, depending upon the stage and level of the cancer.

Screening

The screening procedures include rectal examination, PSA test, trans rectal ultra sonography, and Ultra sound guided biopsy.

The American cancer society recommends these tests be performed beginning at age 50 and every year after.

Men who have at least one first degree relatives diagnosed with prostate cancer, the screening tests are recommended as early as 45 years

Staging and grading

Staging is done based on the Abdominal CT scans, bone scans, chest X-rays and PSA levels.

Grading is done based on Gleason's scale which is graded from 1-5 based on microscopic studies of the prostate biopsy tissue, with grade 5 having the worst prognosis/ outcomes.

How to prevent prostate cancer?

- Maintain appropriate body weight
- Physical activity for at least 30 minutes daily
- Avoid sugary drinks
- Eating more of non-starchy vegetables, fruits, cereals/grains and legumes such as beans
- Limit salty food consumption and foods processed with salt
- Limit intake of red meat (beef, pork, lamb) and processed meat
- Avoid deep fried food

Key facts

Prostate cancer is a relatively slow-growing, so the five-year survival rate is 98 per cent. The relative 10-year survival rate is 84 per cent and the 15-year survival rate is 56 per cent

Age, genetic predisposition and diet seem to have a direct correlation with the risk of prostate cancer

About 6 in 10 cases of prostate cancer are found in men over the age of 65

Studies have also indicated that men with sexually transmitted diseases too have a higher chance of getting afflicted

However, in India the awareness about the disease remains low. It is important to note that there are no warning signs of early prostate cancer.

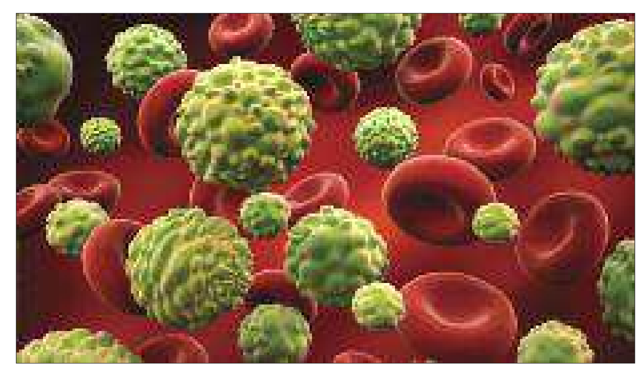
Prostate cancer seems to run in some families, which suggests that in some cases there may be an inherited or genetic factor.

Having a father or brother with prostate cancer more than doubles a man's risk of developing this disease. (The risk is higher for men who have a brother with the disease than for those with an affected father.)

The risk is much higher for men with several affected relatives, particularly if their relatives were young at the time the cancer was found.

Prostate specific antigen (PSA)

PSA is a protein produced by the cells of the prostate gland. It is produced at all ages of men at low levels, but increases during prostate cancer. PSA is not the sole indicator for prostate cancer, but it is one of the several other factors of prostate cancer. The antigen is one way of monitoring the disease recurrence.



SEBI ? CIR/IMD/DF/55/2016 Dated 11-May-2016 ? Guidelines for Public Issue of Units of InvITs:

The key conditions of the issuance for such Public Issue are:

1. At least 25 per cent of the units to be allocated to investors other than institutional investors.
2. Maximum of 75 per cent of the units can be allocated to institutional investors.
3. 60 per cent of the allocation for institutional investors may be set aside for anchor investors.
4. Anchor investors to make an application of at least INR 10 crores in the public issue.
5. Allocation to anchor investors to be on a discretionary basis.
6. Lock in of 30 days for the units allotted to anchor investors.
7. Security deposit of the lower of 0.5 per cent of the amount of the units offered for subscription or INR 5 crores, to be deposited with the stock exchange.
8. Other general compliances typically synonymous with public issues are replicated.

The Guidelines on the public issue of units of InvITs covers the following:

1. Appointment of more than 1 merchant banker and 1 of them should be lead merchant banker and its obligation to verify and comply with regulatory norms.
2. Merchant banker should ensure that a document filled with regulatory authority is as per specified format and within the time line.
3. Allocation of securities should comply with public issue norms
4. Merchant banker shall arrange the application and abridged version of offer documents.
5. Investment manager on behalf of InvIT shall deposit with stock exchange 0.5% of units offered or Rs. 5 crore, whichever is lower.
6. Issue shall open after at least 5 working days from date of filling of offer document to SEBI and it remains open for minimum 3 working days and maximum 30 working days.
7. Underwriters appointment, Price Band and Issue price basis, Bidding price and Allotment procedure should be as per the SEBI norms
8. All the books and records related to public issue shall be maintained by merchant banker.
9. Merchant banker shall submit post-issue report to SEBI within 3 working from closure of issue
10. Public communications, publicity materials, advertisements and research reports.
11. Other obligations of post issue lead merchant banker.

General conditions:

a. Issuer, its promoters and director should be fit and proper.
b. No alteration of rights of holder of units without passing resolution.
c. No payment of incentives to the person connected to the issue other than applicable fees
d. Appointment of compliance officer.
e. Other general obligation of merchant banker.
f. Power to relax strict enforcement of these guidelines.

SEBI? SEBI/HO/MRD/DRMNP/CIR/P/ 2016/ 54 Dated 04-May-2016 ? Investment Policy, Liquid Assets for the purpose of Calculation of Net Worth of a Clearing Corporation and Transfer of Profits/NSE/BSE :

- SEBI has asked clearing corporations to invest their money broadly in fixed deposits, government securities and liquid schemes of debt mutual funds.
- The investments need to be broadly in fixed deposits having a net worth of more than Rs 500 cr. central government securities and liquid schemes of debt mutual funds.
- Investment in liquid scheme of debt mutual funds will not exceed a limit of 10% of the total investible resources held by the clearing corporation, and at any point in time, if exceeds then such excess investments to be liquidated within six months.

- The fixed deposits, central government securities and liquid schemes of debt mutual funds to the extent permissible, cash and bank balance, will be considered as 'Liquid Assets' for the purpose of calculation of net-worth of a clearing corporation.
- The provisions made by Exchanges in their books of accounts towards the requirement of 'Transfer of Profits' shall be transferred to the Core SGF maintained by Clearing Corporations within one month from the date of issuance of this circular. Further, 25% of profits for the period April 01, 2015 till the date of amendment of SECC Regulations shall be transferred by the Stock Exchange to the Core SGF maintained by Clearing Corporation.
- The unutilized portion of contribution made by the stock exchange, for any segment, towards the Core SGF as available with the clearing corporation will be refunded to the exchange in case it decides to close down its business or decides to avail the clearing and settlement services of another clearing corporation for that segment.

SEBI ? CFD/DIL3/CIR/P/2016/53 Dated 03-May-2016 ? Amendment to Circular No. CIR/CFD/DIL3/18/2015 dated December 31, 2015 - Procedure to deal with cases prior to April 01, 2014 involving offer / allotment of securities to more than 49 up to 200 invest:

- It has been decided that the certification by an independent peer reviewed may also be provided by Practicing Company Secretary.

SEBI-PRESS RELEASE ? PR No. 85/2016 Dated 02-May-2016 ? PR - Registration of Deutsche Mutual Fund Cancelled:

- SEBI has cancelled the certificate of registration of Deutsche Mutual Fund and has withdrawn the approval granted, to act as the Asset Management Company to the Mutual Fund.

SEBI-PRESS RELEASE ? PR No. 86/2016 Dated 02-May-2016 ? PR - SEBI publishes FAQs for refund in the matter of PACL:

- To refund of money in the matter of PACL, the committee to take possession of the title deeds of PACL, sell the properties and make repayments to the customers of PACL in the interest of the investors and to address their possible queries regarding the procedure likely to be followed for the purpose of refund.

SEBI-INFORMAL GUIDANCE ? SEBI/HO/CFD/DCR1/OW/P/2016/5575 Dated 01-Mar-2016 ? In the matter of M/s Capital Trust Limited under SEBI(SAST) Regulations, 2011:

- Guidance on whether the SEBI (SAST) regulation applies on shares acquired on account of conversion of warrant in to equity shares where holding of acquirer is increased from 30.03% to 38.26%•SEBI view:
- Pursuant to regulation 3 (2), any change in shareholding of acquirer more than 5% due to conversion of warrant in to equity shares is amounts to acquisition hence open offer obligation is required to be made by the acquirer.

SEBI ? SEBI/HO/CFD/DCR1/CIR/P/2016/52 Dated 02-May-2016 ? Revised Formats under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:

- Revised formats for reporting under SAST Regulations, 2011 in respect of acquisitions made and if necessary, that the compliance should be reported for a period of 3 years.

SEBI ? SEBI/HO/CDMRD/DMP/CIR/P/2016/49 Dated 25-Apr-2016 ? Disclosure of Proprietary Trading by Commodity Derivatives Broker to Client and "Pro - account' Trading terminal:

- SEBI has asked every commodity broker to disclose to its client whether broker does client based business or proprietary trading as well, upfront to his new clients at the time of entering the KYC agreement.

- Facility of placing orders on 'pro-account through trading terminals will be extended only at one location of the members as specified by the members.

SEBI ? CIR/IMD/DF1/48/2016 Dated 21-Apr-2016 ? Electronic book mechanism for issuance of debt securities on private placement basis/ NSE/BSE:

- SEBI made electronic book mandatory for all private placement issues on debt basis for more than Rs 500 crore.
- Electronic book mechanism will be optional for the issues below Rs 500 crore, but the issuers will have to disclose the coupon, yield, amount raised, number of investors and category of investors to the Electronic Book Provider or to the information repository for corporate debt market, in the format specified w.e.f July 1,016.

SEBI ? Consultation Paper Dtd 18-Apr-2016 Dated 18-Apr-2016 ? Distribution of Cash benefits through Depositories" on the SEBI website for getting public comments/ suggestions.:

- SEBI proposed new norms to allow depositories to distribute all securities market-related cash benefits.
- All cash benefits including dividend, interest and redemption proceeds may be distributed by depositories in the case of all securities held in demat form.
- Issuers may be required to transfer the total amount due to clients of each depository to that depository, which is also the registered holder of such securities.
- The depository in turn will distribute the same to its beneficial owners.
- In respect of securities held in physical form, the issuer company may continue to handle the distribution of cash benefits.
- The investors will be able to get a consolidated statement of all the cash benefits due to them and credited, along with all details such as announcement date, dividend rate, amount due, date of credit to bank account, bank transaction reference among others.

SEBI-INFORMAL GUIDANCE ? CFD/DCR1/OW/P/2016/1716 Dated 25-Jan-2016 ? Informal guidance in the matter of LT foods limited:

- Transferor and Transferee mentioned in the application are persons named as promoters in the shareholding pattern filed by the target company for not less than 3 year prior to proposed acquisition, would be exempt from the obligation to make an open offer subject to fulfillment of pre-conditions specified therein.
- Regulation 3 (2) of Takeover Regulation would be applicable each time an entity in the promoters / promoters group acquires shares and crosses the creeping acquisition limit of 5% in a financial year.
- Thus the proposed transfer to RHPL by way of sale can be done in different tranches subject to prior intimation to Stock Exchanges in terms of regulation 10 (5) of Takeover Regulation followed by filling of post-acquisition reports stipulated under regulation 10 (6) and (7) of takeover regulation.

NSE ? Circular Ref. No: 2/2016. Dated 11-May-2016 ? Additional vendors for Multi-Protocol Label Switching (MPLS) connectivity:

- Exchange has introduced Higher Bandwidths in MPLS based connectivity with revised features given below and additional vendors, BSNL (Only M1 scenario with single router R1 option is available) and Vodafone along with Bharti & TATA.
- Rate chart of service providers, its Contact details for commissioning of links, post commissioning maintenance and troubleshooting activities
- To apply for MPLS-Higher Bandwidth, Leased Lines Last mile provisioning will be subject to service provider feasibility and the second connectivity last mile shall be decided mutually.

NSE ? Circular Ref. No: 022/2016. Dated 29-Apr-2016 ? Mock trading (Contingency) on Saturday, May 07, 2016, new version of NEAT-CDS 3.1.7:

- New version of NEAT-CDS 3.1.7 shall be available from May 06, 2016 ours onwards on NSE EXTRANET path/cdsftp/cds common/ NEATCDS317.
- Members shall be able to login to live trading system from May 09, 2016 onwards with NEAT-CDS 3.1.6 &NEAT-CDS 3.1.7 only

NSE ? Circular Ref. No: 07/2016. Dated 29-Apr-2016 ? Mock trading on Saturday, May 07, 2016, new version of NEATSLBM (1.0.8):

- The Exchange shall be releasing new version of NEATSLBM (1.0.8) and shall be available from May 06, 2016 on NSE EXTRANET path /slbftp/slbcommon//NEAT 1.0.8.

NSE ? Circular Ref. No: 10 / 2016. Dated 29-Apr-2016 ? New Linux UDP Server for All Segments:

- New release of Linux UDP server version v4.00.00 will replace old version by May 6, 2016, steps for its configuring are listed in Annexure.

NSE ? Circular Ref. No: 4 /2016 Dated 20-Apr-2016 ? Introduction of transaction charges incentive scheme for derivatives contract on NIFTY IT:

- Transaction incentive scheme for derivatives of NIFTY IT is as per annexure will be effective for 3 month from 1st May 2016.

NSE ? Circular Ref. No: 019/2016_ Dated 18-Apr-2016 ? Change in the Expiry date and Maturity date of Contracts:

- Change in the expiry date and maturity date for the file made available to trading members from April 27, 2016 as per the circular.

BSE ? 20160506-26 Dated 06-May-2016 ? Facility for Participant Code in order message in Equity Derivatives & Currency Derivatives segments:

- In case of a CP code entered by a member for respective client code in the BOLT Plus trading system matches with the TM/UCC/CP Code mapping available in the RTRMS as per the details provided by the Clearing Members, then the Give-up/Take-up functionalities in RTRMS system will function as at present. and if a member does not enter any participant code then the existing mapping of the respective TM/UCC/CP Codes would continue.

BSE ? 20160504-11 Dated 04-May-2016 ? Collection of Broker Turnover stamp duty by Agency on Transaction of Security & Commodity through Brokers for the State of Karnataka / MCX-SX/NSE:

- BOI Shareholding Ltd, has been appointed and authorized for collection of Broker Turnover stamp duty on transactions of Securities & Commodities w.e.f. May for the month of April and thereafter, copy of the letter for the same along with its enclosure is as per annexure.

BSE ? 20160504-10 Dated 04-May-2016 ? Deposits required to be placed by Trading Members:

- Non Deposit based to provide Base Minimum Capital as per trading profile and Deposit based trading members are required to maintain Membership Deposit and Base Minimum Capital as per trading profile, after adjusting the Membership Deposit as above.
- TMs to initiate placing of additional deposits for shortage, if any, as mentioned in circular.

BSE ? 20160504-28 Dated 04-May-2016 ? Quote Entry Facility for market making on eligible securities of XD group – FAQ:

- It is proposed to introduce quote entry facility for the purpose of market making for eligible securities of XD group, and also an FAQ on the same as per Annexure.
- FAQs cover-information on Quote entry facility on XD group and on single user id with minimum value of Rs 5000/- on each side, type of quotes, Limit or market order with IOC , can be done only in continuous session and only through OWN client type, Quote execution process, Quote pricing, Quote modification, deletion, execution can be

viewed in RTRMS-ZT system and BOLT TWS/ other front-end trading terminal, placing of multiple quotes concurrently is not possible and can be done only on execution of earlier quote and block trade not possible through quote system, Price bands, single order quantity and single order value limits are applicable for quotes, cancellation of pending quotes on breach of collateral limits, TWS version-72.20, also clarification given on type IML and ETI version.

BSE ? 20160504-30 Dated 04-May-2016 ? Release of BOLT TWS ver. 72.20:

- New version release of BOLT TWS ver. 72.20 shall be and made live w.e.f. Monday, May 09, 2016 with functionality as follows:
  a) Quote entry facility for market making in eligible XD group scrips
  b) Facility to provide participant code (CP code) in order message
  c) Trade take-up confirmation (Approved / Rejected) status on front-end trading application
  d) Facility to send Net Positions and Returned Orders to clients via e-mail using BOLT TWS

BSE ? 20160504-17 Dated 04-May-2016 ? Suspension of trading in securities of companies for non-compliance with Regulation 33 of SEBI Listing Regulations, 2015:

- Trading in securities of the specified companies as per circular will be suspended w.e.f. May 26, 2016 for non-compliance with provisions of SEBI Listing Regulations, 2015 for two consecutive quarters September 2015 and December 2015.
- Freezing of the entire promoter shareholding of the aforesaid companies w.e.f May 4, 2016 till further notice.

BSE ? 20160425-34 Dated 25-Apr-2016 ? Enhancement in Order Log File formats for Currency and Equity Derivatives Segment:

- The Order log file of Currency Derivatives segment shall undergo change with respect to the file format as per annexure w.e.f May 09, 2016.

BSE ? 20160425-45 Dated 25-Apr-2016 ? Facility to provide Participant Code in order message in Equity Derivatives & Currency Derivatives segments:

- It is proposed to enable facility of give-up confirmation of institutional trades in RTRMS for trading members to provide the participant code at the time of entering orders for clients whose trades are settled by their clearing member and not by the trading member, which shall be enabled in BOLT Plus trading system.

BSE ? 20160418-34 Dated 18-Apr-2016 ? Custodian Participant Code (CP-Code) Master for Equity Derivatives Segment & Currency Derivatives Segment:

- CP-Code master file will be available to members of Equity Derivatives Segment & Currency Derivatives Segment shortly through Extra-net, File format and sample file as per Annexure.

BSE ? 20160418-20 Dated 18-Apr-2016 ? Suspension of trading in securities of companies for non-compliance in terms of SEBI Circular dated November 30, 2015. :

- Companies as given in the circular will not be suspended w.e.f April 20, 2016 as the companies have complied with Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996.

MCX-SX ? MSEI/MEM/4117/2016 Dated 04-May-2016 ? Members Indemnity Insurance Policy:

- Every member of a Stock Exchange to have an insurance cover and to submit the proof of insurance taken from an IRDA approved Insurance Company within 30 days from the expiry of their insurance cover to the Exchange.
- Any renewal of the Insurance policy after the expiry date would attract penalty of Rs. 100 per day during 1st month till the 3rd month.

MCX-SX ? MSEI/ISC/4085/2016 Dated 27-Apr-2016 ? Penalty to be levied on Members against Non redressal of Investor Grievance & Arbitration Matter:

- Exchange added contraventions w.r.t non response to investor and non adherence to the directions given by the committee not covered in the existing penalty structures related to Investor grievance and arbitration matters to the existing prescribed penalties applicable for the complaints received w.e.f May 01, 2016 as per annexure.
- The Penalty is @ 50/- per day, subject to a minimum of `500/- from the expiry of 5 working days from the date of receipt/IGRC meeting till the settlement or reply received by TM.

CDSL ? CDSL/A,I &C/DP/POLCY/5915 Dated 10-May-2016 ? Compliance Manual for Depository Participants March 2016 :

- Compliance Manual – March, 2016 with highlighted changes as per Annexure and it is made available on website www.cdslindia.com under option: Publications – Legal - COMPLIANCE MANUAL FOR DPs.

CDSL ? CDSL/L&CS/DP/POLCY /5899 Dated 04-May-2016 ? Amendments to CDSLs Bye Laws:

- Clause 12.9 The Issuer or its RTA shall ensure that an internal audit shall be conducted in respect of its depository operations relating to CDSL by a qualified Chartered Accountant in accordance with the provisions of the Chartered Accountants Act, 1949, or by a Company Secretary in accordance with the provisions of the Company Secretaries Act, 1980 or by a Cost Accountant in accordance with the provisions of the Cost and Works Accountants Act, 1959 in practice, at such intervals as may be specified by CDSL from time to time. A copy of Internal Audit report shall be furnished to CDSL.
- Clause 12.10 The Issuer or its RTA shall ensure that following items are placed before its Board of Directors in respect of its Depository Operations:
  i. Internal audit findings along with management comments.
  ii. Inspection findings of depository along with management comments.

CDSL ? CDSL/NP/DP/GENRL/5903 Dated 04-May-2016 ? CDSLs e-KYC SERVICES:

- Intermediaries interested in using the e-KYC service, need to get approved and authorized by UIDAI to use this service, and who wish to use Aadhaar Authentication Services can register as AUA/KUA with UIDAI.
- The resident servicing agency is called the Authentication User Agency (AUA)/KYC User Agency (KUA).
- The KUA accesses the e-KYC service through a registered ASA/KSA. The Aadhaar e-KYC service of UIDAI provides an instant, electronic, non-repudiable proof of identity and proof of address, DOB, gender, resident's mobile number and email address etc.

CDSL ? CDSL/OPS/DP/POLCY/5902 Dated 04-May-2016 ? Facility for Basic Services Demat Account BSDA:

- SEBI had instructed DPs to convert all existing eligible demat accounts into BSDA unless such BOs specifically opt to continue to avail the facility of a regular demat account.
- The DPs shall assess the eligibility of the BOs at the end of the current billing cycle and convert eligible demat accounts into BSDA
- SMART registered, with only one demat account of first holder within CDSL with verified PAN, provided that such holding is Rs. 2 Lac or less.
- List of active BOIDs along with holding valuation as of April 30, 2016 who are eligible for BSDA is provided, with naming convention is kept in respective billing folder of DP.

CDSL ? CDSL/OPS/DP/R EPRT/5880 Dated 21-Apr-2016 ? CAS Updation of CAS Mode in BO Module:

- CAS mode can be updated by DPs as 'NO' only if the BO has indicated negative consent for receiving CAS.
- The lists of all existing demat accounts as on April 20, 2016 for the same is kept in the respective DPs billing folder as BLNG_NOCAS_ddmmyyyy.tar.

- The CAS mode can be modified through BO Modify Upload File or online and should keep on record the list as rectification cases.
- DPs are required to ensure that the modification is completed before April 30, 2016.

CDSL ? CDSL/OPS/DP/POLCY/5865 Dated 12-Apr-2016 ? FACILITY FOR BASIC SERVICES DEMAT ACCOUNT BSDA:

- List of active BOIDs along with holding valuation as of March 31, 2016 who are eligible for BSDA is provided, with naming convention as "BLNG_BSDA_MAR2016.tar" kept in the respective billing folder of DPs.

NSDL ? NSDL/POLICY/2016/0047 Dated 18-Apr-2016 ? 2016-0047-Policy-Incentive Scheme for opening and maintaining BSDA Accounts:

- Rs.100 will be paid for every new BSDA opened in a place other than the top 15 cities as per Annexure, if BSDA has received at least one credit of securities during the financial year.

RBI ? RBI/2015-16/397 A.P. (DIR Series) Circular No.69 [(1)/22(R)] Dated 12-May-2016 ? Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) in India by foreign entities - procedural guidelines:

- Entities from Pakistan, China, Bangladesh, Sri Lanka, Afghanistan, Iran and Hong Kong or Macau will require prior approval to establish branch office or project office in India.
- Permission of RBI will also be required for opening a BO/LO/PO in Jammu and Kashmir, North East region and Andaman and Nicobar Islands.
- The approval is also required if the applicant is a Non-Government Organization (NGO), a Non-Profit Organization, or a Body/ Agency/ Department of a foreign government.
- It will also be needed if the principal business of the applicant falls in the four sectors -- defense, telecom, private security and information and broadcasting.
- Applications from persons resident in other countries will be considered by the bank as per the guidelines.
- BOs are permitted to remit outside India profit of the branch net of applicable Indian taxes, on production of the certain documents.

RBI ? RBI/DCBR/2015-16/23 Master Direction DCBR.Dir.No.1/13.01.000/2015-16 Dated 12-May-2016 ? Master Direction - Reserve Bank of India (Co-operative Banks - Interest Rate on Deposits) Directions, 2016:

- Master Direction - Reserve Bank of India (Co-operative Banks - Interest Rate on Deposits) Directions, 2016 enclosed in annexure as follows:
- Chapter - I- Preliminary
- Chapter - II -General Guidelines
- Chapter - III- Domestic Rupee Deposits
- Chapter - IV- Rupee Deposits Of non-Residents
- Chapter - V- Foreign Currency Deposits
- Chapter - VI - Prohibitions And Exemptions
- Chapter - VII - Repeal And Other Provisions.

RBI ? RBI/DBR/2015-16/24 Master Direction DBR.PSBD.No. 97/16.13.100/2015-16 Dated 12-May-2016 ? Master Direction – Ownership in Private Sector Banks, Directions, 2016:

- Master Direction – Ownership in Private Sector Banks, Directions, 2016 covering as follows:
- Chapter – I - Preliminary.
- Chapter II - Shareholding and voting rights limits in private sector banks.
- Chapter III - Overarching principles for shareholding in private sector banks.
- Chapter IV - Exceptions to the general shareholding limits
- Chapter V - Issue of American depository receipts (ADRs)/ Global depository receipts (GDRs).
- Chapter VI - Transition arrangements
- Chapter – VII - Repeal and other provisions

RBI ? RBI/2015-16/396 DPSS.CO.AD.No.2627/02.27.005/2015-16 Dated 12-May-2016 ? Guidelines for Voluntary surrender of Certificate of Authorization (COA) by Payment System Operators (PSOs) authorized under PSS Act 2007:

- Guidelines for voluntary surrender of CoA by such entities authorized under the PSS Act, 2007:
- This option of voluntary surrender of COA is available to either not commenced Payment System operations or intend to discontinue such operations
- Entity has commenced PSO operations are required to submit document as per requirement.
- Based on the merits of the case, the Bank will process such requests and advise the entity to initiate the following process and for authorized MTSS- Overseas Principals, should be followed in respect of liabilities to customers and Indian Agents.
- For refund to PPI holder, the Bank would also advise the respective Escrow account bank for allowing one time refund of the balance.
- On completing the process, the entity required to submit a 'No liability' certificate from its chartered accountant to the Bank and then bank will start the process of cancellation.

RBI ? RBI/2015-16/390A.P. (DIR Series) Circular No. 67/2015-16 [(1)/5(R)] Dated 05-May-2016 ? Foreign Exchange Management (Deposit) Regulations, 2016:

In consultation with the Government of India, regulations have been repealed and superseded by the Foreign Exchange Management (Deposit) Regulations, 2016:

Some of the key definitions under the regulations are as per circular as follows:

- In terms of Regulation 4 of the Deposit Regulations, no restriction under these regulations shall be applicable for opening of rupee/ foreign currency deposit accounts by certain persons.
- In terms of Regulations 5 and 6 of the Deposit Regulations, a person resident outside India may open deposit accounts with Authorized Dealer/ authorized bank/Indian company under various schemes.
- Other deposits (subject to Regulations 6 and 7 of the Deposit Regulations)
- To facilitate the foreign nationals to collect their pending dues in India, ADs may permit such foreign nationals to re-designate their resident account maintained in India as NRO account on leaving the country after their employment to enable them to receive their pending bonafide dues, subject to the bank satisfying itself that the credit of amounts are bonafide dues of the account holder when she/ he was a resident in India.
- Maturity proceeds of term deposits, if any, under the erstwhile Non-Resident (Special) rupee Account Scheme (NRSR Account) which was discontinued with effect from April 1, 2002, may be credited to the NRO account of the account holder.
- Balances in the Exchange Earner's Foreign Currency (EEFC) Account and Resident Foreign Currency (Domestic) [RFC(D)] Account may be credited to NRE/ FCNR Authorized Dealers may issue International
- Credit Cards (ICCs) to NRIs and PIOs, the debits of which are subject to the conditions for use of the ICCs by residents.
- Authorized Dealers can allow the following operations on non-resident accounts in terms of Power of Attorney granted in favour of a resident by the non-resident.
- Regional Rural Banks (RRBs) are permitted to open and maintain NRO/ NRE accounts in Rupees and accept FCNR (B) deposits as per the eligibility criteria.
- Any deposit between a person resident in India and a person resident outside India which is not covered by the provisions of the Act or these Regulations would require.

RBI ? RBI/2015-16/392FMRD.DIRD. No.9/14.03.01/2015-16 Dated 05-May-2016 ? Transactions in derivatives by regulated institutional entities on electronic platforms:

- It has been decided to enable any institutional entity regulated by the RBI, SEBI, IRDAI, the PFRDA and NHB to trade in interest rate swaps on electronic trading platforms.

- At present regulated entities, other than scheduled banks, are unable to conduct transactions on electronic platforms for interest rate swaps (IRS). In this context, the RBI hereby specifies the CCIL as an approved counterparty for IRS transactions undertaken on electronic trading platforms where CCIL is the central counterparty.
- Regulated institutional entities, subject to the approval of their respective sectoral regulators, may apply for membership of electronic trading platforms in IRS.

RBI ? RBI/2015-16/387FMRD. FMID.8/14.01.02/2015-16 Dated 28-Apr-2016 ? F-TRAC – Counterparty Confirmation:

- It has been decided to allow entities reporting trades on F-TRAC to enter into multilateral agreement drafted by the Fixed Income Money Market and Derivatives Association ("FIMMDA") for waiving physical exchange of confirmation for the deals in Commercial Papers (CPs), Certificates of Deposit (CDs), Non-Convertible Debentures (NCDs) of original maturity up to one year and repo trades in corporate debt securities, CPs and CDs.

RBI ? RBI/2015-16/388DNBR.CO. PD.No.080/03.10.01/2015-16 Dated 28-Apr-2016 ? Risk Weight in respect of investments in Corporate Bonds by Standalone Primary Dealers (SPDs):

- It has been decided to link the risk weights, assigned by SPDs to their investments in corporate bonds, to the rating of the bonds as per the circular.

RBI ? RBI/2015-16/377A.P. (DIR Series) Circular No. 63 Dated 21-Apr-2016 ? Foreign Investment in units issued by Real Estate Investment Trusts, Infrastructure Investment Trusts and Alternative Investment Funds governed by SEBI regulations :

- It has been decided, to allow foreign investment in the units of Investment Vehicles registered and regulated by SEBI or any other competent authority.
- Further, unit shall mean beneficial interest of an investor in the Investment Vehicle and shall include shares or partnership interests.
- It is now clarified that foreign investment in units of REITs registered and regulated under the SEBI (REITs) Regulations, 2014 will not be included in real estate business for the purpose of these regulations.

RBI ? RBI/2015-16/379DBR.No. FSD.BC.94/24.01.026/2015-16 Dated 21-Apr-2016 ? Guidelines on Investment Advisory Services offered by Banks:

- Banks desirous of offering Investment Advisors services may do so either through a separate subsidiary set up for the purpose or one of the existing subsidiaries after ensuring that there is an arm's length relationship between the bank and the subsidiary.
- The sponsor bank should obtain specific prior approval of Department of Banking Regulation.
- Services provided by the bank sponsored subsidiaries should only be for the products and services in which banks are permitted to deal in as per Banking Regulation Act, 1949.

RBI ? RBI/2015-16/381DNBR (PD).CC.No. 079/03.10.001/2015-16 Dated 21-Apr-2016 ? Infrastructure Debt Funds (IDFs):

- It has been decided, to allow IDF-NBFCs to raise funds through shorter tenor bonds and commercial papers from the domestic market to the extent of up to 10 % of their total outstanding borrowings.

RBI ? RBI/DBR/2015-16/22Master Direction DBR.PSBD.No. 96/16.13.100/2015-16 Dated 21-Apr-2016 ? Master Direction – Amalgamation of Private Sector Banks, Directions, 2016:

- Master Direction – Amalgamation of Private Sector Banks, Directions, 2016 as per annexure.

Chapter – i: Preliminary

Chapter – ii: Approval by board of directors.

Chapter – iii: Amalgamation between two banking companies.

Chapter–iii: Procedure for application for amalgamation of two banking companies

Chapter–iv: Entitlement of dissenting shareholders.

Chapter–v: Amalgamation of an NBFC with a banking company.

Chapter–iv a: Procedure for application for amalgamation of an NBFC with a banking company.

Chapter – v: Amalgamation of a banking company with an NBFC.

Chapter – vi: Norms for buying/selling of shares by promoters.

Chapter – vii: Repeal and other provisions.

RBI ? RBI/DBR/2015-16/21Master Direction DBR.PSBD.No.95/16.13.100/2015-16 Dated 21-Apr-2016 ? Master Direction - Issue and Pricing of shares by Private Sector Banks, Directions, 2016:

- Master Direction - Issue and Pricing of shares by Private Sector Banks, Directions, 2016 as per annexure.

Chapter – I Preliminary, Short Title and Commencement, Applicability, Definitions.

Chapter – II Types of issues.

Chapter - III - Issue and pricing of shares - General permission.

Chapter – IV Repeal and other provisions.

RBI ? RBI/2015-16/380DCBR.CO.BPD. (PCB). No.15/13.05.000/2015-16 Dated 21-Apr-2016 ? Unsecured Exposure Norms for UCBs – Relaxation:

- It has been decided that UCBs whose priority sector loan portfolio is not less than 90% of the gross loans may be allowed to grant unsecured advances to the extent of 35 % of their total assets as per the audited balance sheet at the end of the preceding financial year.
- The entire unsecured loan portfolio in excess of the normally permitted 10%, shall comprise of priority sector loans and the exposure to any individual borrower shall not exceed Rs-40,000/-.

RBI ? RBI/2015-16/376DBR. No.BP.BC.92/21.04.048/2015-16 Dated 18-Apr-2016 ? Provisioning pertaining to Fraud Accounts:

- Following amendments have been decided for the provisioning norms in respect of all cases of fraud:
  1. While computing the provisioning requirement, banks may adjust financial collateral, if any, available with them with regard to the accounts declared as fraud account.
  2. Banks have the option to make the provisions over a period up to four quarters, commencing from the quarter in which the fraud has been detected..
  3. Where the bank chooses to provide for the fraud over two to four quarters and this results in the full provisioning being made in more than one financial year.

*Compiled by **Ms Rekha Shah** of Analyze N Control*

May 03
BSE/NSE – Payment of SEBI fees for the month of April, 2016 (Cash and F & O segment) – through settlement account

May 05
PMS – Uploading of activity report on SEBI Portal

May 06
SERVICE TAX – Payment for the month of April, 2016 for Corporate by E-Payment

May 07
ALL EXCHANGES – Contingency Drill / Mock Trading Session
INCOME TAX – TDS Payment for the Month of April 2016 for Corporate and Individual.

May 07
NSE – Uploading of margin funding file for the month of April 2016
BSE – Uploading of margin funding file for the month of April 2016

May 10
STAMP DUTY – Payment of Stamp duty - Security and Commodity Exchanges for the month of April, 2016

May 10
DEPOSITORY – Investor Grievances (Report) for the month of April, 2016 Ø CDSL & Ø NSDL

May 15
CDSL/NSDL – Half Yearly Internal Audit Report for the period ended 31.03.2016

May 15
MCX-SX – Submission of client funding details for the month of April, 2016

May 15
ALL STOCK EXCHANGES – Disclosures by trading members and their group entities on their holdings in various listed companies for the quarter ended 31.03.2016

May 15
BSE / NSE – Submission of Risk Based Supervision for the period ended March, 2016

May 31
BSE – Uploading of No. of STR filed with FIU-IND for the month of April 2016 (Including NIL STR)

May 31
ALL EXCHANGES & DP – DP reporting under FACTA Regulations
NSE – Submission of Half Yearly Networth Certificate

June 01
Service Tax – Introduction of Krushi Kalyan Cess in Service Tax

June 01
TDS – New provisions of TDS

June 01
ALL EXCHANGES – Revised rate of STT (Security Transaction Tax)

June 1-8
BSE – Uploading of margin funding file for the month of May 2016

June 04
BSE/NSE –Payment of SEBI fees for the month of May, 2016 (Cash and F & O segment) – through settlement account

June 04
ALL EXCHANGES – Contingency Drill/ Mock Trading Session

June 05
PMS – Uploading of activity report on SEBI Portal

June 06
SERVICE TAX – Payment for the month of May, 2016 for Corporate by E-Payment

June 07
INCOME TAX – TDS Payment for the Month of May 2016 for Corporate and Individual.

June 07
NSE – Uploading of margin funding file for the month of May 2016 through ENIT

June 10
STAMP DUTY – Payment of Stamp duty: Security and Commodity Exchanges

June 10
DEPOSITARY – Investor Grievances (Report) Ø CDSL & Ø NSDL

June 15
INCOME TAX – Advance payment of Income tax for Corporate

June 15
MCX-SX – Submission of client funding details for the month of May 2016

June 30
MCX – Submission of Annual Compliance Report for the F.Y. 2015-16

June 30
NSE / BSE/MCX-SX – Submission of Internal Audit Report for the half year ended 31.03.2016

June 30
BSE /MCX-SX /NSE– Submission of System Audit Report for the period ended 31st march 2016 and for those who have availed ALGO facility for the half year ended 31st March 2016

June 30
MCX– Submission of System Audit Report for the period ended 31st march 2016 for those who have availed ALGO facility for the period ended 31st March 2016

June 30 (Before)
BSE – No. of STR filed with FIU-IND for the month of May, 2016. (Including NIL STR)

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Association of National Exchanges Members of India

COMPLIANCE CALENDAR MAY - JUNE 2016

Compiled by CA Kamlesh P. Mehta, email: kameshmehtaca@gmail.com, www.kamleshpmehta.com, call: 28629188-89, 9819839188

MACROECONOMIC DATA:

Global:

GDP	USA	Euro Area	China	Japan	Germany	Brazil	India	Russia	Australia
GDP (Bn $)	17419	13410	10355	4601	3868	2346	2067	1861	1455
GDP YoY	2.00%	1.50%	6.70%	0.00%	1.30%	-5.40%	7.90%	-1.20%	3.10%
Interest rate	0.50%	0.00%	4.35%	-0.10%	0.00%	14.25%	6.50%	11.00%	1.75%
Inflation rate	1.10%	-0.10%	2.30%	-0.30%	0.10%	9.28%	5.39%	7.30%	1.30%
Jobless rate	4.70%	10.20%	4.04%	3.20%	4.20%	11.20%		5.90%	5.70%
Gov. Budget	-2.50%	-2.10%	-2.30%	-6.00%	0.70%	-10.30%	-3.90%	-2.40%	-2.40%
Debt/GDP	104.17%	90.70%	43.90%	229.20%	71.20%	66.23%	67.20%	17.92%	36.80%
Population (Million)	321.57	338.47	1374.62	126.82	81.2	204.45	1254.02	146.27	23.8

Domestic (Monthly):

	Month	Unit	Latest	Month-ago
Manufacturing PMI	Apr	Index	50.70	50.50
Services PMI	May	Index	51.00	53.70
Composite PMI	May	Index	50.90	52.80
CPI (Combined) inflation	Apr	% chg	5.39	4.83
WPI inflation	Apr	y-o-y % chg	0.34	(-)0.85
CPI-AL inflation	Apr	% chg	5.34	4.98
CPI-IW inflation	Apr	y-o-y % chg	5.86	5.51
Exports	Apr	US$ bln	20.57	22.72
Imports	Apr	US$ bln	25.41	27.79
Trade gap	Apr	US$ bln	4.84	5.07
Oil imports	Apr	US$ bln	5.66	4.80
Gold imports	Apr	US$ bln	1.24	0.97
Industrial production index	Mar	y-o-y % chg	0.10	2.00
Infrastructure output index	Apr	y-o-y % chg	8.50	6.40
Crude oil production	Apr	mln tn	2.96	3.06
Refinery throughput	Apr	mln tn	20.16	21.38
Natural gas production	Apr	bln cu mtr	2.49	2.54
Electricity generation	Apr	bln kWh	99.40	96.51
Cement production	Apr	mln tn	24.69	26.82
Coal production	Apr	mln tn	48.60	69.40
Steel production	Apr	mln tn	7.70	7.97
Car sales	Apr	numbers	162566.00	175730.00
Commercial vehicle sales	Apr	numbers	53835.00	79865.00
Two-wheeler sales	Apr	mln units	1.56	1.47
Federal govt tax collections	Apr	bln rupees	537.01	3043.42
FDI inflow	Mar	US $ bln	3.82	4.38
FII/FPI net equity investment	May	US$ bln	0.39	0.58
FII/FPI net debt investment	May	US$ bln	(-)0.77	0.55
Fund net equity investment	May	bln rupees	71.49	(-)5.76
Foreign tourist arrivals	Apr	mln	0.60	0.82
FX tourist earnings	Apr	US$ bln	1.75	1.96
GSM mobile additions	Apr	mln	(-)0.21	5.22
Rail freight traffic	Apr	mln tn	86.48	100.38
Indian crude basket (average)	May	US$/barrel	44.98	39.85
Rupee REER (36-currency)	Apr	Index	110.62	110.86

Domestic (Cumulative):

	Period	Unit	Latest	Year ago
Exports	Apr-Mar	US $ bln	261.14	310.34
Imports	Apr-Mar	US $ bln	379.60	448.03
Trade gap	Apr-Mar	US $ bln	118.46	137.69
Oil imports	Apr-Mar	US $ bln	82.66	138.33
Industrial production index	Apr-Mar	y-o-y % chg	2.40	2.80
Infrastructure output index	Apr-Mar	y-o-y % chg	2.70	4.50
Crude oil production	Apr-Mar	mln tn	36.95	37.46
Refinery throughput	Apr-Mar	mln tn	232.05	223.24
Natural gas production	Apr-Mar	bln cu mtr	32.25	33.66
Electricity generation	Apr-Mar	bln kWh	1107.82	1048.67
Cement production	Apr-Mar	mln tn	282.52	270.04
Coal production	Apr-Mar	mln tn	639.30	611.00
Steel production	Apr-Mar	mln tn	90.73	92.00
Car sales	Apr-Mar	number	2025479.00	1877706.00
Commercial vehicles sales	Apr-Mar	number	685704.00	614948.00
Two-wheeler sales	Apr-Mar	mln units	16.46	15.98
Federal govt fiscal deficit	Apr-Mar	bln rupees	5323.51	5108.17
Federal govt total receipts	Apr-Mar	bln rupees	12409.18	11528.56
Federal govt total expenditure	Apr-Mar	bln rupees	17732.69	16636.73
Federal govt tax collection	Apr-Mar	bln rupees	14568.87	12448.84

Domestic (Cumulative): (Contd.)

	Period	Unit	Latest	Year ago
FDI inflow	Apr-Mar	US $ bln	55.46	45.15
Real GDP	Apr-Mar	% growth	7.60	7.20
Real GVA	Apr-Mar	% growth	7.20	7.10
Farm GDP	Apr-Mar	% growth	1.20	(-)0.2
Industry GDP	Apr-Mar	% growth	7.40	5.90
Services GDP	Apr-Mar	% growth	8.90	10.30
Major ports traffic	Apr-Mar	mln tn	606.37	581.34
Rail freight traffic	Apr-Mar	mln tn	1104.17	1097.58
Current account deficit	Apr-Dec	US $ bln	21.90	26.10
Current account deficit	Apr-Dec	as % of GDP	1.40	1.70
FII/FPI net equity investment	Apr-May	US$ bln	0.97	1.33
FII/FPI net debt investment	Apr-May	US$ bln	(-)0.22	(-)0.68
Fund net equity investment	Apr-May	bln rupees	65.73	134.21

THE MONTH THAT WAS: EQUITY

Relative performance (as on June 3, 2016)

Indices	1M	3M	6M	1YR
India (SENSEX)	6.39%	9.09%	3.69%	-3.54%
India (NIFTY)	6.12%	9.97%	4.54%	-2.52%
Brazil (BOVESPA)	-3.14%	7.26%	9.11%	-4.06%
Germany (DAX)	1.78%	3.60%	-6.36%	-11.48%
Hong Kong (HANG SANG)	1.31%	5.04%	-6.56%	-23.63%
Japan (NIKKEI)	3.06%	-2.10%	-14.67%	-19.07%
USA (DOW JONES)	0.32%	5.09%	1.88%	-1.13%
UK (FTSE 100)	0.39%	1.29%	-1.04%	-11.09%

Sector Performance (BSE)				SENSEX Top Gainers				SENSEX Top Losers			
INDEX	31 May	29 Apr	%Chg	Company	31 May	29 Apr	%Chg	Company	31 May	29 Apr	%Chg
Bse Auto	19363.25	18469.4	4.84%	LT	1474.3	1253.55	17.61%	ADANIPORTS	192.6	238.25	-19.16%
Bse Banks	20111.74	19114.83	5.22%	HDFC	1238.9	1088.8	13.79%	CIPLA	472.4	537	-12.03%
Bse Capital Goods	14464.97	13202.64	9.56%	ASIANPAINT	984.1	868.1	13.36%	LUPIN	1474.4	1607.75	-8.29%
Bse Carbonex	854.94	806.94	5.95%	TATAMOTORS	458.2	408.85	12.07%	SUNPHARMA	762.7	811.3	-5.99%
Bse ConsDura	11761.37	11787.17	-0.22%	MARUTI	4167.9	3794.95	9.83%	TATASTEEL	334.45	350.55	-4.59%
Bse FMCG	8045.03	7697.38	4.52%	AXISBANK	515.6	472.25	9.18%	BHEL	120.7	125.4	-3.75%
Bse GreenEx	2343.54	2246.18	4.33%	ITC	351.6	322.22	9.12%	BHARTIARTL	351.65	363.8	-3.34%
Bse Healthcare	15246.16	15582.33	-2.16%	SBIN	200.71	185.13	8.42%	ONGC	211.15	217.9	-3.10%
Bse IPO	3116.71	3036.66	2.64%	HEROMOTOCO	3099.15	2901.3	6.82%	RELIANCE	958.95	982.55	-2.40%
Bse IT	11576.14	11330.17	2.17%	BAJAJ-AUTO	2618.9	2484.6	5.41%	HINDUNILVR	849.9	866.65	-1.93%

Source: BSE Website

Sector Performance (NSE)				Nifty Top Gainers				Nifty Top Losers			
INDEX	31 May	29 Apr	%Chg	Company	31 May	29 Apr	%Chg	Company	31 May	29 Apr	%Chg
Nifty Financial Services	7193.25	6724.7	6.97%	LT	1473.55	1254.6	17.45%	ADANIPORTS	192.15	238.2	-19.33%
NIFTY PVT BANK	10018	9505.5	5.39%	HDFC	1237.7	1088.45	13.71%	CIPLA	472.65	537	-11.98%
Nifty Auto	8720.4	8288.95	5.21%	ASIANPAINT	984.85	866.25	13.69%	BANKBARODA	142.8	157.9	-9.56%
Bank Nifty	17620.9	16795	4.92%	BOSCHLTD	22347.55	19664	13.65%	LUPIN	1474.75	1607.25	-8.24%
Nifty Realty	183.15	174.8	4.78%	TATAMOTORS	459.65	408.35	12.56%	EICHERMOT	18485.85	20035	-7.73%
Nifty Media	2533.8	2423.35	4.56%	TECHM	540.35	486.15	11.15%	SUNPHARMA	762.75	811.3	-5.98%
Nifty Service	10601.7	10149.15	4.46%	MARUTI	4161.6	3794.65	9.67%	TATASTEEL	334.35	351.1	-4.77%
Nifty Infra	2753.55	2638.35	4.37%	YESBANK	1033	942.95	9.55%	BHEL	120.5	125.4	-3.91%
Nifty FMCG	20521.65	19737.7	3.97%	HINDALCO	105.25	96.35	9.24%	BHARTIARTL	351.4	363.6	-3.36%
Nifty PSU Bank	2494.75	2444.05	2.07%	AXISBANK	515.2	472.4	9.06%	IDEA	114.95	118.55	-3.04%

Source: NSE Website

Commodity

	Latest	1M Ago	3M Ago	6M Ago	1Yr Ago
Brent Crude ($/bbl)	49.84	47.37	36.57	44.61	65.56
Gold ($/Oz)	1245	1274	1260	1084	1174
Silver ($/Oz)	16.38	17.30	15.55	14.52	16.12
Aluminium ($/T)	1548	1611	1587	1503	1697
Copper ($/T)	4700	4892	4918	4637	5954

Currency

	Latest	1M Ago	3M Ago	6M Ago	1Yr Ago
Indian Rupees (INR/USD)	67.29	66.41	67.34	66.66	63.89
Indian Rupees (INR/EURO)	75.29	76.90	73.25	70.38	71.92
Indian Rupees (INR/GBP)	97.21	97.40	94.69	99.47	97.88
Yen (JPY/USD)	108.85	107.07	114.08	123.19	124.29
Euro (USD/EURO)	1.1152	1.1497	1.0997	1.0863	1.1244

SEMINAR: FULFILLING COMPLIANCE ON RESEARCH ANALYST & INVESTMENT ADVISORY REGULATIONS - LEARNING FROM THE LEADERS - On 28th April 2016 At Mumbai

ANMI WIRC had organized a seminar titled "Fulfilling Compliance on Research Analyst & Investment Advisory Regulations – Learning from the Leaders" on 28th April 2016 at Hotel St. Regis, Mumbai to help its members comply better with the SEBI Research Analyst Regulations, 2014 and SEBI Investment Advisory Regulations, 2013.

At the outset, Ms. Kusum, Secretary, WIRC welcomed the gathering. Mr. Ashish Ajmera, Chairman, ANMI WIRC welcomed the speakers and gave a brief overview about ANMI activities in his opening remarks.

The program focused on the procedural part of the regulations i.e. steps to be taken to comply with the above mentioned regulations.

The Speakers from the industry shared the best practices being followed. Ms. Namita Godbole, Compliance Head, Sharekhan Ltd, made a detailed presentation on the Regulations and Compliance Requirements of Investment Advisory Regulations. She clarified various points viz a viz the Registration formalities, Consideration of application and eligibility criteria, Qualification and certification requirement from IA, Maintenance of records by IA etc. for SEBI Investment Advisory Regulations – 2013.

Mr. Manish Kumar Sabu, Compliance Head, J M Financial Services Ltd, in his presentation briefed the members about the practices that need to be followed to ensure compliance with the Research Analyst Regulations. His presentation focused on activities carried out to address the conflict of interest, trading guidelines for research analyst team, maintenance of records, general responsibility, security coverage etc.

This interaction among the members was a great opportunity for all to learn from each other's best practices and procedures. The session was very interactive and was appreciated by one and all.

The program concluded with vote of thanks by Mr. Anup Gupta. The event was supported by M/s TSS Consultancy Pvt ltd and XtremSoft Technologies Pvt Ltd.


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PRESIDENT BRIEFING ON MEETING

Dear All Regional Chairman,

We are happy to inform that yesterday Eastern Region of ANMI successfully completed the Members Meeting .Under the arrangement we have allowed two minutes to all the members who have attended the meet to speak and discussed about the problem they are facing in operation and what are their expectation from ANMI and what role ANMI should play as members' organisation.

The Meet was attended by current office bearer which Include Shri S K Rustagi, Vinod Goyal, Anup Khandelwal, Aditi day Nundy, Anil Changoiwala and Atmaram Mathran, Past President Shri Rakesh Somani, Past Chairman Shri Ajay Kumar Goenka, Rajesh Bajaj, Prakash Baid, and Kamal Kumar Kothari and past Vice

Chairman Shri Jitendra Bhartia. They apart approximately 65+ members have attended the meet and thereafter presentation was made on FATCA.

The important take aways from the members deliberation at the meeting were as follows:

1 The ANMI should work on Rationalisation on Penalties.

2 ANMI should work for Stopping Adverse advertisement by Celebrities in which they insult broking house.

3 Discount Brokers should disclose the Financial parameters on deposit based working

4 Quarterly Settlements should move to Half Yearly Settlements

5 KRA capture and upload need to be rationalised either by depositories or exchange at Free of Cost.

6 ANMI should oppose the BSDA.

7 ANMI should seek deposit refund from National Stock Exchange if they do not agree ask NSE to pay interest on Deposit.

8 ANMI should Improve its publication by providing guidelines on various functional areas as exchange are not providing any handbook on any subject as of now.

9 ANMI should provide research papers on various function based on comparison with practice followed in various international jurisdictions.

10 ANMI should improve business confidence of brokers by improving business avenue and reduction of cost including STT and exchange charges on option and simplification of compliance procedure with back up support of software.

11 To empanel various logistic services viz Software Vendors, Consultants, Law firms,, Travel Agencies, Empanel Hotels and Car rental firms whose benefits can be availed by members during their visit,

12 ANMI should organised various functional conference for the benefits of members instead of Felicitation of Regulatory or exchange officials.

It was a wonderful experience as such with the core team of ER having decided to do similar exercises bi-monthly to understand members difficulties and to make major members connect. I urge to all the Regional Members and Chairman of Memberships and Chairman Members Coordinations to do similar exercises all over India and provide a report back to National Council to enable us to take all the corrective steps for improvement of ANMI visibility.

Thanks and Regards.
Swatantra Kumar Rustagi
President National Council, ANMI
President@anmi.in

SEMINAR ON "FATCA – IMPLICATIONS & COMPLIANCE" ON 12THMAY 2016

As the nextreporting under the Foreign Account Tax Compliance Act (FATCA)was coming near (31st May 2016), WIRC of ANMI arranged for a seminar on "FATCA – Implications & Compliance" for its members on 12th May 2016. The Keynote speaker was Mr. Kriyang Karia, Associate Director at BDO India LLP and the session was held at NSE Auditorium in Mumbai.

At the outset, Ms. Kusum, Secretary, ANMI-WR welcomed the gathering. She highlighted that the reporting of FATCA/CRS was alarming to most of the Financial Institutions in India and so was the case with the stock broking firms. It was in this context that the event was organized.

Mr. Ashish Ajmera, Chairman, ANMI WIRC welcomed the speakers and gave a brief overview about ANMI activities in his opening remarks.

Mr. Nirav Gandhi, Executive Director, J M Financial Services Ltd. in his address apprised members about the efforts made by ANMI in the subject matter by continuously engaging with regulators and Tax Consulting companies. Further, he emphasized that only 19 days were left for reporting of Form 61B under FATCA.

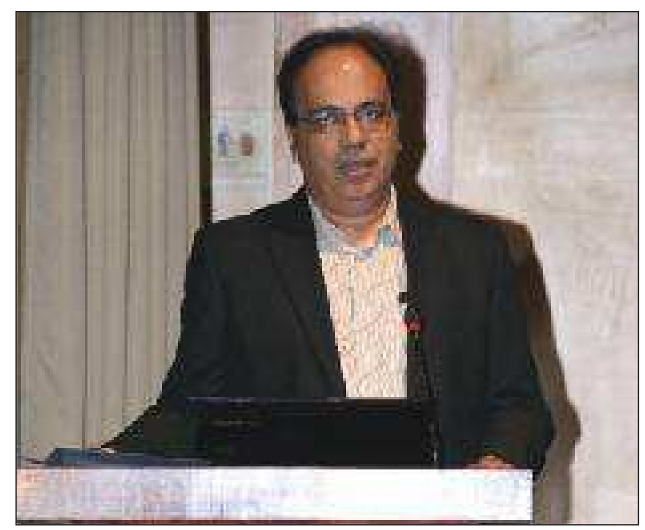
Mr. Kriyang Karia began his speech by interacting with members and trying to understand their understanding of FATCA. Then he moved on further, clarifying the doubts of attendees regarding the implications of FATCA and its required compliances. Inter alia the following were discussed.

- Applicability of FATCA/CRS
- Key aspects of the FATCA/CRS regulations
- Key requirements – FATCA v/s CRS.
- Registration requirement
- Timelines - timelines of pre-existing accounts and new accounts viz a viz, account type, Reportable account, threshold limit, account opening period, due diligence timelines- on/before and Form 6 1B Reporting date.
- Reporting - what is to be reported, how to manage & generate ITDREIN & steps for adding authorized person.

The session was very enlightening and interactive. It received overwhelming response with over 170 people present for the program. It was appreciated by one and all.

The event also witnessed the special presence of Mr. Ravi Varanasi, Chief- Business Development, NSEIL.The following senior ANMI officials were also present for the program viz Mr. Vijay Singhania, Mr. Lalit Mundra, Mr. Kishor Kansagra, Mr. Anup Gupta, Mr. DP Singh.

The program concluded with vote of thanks by Mr. Anup Gupta. The event was supported by National Stock Exchange (NSE) and M/s TSS Consultancy Pvt ltd.



ANMI TKK EVENT

ANMI- TKK's one day Cricket Tournament (Tennis ball) 2016 conducted on 8th May 2016 at Pachaiyappa C Grounds – Chennai was a grand success with enthusiastic participation. Eight teams participated and the winning team was M/s Integrated Enterprises India Limited, the Runner up was M/s India Cements Investment Services Limited, Man of the Series - Mr. Naresh of Integrated Enterprises India Limited, the Best Batsman - Mr. Sathish of Integrated Enterprises India Limited and the Best Bowler - Mr. Naresh of Integrated Enterprises India Limited. This Tournament has given an opportunity for closer involvement and establishing a good relationship between the members of ANMI-TKK. The tournament received an overwhelming response and as per request of the participating teams and other ANMI members, ANMI TKK will continue to organize such cricket tournaments every year.

Naresh Pachisia *CFP*

Managing Director, SKP Securities Ltd

My goal & vision

To bring happiness to families by guiding them to a sense of prosperity through purposeful investing.

My Favourite:

Food – *Breakfast: South Indian, Lunch: Rajasthani / Gujarati, Tea Time: Chaat, Dinner: North Indian / Italian*

Drink – *Masala Chai / Fresh Juice*

My greatest remembrance:

Ideation of acquisition of chloro alkali business of Kanoria Chemicals by Aditya Birla Chemicals and making it happen.

Travel destination:

Wish to travel the world; no favorite destination

Book:

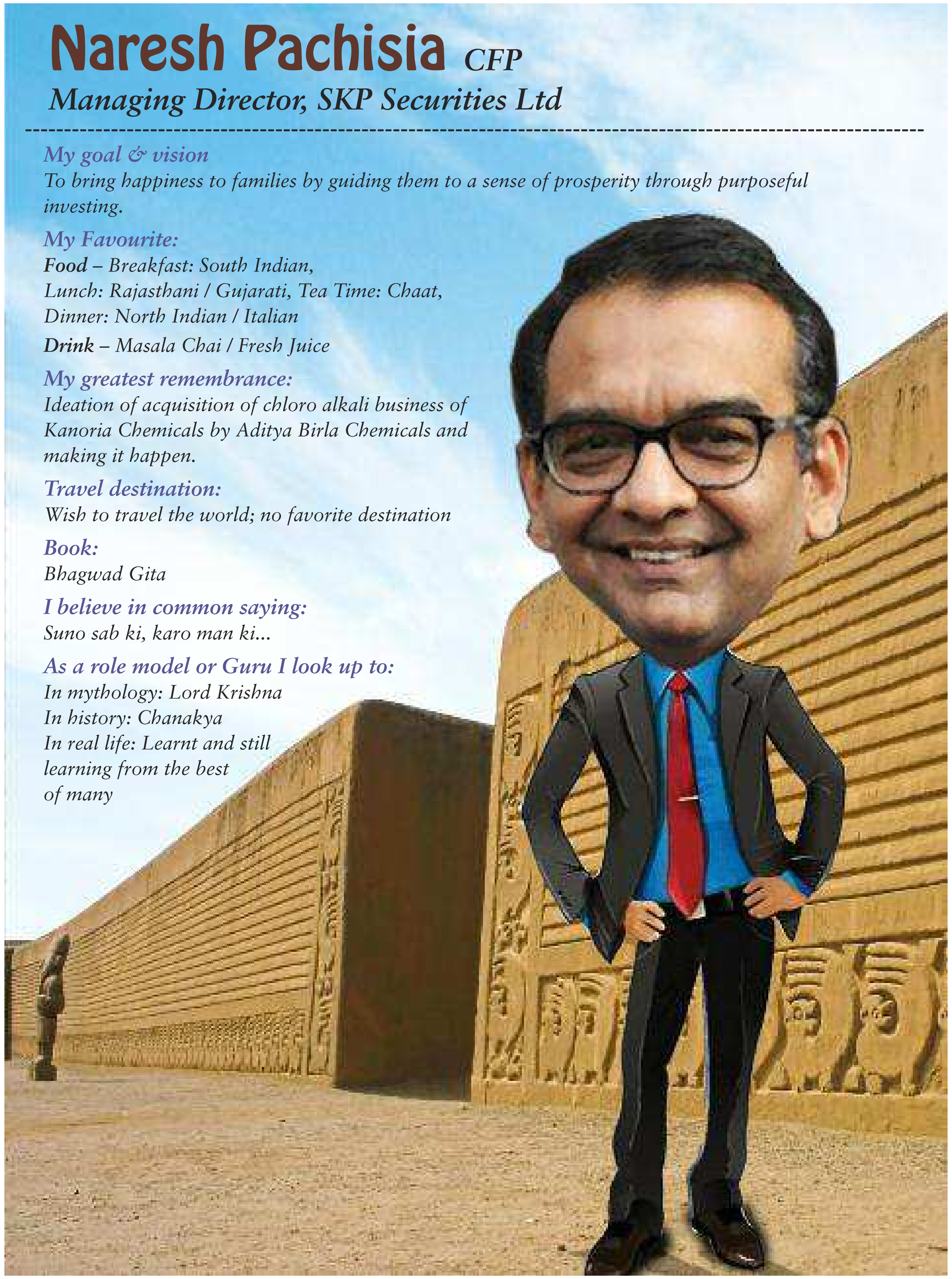
Bhagwad Gita

I believe in common saying:

Suno sab ki, karo man ki...

As a role model or Guru I look up to:

In mythology: Lord Krishna
In history: Chanakya
In real life: Learnt and still learning from the best of many



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