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**Onshoring the Offshore**

**Shri Ajay Tyagi, Chairman, SEBI[[1]](#footnote-1)**

1. Ladies and Gentlemen, it gives me great pleasure to be here amongst this august gathering today. I thank GIFT City and the organisers of this event for giving me this opportunity to share some thoughts with all of you.
2. **Background on IFSC**
3. Globally, the concept of an International Finance Centre or an IFC has been prevalent for quite some time and the experience in various jurisdictions has been quite encouraging. Various IFCs have been set up worldwide, amongst which the centres located in London, New York, Singapore and Dubai are among the prominent ones. These centres have contributed significantly to the GDP and created large employment opportunities in such jurisdictions.
4. The idea to create an International Financial Centre in India has been under consideration for quite some time. The sheer size of the Indian economy, its growing integration with the world, and the high growth rates of cross-border flows imply that India is a large and growing player in the International Financial Services space. Considering that the global market is getting increasingly connected through technology-leaps, it is inevitable that India must figure on the map of the global financial centers network.
5. The Union Government Budget of 2015 announced that India’s first IFSC would be set up in GIFT City. The progress made by GIFT-IFSC in the last few years has been truly praise worthy, but to repeat what Robert Frost had said “Miles to Go before I Sleep”.
6. **Regulatory initiatives by SEBI on IFSC**
7. IFSC is an overall financial services focused centre involving multiple areas such as banking, insurance, capital markets, etc. Financial sector regulators viz. SEBI, RBI, IRDAI and PFRDA have issued appropriate guidelines/ notifications specific to the IFSC. The Central Government has announced several tax incentives for operations in GIFT IFSC. The State Government has also provided incentives including stamp duty exemption for entities having registered office in GIFT for capital market activities. A draft Bill for setting up a Separate Unified Regulator for IFSC is also under consideration of the Parliament.
8. While I would share my thoughts generally on the IFSC, my focus is more specific to the capital markets and initiatives taken by SEBI on IFSC.
9. The first step taken by SEBI on IFSC was to issue general guidelines on IFSC way back in 2015. Specific guidelines on intermediaries, fund raising, market infrastructure institutions, funds, etc. have also been issued subsequently. To put it honestly, we are still in a learning and evolving stage.
10. **“Onshoring the offshore”- various dimensions**
11. India is a large purchaser of International Financial Services or IFS from the rest of the world and as markets move offshore, India’s imports of such Financial Services will only grow. Onshoring such IFS is the key to reduce such imports and rather creating job opportunities and capabilities within India. Such onshoring underlies the very idea of an IFSC such as GIFT City and hence, the title of the seminar ‘Onshoring the Offshore’ is indeed quite apt. In the context of capital markets, ‘Onshoring the offshore’ involves certain specific areas which I would like to focus on.

**Market Infrastructure Institutions:**

1. The first such area which I would like to touch upon is Market Infrastructure Institutions.
2. The key to the success of any financial centre is to have sound and efficient market infrastructure institutions or MIIs such as stock exchanges, clearing corporations and depositories. Onshoring the offshore in this context has two objectives. Firstly, bringing the offshore trading on India-focused products which currently happens in various countries across the world to the IFSC and secondly, making the IFSC a global hub for trading on products from across the world.
3. Keeping these objectives in mind, the broad requirements for setting up of such MIIs in an IFSC including eligibility, shareholding limits, net worth requirements, exemptions from certain requirements, etc. were issued by SEBI in its guidelines on IFSC in 2015. Relaxed net worth and other requirements have been provided for MIIs to be set up in IFSCs to provide a boost to such centres. Foreign exchanges have also been permitted to set up subsidiaries to act as exchanges in the IFSC. I am happy to see that these initiatives have borne fruit.
4. GIFT City has now important MIIs in form of two exchanges and two Clearing Corporations which have been set up and are up and running. We understand that the two depositories in India are also in the process of setting up their branches in GIFT City. We have also enabled arrangements with international depositories and accordingly, the exchanges have tied-up with certain International Central Securities Depositories as well.

1. MIIs at GIFT IFSC have set up world class technology platforms at par with the MIIs at other IFSCs across the world. The exchanges at IFSC have adopted a single segment approach for all asset classes – equities, commodities, currencies and fixed income securities and launched products across the assets classes. Subject to regulatory approvals, other innovative products including Depository Receipts are also expected to be launched. I hope such innovative initiatives continue which will definitely give a boost to the financial markets in GIFT City.
2. To create a global financial hub targeting global investors, having trading hours suited to global investors is important. Accordingly, SEBI permitted the stock exchanges in IFSC to decide the trading hours based on cost-benefit analysis which may extend upto 23 hours and 30 minutes in a day for all product categories. The exchanges have accordingly implemented extended trading hours enabling international investors to trade from anywhere across the world through multiple time zones.
3. An important aspect to assess the success of the MIIs is the turnover on various products on the exchanges. It is encouraging to see that the Average Daily Turnover on both the exchanges on GIFT IFSC is around three USD billion. With new products being launched and the existing products picking up, I expect the turnover to only increase.
4. It is encouraging to see that the equity index derivatives market has picked up quite well on both the exchanges. 2018-19 saw a turnover of USD 179 bn across both the exchanges. The first four months of 2019-20 have already seen a turnover of USD 183 bn which is quite encouraging.
5. On the commodity front, the turnover on the gold futures has seen significant pick-up. The turnover stood at USD 52 bn for FY 2018-19 and this year i.e. 2019-20 has already seen a turnover of USD 15 bn in the first four months.

1. An important object of the IFSC is to bring trading of Indian products in other countries to India on IFSC platform. In this context, NSE and SGX had submitted proposals to SEBI and Monetary Authority of Singapore (MAS) to enable shifting of trading in Nifty and Bank Nifty futures contracts from Singapore to GIFT IFSC. SEBI coordinated the matter with MAS and these proposals have since been approved. NSE IFSC- SGX connect would enable SGX members and NSE IFSC members to access Nifty products through GIFT IFSC. This would enable a single pool of liquidity of the Nifty contract in GIFT City as opposed to having fragmented liquidity in India and Singapore. Once implemented, it would be a big boost to the growth of GIFT IFSC.
2. On USD/INR currency products, such products are widely traded in jurisdictions such as Singapore, Dubai, etc. Incidentally, RBI had set up a Task Force on Offshore Rupee Markets which has recently submitted its report. One of the terms of reference of the Task Force was to make recommendations to enable Rupee derivatives (settled in foreign currency) to be traded in the IFSC in India, to begin with on exchanges in the IFSC. On this term of reference, the Task Force has given positive suggestions for the introduction of such products in IFSC. Subject to the decision of RBI in the matter, I do hope that introduction of this product in IFSC will truly facilitate onshoring of such markets.

**Intermediaries**

1. Second, I would like to focus on developments and issues pertaining to intermediaries in IFSC.
2. We have permitted all SEBI registered intermediaries including stock brokers, depositary participants, merchant bankers, debenture trustees, registrars to issue, investment advisers, portfolio managers, CRAs, etc. to provide financial services in IFSC. Except Trading and Clearing Members, all such intermediaries can provide financial services in the IFSC without forming a separate company for the purpose.
3. I am glad to see that on the broking front, there has been a significant uptake in activity in GIFT City. Around 40 Brokers have obtained membership with each of the exchanges. We have also permitted IFSC Banking Units to act as trading members of an exchange or Professional Clearing Members of a clearing corporation in IFSC without forming a separate company. Further, a subsidiary of an IFSC exchange has also been permitted to acquire trading membership of global exchanges. Accordingly, one of the exchanges has already floated a subsidiary as a single centralized platform through which hedgers, traders and investors can access international exchanges from GIFT IFSC.
4. Innovative mechanisms for market access such as the Segregated Nominee Account Structure (SNAS) have been permitted which are at par with pooled nominee account structures as those prevailing in developed markets such as South Korea, Singapore, Hong Kong, etc.

**Alternative Investment Funds:**

1. The next aspect I would like to touch upon relates to Alternative Investment Funds (AIF) which I believe is an important topic for deliberation in this Seminar.
2. Let me put some numbers to substantiate my view regarding the increasing importance of AIFs in India. In the past 5 years, investments by AIFs have grown 35 times i.e. from INR 3181 crore as at the end of Mar 2014 to around INR 1.1 lakh crore as at the end of Mar 2019. While Category II AIFs account for lion’s share i.e. 62per cent in the total investments by all AIFs, the growth in Category III AIFs has been substantial in the last 5 years to the tune of around 65 times increase in amount invested. This has led to a rise in Category III AIF’s share in the total amount invested by all AIFs to around 28per cent as compared to 15per cent just 5 years ago.
3. In order to encourage onshoring of AIFs, guidelines have been issued by SEBI for AIFs to be set up in IFSC. These guidelines provide clarity on several aspects with respect to setting up and operation of AIFs in GIFT City including on investment conditions, fund raising, reporting requirements, registration, etc. The limits with respect to minimum investment amount, minimum corpus, continuing interest by sponsor/manager, etc. have been largely aligned with the corresponding rupee amounts for domestic AIFs. AIFs set up in GIFT City have been considered as offshore entities and have been permitted to invest in Indian securities through all the three routes viz. FDI/FVCI/FPI, as applicable. Substantial flexibility has been provided for AIFs in IFSC to invest globally, in India and within IFSC.
4. Several Indian AIFs have offshore feeder funds in various countries where money from foreign investors is pooled in order to feed into the Indian funds. Further, there are also Asia-focused and global funds which are set up in various countries through which funds flow to different countries including India. In all these cases, an AIF in GIFT City can be considered as an alternative, more so since the costs of setting up such fund is expected to be lower than setting up offshore funds. Further, Indian fund managers looking to set up offshore funds to invest outside India may find an AIF in IFSC as a viable alternative due to relaxed conditions on investments abroad. These measures are expected to result in onshoring of the offshore fund management industry within the IFSC.

**Listing of debt securities:**

1. Last but not the least, the area I would like to focus on is listing of debt securities.

1. Issuance, listing and trading of debt Securities have been permitted by SEBI. Accordingly, the exchanges have launched their debt securities market. This platform has seen many issuances and listing of Medium Term Notes, masala bonds and green bonds.
2. Till date, GIFT City has seen listing of Medium Term Notes worth more than USD 42 billion and Masala Bonds worth INR 5950 crore on both the exchanges. The debt platform has also seen Green bond issuances worth USD 1.6 bn. Increasing interest in issuances and primary listings in the debt platform will provide a boost to the fund raising activity in GIFT City.
3. **Road Ahead:**
4. While several initiatives have been taken by SEBI to encourage activity in IFSC, there is a lot more to be done.
5. Apart from AIFs, there are other fund management related services such as investment advisers and portfolio management services which can provide a significant boost to onshoring the fund management industry in India. A priority area for SEBI is to issue operating guidelines for both these activities. With respect to the operating guidelines that SEBI had issued for AIFs, a consultative approach was adopted with GIFT City and other stakeholders. On similar lines, with respect to investment advisers, SEBI and GIFT City are already in advanced discussion stage for issue of operational guidelines for provision of such services in the IFSC. On portfolio management services, we are awaiting a proposal from GIFT City. Once these guidelines are issued, it would encourage onshoring of advisory and portfolio management services into India.
6. We have seen a pickup in the equity derivatives and gold futures trading. While the exchanges have launched several other products, they are yet to get traction. Going forward, I hope to see other segments and products also flourish in GIFT IFSC.
7. One of the products which had been requested by market participants was USD-INR currency pair which has been positively recommended by a task force set up by the RBI, as I mentioned earlier. As the NSE IFSC- SGX connect enters implementation phase, I see huge potential for growth in the index derivatives segment. On development of any other product or segment, if there is any constructive suggestion, we are quite open to it.
8. On the trading front, the pool of participants currently appears to be limited. I hope to see broadening of the investor base and wider participation which will enable deepening of the markets in the IFSC. With respect to Eligible Foreign Investors (EFI), SEBI has received certain representations seeking clarity on some aspects which we are examining and would be clarifying shortly.
9. While we have seen several debt listings in IFSC, many of them have been secondary listings. I feel that the market has significant potential for more primary listings on the debt segment. It would also be encouraging to see some traction in the equity segment going forward.
10. While GIFT City has seen increase in broking activity, SEBI has also permitted other intermediaries to provide services in the IFSC. Activity by other intermediaries in the IFSC would broaden the nature of financial services being provided in the IFSC.
11. Overall, going forward, I see a lot of scope for both widening and deepening of the financial markets in GIFT City.
12. **Concluding Comments**
13. I would like to conclude by reminding that the role of IFSC will be multifold in the years ahead. I compliment all the stakeholders of IFSC who have contributed to the growth of IFSC, so far. However, as the economy progresses, there will be both demand and supply push in the IFSC space. The development and expansion of IFSC will bring in new challenges. This space is likely to be very dynamic and constantly evolving in terms of innovative products. As India is poised to become a major economy in the world, I am sure IFSC will have a major role to play. At SEBI, as a Regulator, it will be our endeavor to go for a consultative approach and introduce measures with a view to further developing the GIFT-IFSC. We look forward to suggestions and continued engagement with all the stakeholders.

I convey my best wishes for the event. Thank you.

**The AMFI Members Summit**

**Shri Ajay Tyagi, Chairman, SEBI[[2]](#footnote-2)**

1. Ladies and Gentlemen, it gives me great pleasure to be here today and to present my thoughts and perspectives on the Mutual Fund industry. I thank AMFI for inviting me to this Summit.
2. I had the privilege of being present here last year where I shared my thoughts on the subject. I would try to build upon it and touch upon the events and initiatives that have transpired since then.
3. **Background:**
4. As a capital market regulator, one of our objectives is to promote the growth of the securities market through greater investor participation. Mutual Funds are one of the most important institutions through which money collected from various investors, especially retail investors are channelized into the capital market. The importance of Mutual Funds can be seen through the sheer size of the AUM of the industry which stands at more than INR 24.5 lakh crores today. Therefore, promoting the growth of the MF industry while protecting the interest of its investors has been and will always be one of the important focus areas of SEBI.
5. The growth in the mutual fund industry in the last few years has been significant. Comparing AUMs as on March 2015 vis-à-vis July 2019, the AUM of the entire industry has more than doubled from around INR 10 lakh crores to the present level in just four years. The AUM of equity schemes during the same period has increased from around INR 3.5 lakh crores to INR 7 lakh crores and that of non- equity schemes has increased more than 2.4 times from around INR 7 lakh crores to INR 17 lakh crores.
6. During the same four year period, the number of MF folios have also more than doubled from around 4 crore to around 8.5 crore. The increase is largely due to increase in equity folios wherein retail investors are major participants.
7. I must compliment all of you for the role played towards the growth of the industry. This has also led to Mutual Fund being the preferred mode of Investment and helping in financialization of saving. To take the industry to next level of growth and development, it is important to have better self-regulation and risk management.
8. However, I would like to reiterate what I had said in the last AMFI conference that the total industry AUM accounts for only around 11per cent of the GDP. Corresponding figure in the US is around 100per cent and the global average is close to 60per cent. We definitely have a long way to go.
9. **Recent initiatives by SEBI:**
10. In the last one year, SEBI has taken multiple initiatives with respect to various aspects of the Mutual Fund industry.
11. A substantial part of the initiatives taken by SEBI is related to debt funds. Since I would be talking about that separately, let me elaborate on some other initiatives which SEBI has taken recently.
12. Improving transparency and disclosures to the investors enable better investment decisions and protection of investor interest. Towards this end, several initiatives have been taken by SEBI including daily disclosure of TER of all schemes on the websites of AMC and AMFI, disclosure of TER break-up in the half yearly consolidated statement, disclosure of performance of all schemes of all Mutual Funds on AMFI website to be uploaded on a daily basis, standardization of performance disclosure post consolidation/ merger of schemes, etc.
13. Another objective behind many of our recent initiatives has been to rationalize the existing requirements and provide clarity where required. With this objective, last year SEBI notified several norms including on charging of expenses only to the scheme, adopting a full trail commission model, clarity on expenses under direct plans, additional TER based on B30 inflows from retail investors for incentivizing penetration, clarity on definition of equity oriented scheme for calculation of TER, etc.
14. While the AUM of the Mutual Fund industry has grown multiple times over the years, the slab wise limits of TER introduced in 1996 have not been modified or changed since then. Upon taking into consideration the inflation and with a view to passing on the benefit of economies of scale to investors, the slabs have been suitably revised after consulting various stakeholders.
15. **Issues and challenges:**
16. Despite all the recent measures taken, many issues and challenges still remain.

Let me elaborate some of these.

**Credit defaults and debt mutual funds**

1. Last year saw several credit defaults by some entities having an adverse impact across the financial sector in India. These defaults led to a cascading effect with significant redemption pressures in debt mutual fund schemes, more so in liquid schemes. Within just 2 months i.e. September and October 2018, the AUM of all debt oriented schemes as a whole fell by 18per cent and that of money market scheme fell even more, by 25per cent. This was despite the fact that the total exposure of all mutual funds schemes to the stressed securities was only around 1per cent of the total AUM of all debt oriented schemes.
2. Such an impact was not just restricted to a few mutual fund schemes but led to a general erosion of trust of investors in debt schemes. Meanwhile, during the turmoil, concerns were also raised with regard to mutual fund exposure in debt and money market instruments having structured obligations or credit enhancements in various forms and complex structures.
3. SEBI undertook a review of the risk management framework of debt funds, especially liquid funds, and prudential norms governing investments in debt and money market instruments. The efforts focused on ensuring that the systemic risks arising from such events are as minimal as possible. The measures included permitting the creation of segregated portfolios subject to certain conditions, reduction in cap of overall sectoral limits, minimum holding of 20per cent in liquid instruments by liquid schemes, restrictions on investments in debt instruments with structured obligations and credit enhancements, dispensing of valuation of debt and money market instruments based on amortization, provision for graded exit load in liquid schemes, restriction on investments in unlisted equities, NCDs and CPs, etc.
4. SEBI also reviewed the existing valuation provisions to make them more reflective of the realizable value, to bring in uniformity and consistency in approach, increase robustness of the process and address possible loopholes and misuse of the provisions. Based on the review, it has been decided to take certain measures including those relating to the waterfall approach for valuation of non-traded money market and debt securities, flexibility for valuation agencies to ensure fair pricing of securities while continuing to have the final responsibility on the AMC for fair valuation, norms relating to valuation of Inter-scheme Transfers, disallowing the use of own trades for valuation, etc.

**Way forward**

1. Till about a year back, the significant growth of the mutual fund industry was one of the most talked about success stories of capital markets in India. The events in the last year, however, exposed the fault lines in the industry and showed that a credit event in even one issuer/group could have a contagion effect leading to liquidity risk across the market.
2. The figures speak for themselves. While it has been around a year since the defaults started, the AUM of open ended debt schemes is yet to reach the AUM levels seen at the end of August 2018. Such instances do not reflect well on the industry practices. While SEBI stepped in and took several measures in the interest of the investors, the need for us to step in may not have arisen if many of these measures were taken by the industry itself.
3. To give an example, based on our study of liquid schemes, it was observed that in 20per cent of the instances, the average holding in liquid instruments was less than 5per cent of AUM as compared to an average net redemption in these schemes of around 19per cent. A certain element of self-discipline by the industry could have averted such a situation.
4. The recent events also threw into the spotlight several risky investments made by the industry in the quest for higher yields. The safety of the investment cannot be compromised for want of higher yields. While we have taken steps to restrict such investments, the industry as a whole needs to do its own analysis on a regular basis to avoid such situations in future.
5. I will also like to re-emphasize on something I have said earlier. There is a clear distinction between lending and investing. A mutual fund’s investment strategy needs to have required elements of safety as well as returns. While making an investment, the mutual funds have to necessarily take into account their mandate and organizational structure. Mutual Funds do not have risk capital and are essentially pass through vehicles wherein NAV ought to reflect the correct value of assets held at any time. This is an important aspect which Mutual Funds should keep in mind while making debt investments.
6. SEBI’s primary objective is the protection of investor’s interest, based on which we have issued appropriate regulations and circulars from time to time. These regulations and circulars have been drafted with wide consultation with all stakeholders and due analysis. Needless to say that the industry needs to adhere to them and play as per the rule book.

**Role of trustees**

1. Another area which I would like to focus on is the role of trustees in the mutual fund industry. While my colleagues would cover the more technical aspects in today’s session in the second half, I would like to give my broad views on the subject.
2. The role of Trustees is pivotal in the Mutual Fund ecosystem. The designing of the trio Mutual Fund structure with the fund-AMC-trustee as its constituents was a conscious call on SEBI’s part wherein the fund was to be the pooling structure, AMC was to handle the management and operations of the fund and the trustee was to act as an overseeing authority on an independent basis as a fiduciary of the MF investors. The Mutual Fund Regulations cast enormous responsibility upon the Trustees. One particular regulation I would like to highlight is Regulation 18 (10) of these Regulations which states that where the trustees have reason to believe that the conduct of business of the Mutual Fund is not in accordance with the regulations and the schemes, they shall forthwith take such remedial steps as are necessary and immediately inform SEBI of the violation and action taken by them.
3. From the inspections conducted by us sometime back, several issues came to SEBI’s notice. While some of the issues are case specific in nature, certain issues are quite prevalent in the industry as a whole. In this scenario, trustees are not expected to be passive participants in the MF ecosystem. Where there are concerns and lapses, we expect the trustees to step up their efforts as the first level gatekeepers, take remedial steps and immediately make necessary intimations to SEBI and not wait for SEBI to step in and take corrective measures.
4. Going forward, I hope to see greater proactivity on the part of Trustees where there are such concerns and lapses. However, a balance is required so that it does not hinder the day-to-day operations and fund management activities.

**Investor outreach**

1. An important challenge that continues to exist is to expand the investor outreach. In my last year’s address, I had observed that while the B-15 AUM as a percentage of the overall AUM has climbed up from 12.7per cent in 2012-13 to 17.7per cent in 2017-18, the time is now ripe for the industry to concentrate on B-30 centres. Towards this end, SEBI has already revised its norms permitting 30 bps additional TER for B-30, instead of B-15, and also clarified that since the objective is to attract more retail investors from these areas, the additional TER would only be permitted based on B-30 inflows from retail investors. As on date, the B-30 AUM stands at around 16.2per cent of the total industry AUM. I do hope to see a further increase in this geographical reach in coming times.
2. Apart from the geographical reach, an important focus area is to expand the types of investors in the industry. It is encouraging to see increasing number of millennial and women investors in mutual funds. However, there is a large space that remains untapped. Women constitute around half of our population and youth around 35per cent. Such investors may have different reasons to get attracted to mutual fund investments. Other factors such as education, regional differences, marital status and children, etc. also significantly influence investment decisions in different ways. Therefore, while increasing investor awareness, targeted programmes for different types of investors may be a good way to attract such specific investors into the mutual funds space.

**Ease of doing investment in Mutual Funds**

1. If we want more investors to be attracted to investments in Mutual Funds, the process of entry, exit and management of investments ought to be simple and easy. Recently, the Finance Minister announced that in order to improve market access for the domestic retail investors, Aadhar-based KYC is to be permitted for opening of demat account and making investment in mutual funds. We will work with the Government on this with a view to operationalizing the decision.
2. To further ease the process of investing in mutual funds, a working group had been formed some time back by SEBI with multiple stakeholders. The group has since submitted the report and we are in a process of implementing its recommendations.

**Direct plans and ETFs:**

1. When I addressed this summit last year, I had spoken about the need to promote direct plans. There are two important benefits attached to a direct plan- first, the financial benefits in terms of lower TER to the investors by directly investing in the scheme; the second being the overall idea of using technology for ease of doing transactions.
2. We have observed during our inspections of Mutual Funds that the difference in the TER between direct and regular plans is not exactly to the extent of distribution expenses and commission paid. Such practices are not desirable and defeat the very purpose of direct plans. We have recently specified that all fees and expenses charged in a direct plan in percentage terms under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under such heads in a regular plan. This is expected to ensure that the difference in expense ratios between the two plans is not misused for charging additional expenses under other heads.
3. Despite all the measures taken till date by both SEBI and the industry, the numbers I am seeing with respect to direct plans are not very encouraging.
4. On a related point, last year I had highlighted that ETFs are another set of products that are yet to catch the fancy of Indian investors. They account for only around 6per cent of the total MF AUM in India as compared to their massive takeoff globally. ETF, as a product, offers the advantage of having a lower TER than other fund offerings. Not much progress has been made in encouraging investments in ETFs.
5. In both these areas, namely direct plans and ETFs, a combination of investor awareness programmes and use of technology can play an important role.

**Technology and digital platforms**

1. Technology can be an important tool to address various issues and improving efficiency of the mutual fund industry i.e. improving investor outreach, ease of investment, more efficient fund management, customer servicing, meeting disclosure requirements, launch of new products, etc.
2. We have recently set up a working group for overall development of digital platforms to enhance MF penetration and addressing the related issues. The working group is deliberating various aspects and is expected to submit its report shortly.
3. While technology can play a positive role, we cannot ignore the challenges that also come along with technology. One such challenge pertains to cyber-crimes. Some of the cyber-crimes witnessed in the financial world in recent past have been quite alarming. With rapid technological advancement in securities market, there is a greater need for maintaining robust cyber security and to have cyber resilience framework to protect integrity of data. SEBI has issued guidelines on this subject which I will request you to adhere to not only in principle but also in spirit.

**Stewardship role:**

1. Mutual funds are large investors in the capital markets. While investing as institutional investors in a company, they have a fiduciary responsibility towards thousands of investors who have put in their money in the fund. Therefore, the stewardship role of mutual funds becomes extremely important. Ever since SEBI introduced the disclosure of voting policy and voting decisions, we have seen an increase in participation of mutual funds in voting on shareholder resolutions.
2. Last few years have seen corporate governance lapses in some listed companies. Wherever the mutual funds are sizable investors in such companies, they can play an important role in improving governance by fulfilling their stewardship obligations.
3. **Concluding remarks:**
4. The tagline often associated with Mutual funds is “Mutual Funds Sahi Hai”. The investors, especially the retail investors investing through SIPs, repose a lot of faith and trust in Mutual Funds. We ought to remember that it takes years to build trust in an industry and only a single event may erode it. So there should be a collective effort by all stakeholders including AMCs, trustees and SEBI to uphold and maintain that trust and faith.
5. We in SEBI are open to new ideas and suggestions to take the mutual fund industry to the next level. We endeavor to adopt consultative approach prior to taking major policy decisions. We look forward to your suggestions on various aspects to bring in further improvements in the regulatory framework.

Thank you and all the very best!

**CAPITAL MARKET REVIEW**

1. **Trends in Resource Mobilisation by Corporates**

**Exhibit 1: Funds Mobilisation by Corporates (₹ crore)**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **Jul-19** | **Aug-19** |
| ***A. Funds Mobilisation through Public Issue (I+II)*** | **1,985** | **6,943** |
| ***I. Equity Public Issue*** | **1,985** | **4,149** |
| a. IPOs (i+ii) | 500 | 4,047 |
| i. Main Board | 459 | 4,039 |
| ii. SME Platform | 41 | 8 |
| b. FPOs | 0 | 0 |
| c. Equity Right Issue | 1,485 | 102 |
| ***II. Debt Public Issue*** | 0 | 2,794 |
| ***B. Funds Mobilisation through Private Placement*** | **52,576** | **42,574** |
| 1. QIP/IPP | 2,100 | 1,930 |
| 2. Preferential Allotment | 4,396 | 335 |
| 3. Private Placement of Debt | 46,080 | 40,309 |
| **Total Funds Mobilised (A+B)** | **54,560** | **49,517** |

**Notes: Current month data are provisional**

**Source: SEBI, NSE, BSE and MSEI**

* During August 2019, there were four public equity issuance (out of two issuance were at SME platform) mobilizing **`** 4,047 crore as compared to five issues amounting **`** 500 crore in July 2019.
* There was one right issue for **`** 102 crore in August 2019 as against three right issues with **`** 1,485 crore in July 2019.
* During August 2019, the amount raised through private placement of equity (i.e. preferential allotment and QIP route) stood at **`** 2,265 crore comparing with **`** 6,496 crore in July 2019.
* During August 2019, there were three issues amounting **`** 2,794 crore from the Public Issue of Corporate Bonds comparing with nil issue in July 2019.
* During August 2019, Private Placement of Corporate Debt Reported to BSE and NSE decreased by 12.5 per cent to **`** 40,309 crore over **`** 46,080 crore in July 2019.

1. **Trends in the Secondary Market**

**Exhibit 2: Snapshot of Indian Capital Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Description** | **Jul-19** | **Aug-19** | **Change during the Month** |
| **Index in Equity Market** |  |  |  |
| Sensex | 37,481 | 37,333 | -0.4 |
| Nifty 50 | 11,118 | 11,023 | -0.9 |
| Nifty 500 | 9,045 | 8,978 | -0.7 |
| BSE 500 | 14,324 | 14,234 | -0.6 |
| Nifty Bank | 28,876 | 27,428 | -5.0 |
| Nifty IT | 15,620 | 16,010 | 2.5 |
| BSE Healthcare | 12,704 | 12,875 | 1.3 |
| BSE FMCG | 11,062 | 11,077 | 0.1 |
| **Market Capitalisation (` crore)** | |  |  |
| BSE | 1,41,47,125 | 1,40,98,452 | -0.3 |
| NSE | 1,40,05,417 | 1,39,76,168 | -0.2 |
| **P/E Ratio** |  |  |  |
| Sensex | 26.6 | 26.3 | -1.4 |
| Nifty 50 | 27.4 | 27.3 | -0.5 |
| **No of Listed Companies** |  |  |  |
| BSE | 5312 | 5317 | 0.1 |
| NSE | 1950 | 1952 | 0.1 |
| **Gross Turnover in Equity Segment (` crore)** | |  |  |
| BSE | 48,249 | 50,805 | 5.3 |
| NSE | 7,12,821 | 6,73,633 | -5.5 |
| **Gross Turnover in Equity Derivatives Segment (` crore)** | | |  |
| BSE | 1 | 20 | 2110.6 |
| NSE | 2,85,39,462 | 3,04,77,779 | 6.8 |
| **Gross Turnover in Currency Derivatives Segment (` crore)** | | |  |
| BSE | 6,29,036 | 6,24,311 | -0.8 |
| NSE | 6,36,914 | 10,27,025 | 61.3 |
| MSEI | 2,125 | 2,369 | 11.5 |
| **Gross Turnover in Interest Rate Derivatives Segment (` crore)** | | | |
| BSE | 16,198 | 11,924 | -26.4 |
| NSE | 46,067 | 32,496 | -29.5 |

**Source: NSE, BSE and MSEI**

* After sharp fall in the equity market in July 2019, Nifty 50 closed at 11,023 on August 30, 2019, decreasing by 94.8 points (0.9 per cent) only over July’s closing.
* S&P Sensex closed at 37,333 on August 30, 2019, a decrease of 148.3 points (0.4 per cent) over previous month.
* Nifty touched high at 11,110 on August 09 2019 and Sensex touched high of 37,641 on August 27, 2019.
* Both Nifty and Sensex touched their August’s low at 10,741 and 36,473 respectively on August 22, 2019.

**Figure 1: Movement of Sensex and Nifty during August 2019**

**Note: The closing value of Nifty 50 and Sexsex have been normalised to100 on August 01, 2019.**

* The market capitalisation of BSE stood at **`** 1,40,98,452 crore as on August 30, 2019, decreased by 0.3 per cent over previous month.
* The market capitalisation of NSE stood at **`** 1,39,76,168 crore as on August 30, 2019, decreased by 0.2 per cent over previous month.

**Figure 2: Trends in Average Daily Values of Nifty 50 and NSE Equity Cash Segment Turnover**

* During August 2019, the gross turnover in the equity segment of BSE increased by 5.3 per cent to **`** 50,805 crore from **`** 48,249 crore in July 2019.
* During August 2019, the gross turnover in the equity segment of NSE decreased by 5.5 per cent to **`** 6,73,633 crore from **`** 7,12,821 crore in July 2019.
* The P/E ratios of S&P BSE Sensex and Nifty 50 index were 26.3 and 27.3 respectively, at the end of August 2019 compared to the reading of 26.6 and 27.4 respectively a month ago.

**Figure 3: Trends in Average Daily Values of Sensex and BSE Equity Cash Segment Turnover**

* During the month of August 2019, the major sectoral indices witnessed mixed trends compared to sharp downfall in July 2019. Among BSE indices, S&P BSE Consumer Durables increased by 4.8 per cent, followed by S&P BSE Teck (2.2 per cent), S&P BSE Healthcare (1.3 per cent), S&P and BSE FMCG (11 per cent). On the other hand, S&P BSE Metal decreased by 12 per cent, followed by S&P BSE PSU (8.9 per cent), S&P BSE Bankex (5.3 per cent), S&P BSE Power (4 per cent), S&P BSE Capital Goods (3.5 per cent) and S&P BSE Small Cap (1.2 per cent)

**Figure 4: Performance of BSE Indices during August 2019**

* Among select NSE sectoral indices, Nifty IT increased by 2.5 per cent during August 2019, followed by Nifty MNC (1.9 per cent), Nifty Next 50 (1.3 per cent), Nifty Pharma (1.1 per cent) and Nifty FMCG (0.7 per cent). On the other hand, Nifty PSU Bank decreased by 10.2 per cent followed by Nifty Bank (5 per cent), Nifty Media (2.2 per cent), Nifty Midcap 50 (2.2 per cent) and Nifty Midcap 100 (1.7 per cent).

**Figure 5: Performance of NSE Indices during August 2019**

1. **Trends in Depository Accounts**

At the end of August 2019, there were 189 lakh demat accounts at NSDL and 185 lakh demat accounts at CDSL. Till the end of August 2019, 5,686 listed companies were signed up with NSDL 5,611 listed companies were signed up with CDSL to make their shares available in dematerialised form.

1. **Trends in Derivatives Segment**
2. **Equity Derivatives**

**Exhibit 3: Trends in Equity Derivatives Market**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **NSE** | | | **BSE** | | |
| **Jul-19** | **Aug-19** | **Percentage Change Over Month** | **Jul-19** | **Aug-19** | **Percentage Change Over Month** |
| **A. Turnover (` crore)** | | | | | | |
| (i) Index Futures | 5,08,570 | 6,06,554 | 19.3 | 0.2 | 0.8 | 316.6 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 1,17,75,969 | 1,22,58,488 | 4.1 | 0.0 | 0.0 | NA |
| *Call* | 1,37,80,664 | 1,53,70,795 | 11.5 | 0.0 | 0.0 | NA |
| (iii) Stock Futures | 13,13,831 | 12,06,917 | -8.1 | 0.7 | 18.8 | 2,630.9 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 4,34,765 | 3,80,210 | -12.5 | 0.0 | 0.0 | NA |
| *Call* | 7,25,663 | 6,54,814 | -9.8 | 0.0 | 0.0 | NA |
| **Total** | **2,85,39,462** | **3,04,77,779** | **6.8** | **0.9** | **19.6** | **2,110.6** |
| **B. No. of Contracts** | | | | | | |
| (i) Index Futures | 68,96,920 | 87,43,443 | 26.8 | 2 | 9 | 350.0 |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 17,23,86,260 | 19,19,54,279 | 11.4 | 0 | 0 | NA |
| *Call* | 19,74,67,318 | 23,57,38,134 | 19.4 | 0 | 0 | NA |
| (iii) Stock Futures | 2,20,36,758 | 2,22,57,696 | 1.0 | 9 | 357 | 3,866.7 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 71,95,115 | 68,83,458 | -4.3 | 0 | 0 | NA |
| *Call* | 1,14,66,085 | 1,10,25,879 | -3.8 | 0 | 0 | NA |
| **Total** | **41,74,48,456** | **47,66,02,889** | **14.2** | **11** | **366** | **3,227.3** |
| **C. Open Interest in Terms of Value ( ` crore)** | | | | | | |
| (i) Index Futures | 24,964 | 24,119 | -3.4 | 0 | 0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 76,833 | 68,441 | -10.9 | 0 | 0 | NA |
| *Call* | 78,627 | 57,404 | -27.0 | 0 | 0 | NA |
| (iii) Stock Futures | 1,06,895 | 1,06,618 | -0.3 | 0.2 | 2.8 | 1,472.2 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 10,075 | 7,195 | -28.6 | 0 | 0 | NA |
| *Call* | 15,095 | 9,981 | -33.9 | 0 | 0 | NA |
| **Total** | **3,12,489** | **2,73,758** | **-12.4** | **0.2** | **2.8** | **1,472.2** |
| **D. Open Interest in Terms of No of Contracts** | | | | | | |
| (i) Index Futures | 3,22,404 | 3,16,635 | -1.8 | 0 | 0 | NA |
| (ii) Options on Index |  |  |  |  |  |  |
| *Put* | 10,24,819 | 8,99,271 | -12.3 | 0 | 0 | NA |
| *Call* | 10,82,249 | 7,93,381 | -26.7 | 0 | 0 | NA |
| (iii) Stock Futures | 18,40,334 | 18,60,658 | 1.1 | 3 | 49 | 1,533.3 |
| (iv) Options on Stock |  |  |  |  |  |  |
| *Put* | 1,78,461 | 1,36,086 | -23.7 | 0 | 0 | NA |
| *Call* | 2,76,598 | 1,86,570 | -32.5 | 0 | 0 | NA |
| **Total** | **47,24,865** | **41,92,601** | **-11.3** | **3** | **49** | **1533.3** |

**Source: NSE and BSE**

* Among the three exchanges in the equity derivative market ecosystem, viz., NSE, BSE and MSEI, NSE has a market share of almost 100 per cent and MSEI has no trading during August 2019.
* The notional monthly turnover in the equity derivatives segment of NSE increased by 6.8 per cent from **`** 285.4 lakh crore in July to **`** 304.8 lakh crore in August 2019.
* Index options accounted for 90.7 per cent of the total notional turnover in the F&O segment of NSE during the month compared to 89.5 per cent during last month.
* The notional turnover in index options (call and put together) increased by 8.1 per cent to **`** 276.3 lakh crore in August 2019 from **`** 255.6 lakh crore in July 2019.
* During the month, the notional turnover of index futures increased by 19.3 per cent to **`** 6,06,554 crore.
* The notional turnover of stock futures decreased by 8.1 per cent to **`** 12,06,917 crore over July 2019.
* The notional turnover in stock options (call and put together) decreased by 10.8 per cent to **`** 10,35,025 crore from **`** 11,60,428 crore during the period.
* As on August 30, 2019 the open interest at NSE stood at **`** 2,73,758 crore from **`** 3,12,489 crore, a decrease of 12.4 per cent over previous month.
* In August 2019, the equity derivatives segment turnover of BSE was ₹19.6 crore compared to ₹ 0.9 crore in July 2019.

**Figure 6: Trends of Equity Derivatives Segment at NSE (₹ crore)**

1. **Currency Derivatives at NSE, BSE and MSEI**

* During August 2019, the monthly turnover of currency derivatives in India (NSE, BSE and MSEI together) stood at **`** 16.5 lakh crore from **`** 12.7lakh crore in July 2019.
* The trading volumes in Currency Derivatives at NSE increased by 61.3 per cent to **`** 10,27,025 crore in August from **`** 6,36,914 crore in July 2019.
* The trading volumes in Currency Derivatives at BSE decreased marginally by 0.8 per cent to **`** 6,24,311 from **`** 6,29,036 crore during the same period.
* The trading volumes in Currency Derivatives at MSEI stood at **`** 2,369 crore in August from **`** 2,125 crore in July 2019, increase of 11.5 per cent

**Figure 7: Trends of Currency Derivatives at NSE, MSEI and BSE (₹ crore)**

1. **Interest Rate Futures at NSE and BSE**

* During August 2019, the monthly turnover of interest rate futures at NSE decreased by 29.5 per cent to ` 32,496 crore from ` 46,067 crore in July 2019.
* The monthly turnover of interest rate futures at BSE decreased by 26.4 per cent to ` 11,924 crore from ` 16,198 crore during the same period.

**Figure 8: Trends of Interest Rate Futures at NSE and BSE (₹** **crore)**

1. **Trading in Corporate Debt Market**

* During August 2019, BSE noted 4,175 trades of corporate debt with a traded value of ₹ 58,482 crore as compared to 5,255 trades of corporate debt with a traded value of ₹ 65,646 crore in July 2019.
* At NSE, 6,095 trades were noted with a traded value of ₹ 1,04,532 crore in August 2019 as compared to 6,886 trades were noted with a traded value of ₹ 1,18,102 crore in July 2019.

**Figure 9: Trends in Reported Turnover of Corporate Bonds (₹** **crore)**

1. **Trends in Institutional Investment**
2. **Trends in Investment by Mutual Funds**

* The mutual fund industry saw a net inflow of **`** 1,02,538 crore in August 2019 compared to net inflow of **`** 87,088 crore in July 2019.
* In terms of category of scheme, during July 2019, open ended schemes mobilised **`** 1,04,185 crore of which **`** 91,127 crore mobilised through Income/Debt Oriented Schemes followed by **`** 9,152 crore through growth/equity oriented schemes and **`** 4,947 crore through Hybrid Schemes and **`** 144 crore through Solution Oriented Schemes. On the other hand, there was an outflow of **`** 1,184 crore from other schemes (ETFs) during the month.
* There was an outflow of **`** 1,558 crore and **`** 89 crore from closed ended schemes and interval schemes during August 2019.
* The net assets under management of all mutual funds increased by 3.8 per cent to ₹ 25.5 lakh crore at the end of August 2019 from ₹ 24.5 lakh crore at the end of July 2019.
* As on August 30, 2019, there were a total of 1,918 mutual fund schemes in the market, of which 1,158 were income / debt oriented schemes (314 open ended and 844 closed ended), 439 were growth / equity oriented schemes (317 open ended and 122 closed ended), 137 were open ended other schemes, 128 were open ended Hybrid schemes, 30 were open ended Solution Oriented Schemes and 26 interval schemes.
* In the secondary market transaction, during August 2019, mutual funds made an investment of **`** 67,723 crore (**`**17,407 crore in equity and **`** 50,316 crore in debt) compared to an investment of **`** 67,883 crore (**`**15,084 crore in equity and **`** 52,799 crore in debt) in July 2019.

**Figure 10: Trends in Mutual Funds Investment (₹ crore)**

1. **Trends in Investment by the Foreign Portfolio Investors (FPIs)**

* During August 2019, FPIs liquidated **`** 17,592 crore from equity market as compared to **`** 12,419 crore liquidation in July 2019.
* FPIs invested **`** 11,672 crore in debt securities compared to an investment of **`**  9,433 crore during the same period.
* FPIs invested **`** 49 crore from hybrid securities in August 2019 as against **₹** 17 crore withdrawn in July 2019.
* FPIs were a net seller of **`** 5,871 crore in August 2019 compared to **`** 3,003 crore in July 2019.
* The assets of the FPIs in India, as reported by the custodians, at the end of August 2019 was ₹ 31,98,329 crore, out of which the notional value of offshore derivative instruments (including ODIs on derivatives) was ₹ 78,409 crore (or 2.5 per cent of total assets of FPIs).

**Figure 11: Trends in FPIs Investment (₹ crore)**

1. **Trends in Portfolio Management Services**

* As on August 30, 2019, AUM of the portfolio management industry increased by 1.8 per cent to ₹ 16.7 lakh crore from ₹ 16.4 lakh crore in July 2019. Of the total AUM, AUM of fund managers of EPFO/PFs contributed ₹ 12.3 lakh crore (i.e., 73.6 per cent of total AUM).
* In terms of number of clients in PMS industry at the end of August 2019, discretionary services category topped with 1,47,490 clients, followed by non-discretionary category with 7,768 clients and advisory category with 4,127 clients.

1. **Trends in Substantial Acquisition of Shares and Takeovers**

During August 2019, five open offers with offer value of ₹ 4,733 crore was made to the shareholders as against five open offers with offer value of ₹ 2,863 crore made in July 2019. Out of five, four open offers were for change in control of management and one was Consolidation of Holdings.

**Figure 12: Details of Open Offers Made under the SEBI (SAST) Regulations**

1. **Commodities Derivatives Markets**

**A. Market Trends**

* During August 2019, MCX icomdex, witnessed a rise of 3.1 per cent (M-o-M) driven by increase in prices of base metals (nickel, lead and aluminium), energy (natural gas), bullion (gold and silver) and agri. (CPO and mentha oil) segments. On Y-o-Y basis, decreased by 1.1 per cent, mainly on account of decline in prices of six out of 13 traded commodities viz. mentha oil, natural gas, crude oil, cotton, CPO and aluminium over the past year.
* During the month, MCX icomdex crude oil index, decreased by 2.3 per cent on account of decrease in futures price of crude oil by 2.0 per cent. Witnessing a similar trend, the downtrend in MCX icomdex base metal index (-1.9 per cent) was due to decrease in futures prices of zinc (-3.9 per cent) and copper (-0.3) per cent, which were partially offset by increase in futures prices of nickel, lead and aluminium by 19.7 per cent, 3.2 per cent and 0.9 per cent respectively.
* Further, MCX icomdex bullion index increased by 9.5 per cent as futures prices of both gold and silver increased by 12.0 per cent and 13.4 per cent respectively, during the month.
* Among the agri. contracts, futures prices of CPO and mentha oil increased by 8.3 per cent and 2.5 per cent respectively, which was partially offset by fall in futures prices of cardamom (25.5 per cent) and cotton (2.8 per cent).
* NCDEX NKrishi index decreased by 2.1 per cent (M-o-M) as 7 out of 10 constituent commodities (guar seed, chana, RM seed, cottonseed oilcake, jeera, wheat and coriander) witnessed a downtrend in futures prices. On Y-o-Y basis, the NKrishi index registered a gain of 14.2 per cent at the end of August 2019 mainly on account of significant increase in prices of six of its actively traded constituent commodities viz. cottonseed oilcake (95.1 per cent), coriander (28.1 per cent), castorseed (23.6 per cent), soybean (18.7 per cent), chana (3.9 per cent) and wheat (2.9 per cent).
* Monthly trends in MCX icomdex and NKrishi Index are provided in Table 65.

**Figure 13: Movement of Commodity Derivatives Market Indices**

**Source: MCX and NCDEX**

* During August 2019, average daily volatility in MCX icomdex composite and NCDEX NKrishi indices was recorded at 0.6 per cent and 0.4 per cent respectively. The daily volatility and price variation over the previous month for benchmark commodity indices are presented in the Figure 14.

**Figure 14: Variation (point-to-point) and daily volatility of commodity indices in August 2019 (per cent)**

**Source: MCX and NCDEX**

**Exhibit 4: Snapshot of Indian Commodity Derivative Markets**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Items** | **2018-19** | **July-19** | **Aug-19** | **Percentage variation M-o-M** |
| **A. Indices** | | | | |
| Nkrishi | 3414 | 3637 | 3559 | -2.1 |
| MCX iCOMDEX | 600 | 592 | 610 | 3.1 |
| **B. Total Turnover (in Rs. crore)** | | | | |
| **All-India** | **73,77,944** | **7,96,415** | **8,05,020** | **1.1** |
| **MCX, of which** | **67,72,372** | **7,44,876** | **7,57,572** | **1.7** |
| *Futures* | 65,91,428 | 7,23,833 | 7,34,243 | 1.4 |
| *Options* | 1,80,944 | 21,043 | 23,330 | 10.9 |
| **NCDEX, of which** | **5,31,588** | **43,911** | **38,311** | **-12.8** |
| *Futures* | 5,31,414 | 43,908 | 38,311 | -12.7 |
| *Options* | 174 | 3 | 0.5 | -79.1 |
| **ICEX** | **37,376** | **2,349** | **2,635** | **12.2** |
| **BSE** | **32,804** | **4,776** | **5,013** | **5.0** |
| **NSE** | **3,444** | **503** | **1,489** | **195.8** |

**B. Turnover**

* During August 2019, the aggregate turnover of all commodity exchanges increased by 1.1 per cent to ₹8,05,020 crore, except NCDEX where it declined. The agricultural segment contributed 6.2 per cent to the total turnover, while non-agricultural segment accounted for 93.8 per cent.
* The total turnover (futures & options) at MCX increased by 1.7 per cent to ₹7,57,572 crore during August 2019. The turnover in futures segment increased by 1.4 per cent due to rise in traded value of bullion and energy segment. The turnover in bullion and energy futures rose by 7.7 per cent each, it declined by 17.5 per cent in agri. futures and 19.1 per cent in metal futures. The notional turnover of options contracts traded at MCX increased by 10.9 per cent during the month. Options turnover in energy segment increased by 50.3 per cent however, it declined by 33.1 per cent and 5.4 per cent in metal and bullion segment respectively. The options contracts contributed 3.1 per cent to the total turnover at MCX.
* During the month, the total turnover (futures & options contracts) at NCDEX decreased by 12.8 per cent to ₹38,311 crore, except kapas and RM seed which registered an increase. Turnover in option segments at NCDEX decreased from ₹2.6 crore to ₹0.5 crore in August 2019. Out of the five permitted commodities, trading took place only in guarseed options contracts.
* In August 2019, commodity futures turnover at ICEX increased by 12.2 per cent to ₹2,635 crore due to increase in traded value of gems and stone segment by 32.8 per cent and 37.3 per cent respectively. While the traded value in agri. segment increased by 0.1 per cent to ₹729 crore, it declined by 11.7 per cent (₹575 crore) in metal segment (steel long) in August 2019.
* The total turnover at BSE and NSE increased by 5.0 per cent and 195.8 per cent respectively. Turnover in BSE due to increased activity in agri. segment by 10.6 per cent, and NSE turnover increased in both the bullion and energy segments.
* Cotton contract which is trading on BSE with effect from 18th February 2019 recorded a total turnover of ₹988 crore in August 2019. These contracts will continue to trade at BSE till its maturity in September 2019. However, in compliance with the direction of SEBI to have uniformity in contract specifications, BSE, on 26th August, 2019 launched new contracts in cotton from October 2019 contract onwards and revised the trading unit from 25 bales to 20 bales and delivery unit from 100 bales to 20 bales which recorded a total turnover of ₹64 crore.
* The turnover of agricultural and non-agricultural commodities at exchanges is shown in Figures 15, 16 and the details are given in Tables 66 to 70.

**Figure 15: Trends in turnover of agricultural commodity derivatives (₹crore)**

**Source: MCX, NCDEX, BSE & ICEX**

**Figure 16: Trends in turnover of non-agricultural commodity derivatives - futures and options**

**Source: MCX, ICEX, BSE & NSE**

**Note:-Values represented on the bars pertains to MCX Options (LHS).**

**\**

**Figure 17: Movement of Near Month futures prices (M-o-M) for commodities traded on domestic exchanges during August 2019 (per cent).**

**Source: MCX, NCDEX, ICEX, BSE and NSE**

**OVERVIEW OF THE GLOBAL FINANCIAL MARKETS**

* The global economic growth has been seemingly affected by the protracted trade tensions between the US and China, the geopolitical tensions, etc. All the major stock indices, of developed as well as emerging stock markets considered in the review, posted losses during August 2019. The bond markets outperformed the stock markets during the month.
* End July 2019, the US Federal Reserve cut the policy rate by 25 bps for the first time since 2008. Fed Chairman, termed the rate cut as “midcycle adjustment” and stated that the current rate cut does not mean Fed will follow up with an aggressive rate-reducing regime. Fed loosened the monetary policy amid uncertainties about global trade and growth as well as lower inflation expectations.
* The US treasury yield curve inverted for the first time since 2007 when the yield of two-year US Treasuries briefly rose above that of the 10-year bond in August 2019, possibly hinting, among others, a recession.
* The US economy continued to grow, however, at a slower tempo. In the 2nd quarter of 2019, the GDP grew at an annual rate of 2.0 per cent (3.5 per cent in the same quarter last year), as the uncertainty over the trade with the partners primarily weighed on the growth. In the first quarter, GDP had increased by 3.1 percent.
* August 2019 witnessed an escalation in the US-China trade war. There were fresh announcements from both the nations on the tax imposition and inclusion of more items in the ongoing tariff war.
* US announced imposition of 10 per cent tariffs on another US$300 billion of Chinese goods starting September 1, 2019. If imposed, this round of tariffs will cover nearly all China’s imports to the US, including electronic and clothing consumer goods. Trump also threatened to raise tariffs to as much as 25 per cent on US$250 billion worth of goods if China fails to move more quickly to reach a trade deal.
* Subsequently, the Yuan weakened to seven-to-one against US Dollar to reach its lowest level since March 2008, prompting the US to accuse China of currency manipulation. China maintained that the drop was caused by shifts in market dynamics, which include escalating trade frictions. The yuan’s drop has triggered a sell-off in the global stock markets. Most Asian currencies tumbled following yuan’s depreciation. But the yen soared against the dollar.
* On August 23rd China announced tariffs ranging from 5 per cent to 10 per cent on US$75 billion worth of US goods, in two batches, effective from September 1 and December 15, 2019. Further, 25 per cent tariff will be imposed on U.S. cars and a 5 per cent on auto parts and components, which will go into effect on December 15. China had paused these tariffs in April.
* In a positive move, US has delayed tariffs on some imports and also both the nations have agreed to restart their talk to resolve the issue.
* The quarter-on-quarter (Q-o-Q) GDP growth rate of the Euro Area softened to 0.2 per cent in Q2 of 2019 from 0.4 per cent in previous quarter, pulled down mainly by Germany, United Kingdom and Sweden. The UK is also facing a politically and economically difficult time in the wake of a possibly no-deal Brexit and is likely to continue to be a drag on investment and trade. Sterling Pound has had another turbulent month as Boris Johnson ramps up the rhetoric over no-deal Brexit.
* Reserve Bank of India cut the interest rate by 35 bps to reach 5.40 per cent, New Zealand by 50 bps to 1 per cent and Thailand by 25 bps to 1.50 per cent.
* Japan's quarterly economic growth was revised lower to 0.3 per cent in the second quarter of 2019 from a preliminary estimate of 0.4 per cent and compared to the previous period's 0.5 per cent growth.
* As regards major emerging markets, India’s GDP grew by 5.0 per cent in Q1 2019-20, continuing the slowdown in the growth rate since Q4 2017-18. The slowdown in growth rate has been on account of global as well as domestic factors. This has been sought to be addressed by simultaneous and continuous policy initiatives. Retail inflation in India, measured by y-o-y change in the CPI, edged up to 3.21 per cent in August from 3.15 per cent in April-May. The Reserve Bank of India lowered its growth projection of real GDP to 6.9 per cent for 2019-20 from the earlier projection of 7.0 per cent.
* The Chinese economy has been hit by the ongoing trade war with the US. China’s GDP grew at a pace of 6.2 per cent Y-o-Y during the second quarter of 2019 which is the weakest growth rate in at least 27 years (since 1992). The Q-o-Q GDP growth rate for Q2 was 1.6 per cent, slightly up from the Q1 figure of 1.4 per cent. There are fears of global economic slowdown if the U.S.-China trade war persists.
* The Brazilian economy grew by 0.4 per cent in Q2 compared to a contraction of 0.1 percent in Q1 and on year-on-year basis, it expanded 1.0 per cent in the second quarter, recording a growth of 0.5 per cent from Q1.

**Equity Markets:**

* August 2019 witnessed a complete negative trend in the market returns both in the select developed markets as well as in BRICS nations.
* Amongst BRICS nations, Russian Traded Index recorded 5.6 per cent negative return while Hang Seng in the Developed Markets recorded 7.39 per cent negative return, as at the end of August 2019 over the previous month.
* Various factors like the global trade and currency wars, impending Brexit, etc. have contributed to negative market sentiments.
* Most categories of MSCI indices for World, Asia Pacific, Pacific and Emerging markets have declined in August 2019. The MSCI Emerging Markets Index underperformed the MSCI World.

**Table A2: Performance of Stock Indices**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Name of the Index** | **Closing Value as on** | **Closing Value before** | | | | **Annualised Volatility (%)** | **P/E Ratio** |
| **August 31, 2019** | **1-Month** | **3-Month** | **6-Month** | **1-Year** |
| **BRICS Nations** | | | | | | | | |
| Brazil | BRAZIL IBOVESPA | 101134.6 | 101812.1 | 97030.3 | 95584.4 | 76677.5 | 19.4 | 15.7 |
| Russia | RUSSIAN TRADED | 1904.7 | 2017.3 | 1925.3 | 1741.8 | 1597.8 | 17.5 | 5.2 |
| India | Nifty 50 | 11023.3 | 11118.0 | 11922.8 | 10792.5 | 11680.5 | 12.6 | 26.3 |
| India | S&P BSE SENSEX | 37332.8 | 37481.1 | 39714.2 | 35867.4 | 38645.1 | 12.5 | 27.3 |
| China | SHANGHAI SE COMPOSITE | 2886.2 | 2932.5 | 2898.7 | 2941.0 | 2725.3 | 20.0 | 14.0 |
| South Africa | FTSE/JSE AFRICA ALL SHR | 55259.6 | 56784.6 | 55650.4 | 56002.1 | 58668.5 | 12.4 | 15.5 |
| **Developed Markets** | | | | | | | | |
| USA | NASDAQ COMPOSITE | 7962.9 | 8175.4 | 7453.1 | 7532.5 | 8109.5 | 17.1 | 31.0 |
| USA | DOW JONES INDUS. AVG | 26403.3 | 26864.3 | 24815.0 | 25916.0 | 25964.8 | 13.5 | 17.6 |
| France | CAC 40 | 5480.5 | 5518.9 | 5207.6 | 5240.5 | 5406.9 | 13.9 | 19.1 |
| Germany | DAX | 11939.3 | 12189.0 | 11726.8 | 11515.6 | 12364.1 | 14.7 | 19.9 |
| UK | FTSE 100 | 7207.2 | 7586.8 | 7161.7 | 7074.7 | 7432.4 | 11.5 | 17.6 |
| Hong Kong | HANG SENG | 25724.7 | 27777.8 | 26901.1 | 28633.2 | 27888.6 | 15.3 | 10.0 |
| South Korea | KOSPI | 1967.8 | 2024.6 | 2041.7 | 2195.4 | 2322.9 | 12.5 | 19.2 |
| Japan | NIKKEI 225 | 20704.4 | 21521.5 | 20601.2 | 21385.2 | 22865.2 | 14.3 | 19.2 |
| Singapore | STRAITS TIMES STI | 3106.5 | 3300.8 | 3117.8 | 3212.7 | 3213.5 | 10.1 | 12.2 |
| Taiwan | TAIWAN TAIEX | 10618.1 | 10823.8 | 10498.5 | 10389.2 | 11063.9 | 10.8 | 15.2 |

**Note:**P/E Ratios as on the last trading day.

**Source:** Bloomberg, BSE and NSE

**Chart 1: Stock Market Trend in Select Developed Markets**

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019

**Chart 2: Stock Market Trend in Select Emerging Markets**

**Source:** Bloomberg

**Note:** All indices have been indexed with base as January 01, 2019.

**Fund Mobilisation by Issuance of Equity and Bond:**

* During July 2019, fund mobilization through Bond issuance at Johannesburg Stock Exchange stood at $272.76 billion. South African government has announced a bail-out plan for the state owned electricity company Eskom through bond issuance by the National Treasury. Ratings agency Fitch downgraded the outlook for South Africa’s sub-investment credit rating, citing fiscal pressures including increased support for struggling state owned electricity company Eskom.
* Among the developed nations, at LSE group, funds to the tune of $52.5 billion ($2.3 billion in equity and 50.2 billion in debt) was raised followed by at Korea Exchange with $ 45.7 billion ($ 45.4 billion in equity and 0.35 billion in debt).
* Among the BRICS nations, at Johannesburg Stock Exchange $272.76 billion was raised through bond issuance, followed by National Stock Exchange of India Limited with $41.9 billion ($40.6 billion in debt and $1.3 billion in equity)

**Table A3: Fund Mobilisation by Issuance of Equity and Bond in Major Exchanges**

(US$ Million)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Exchange** | **Jun-19** | | | **Jul-19** | | |
| **Equity** | **Bond** | **Total** | **Equity** | **Bond** | **Total** |
| **Developed** | Nasdaq - US | 3,649 | NA | 3,649 | 2,761 | NA | 2,761 |
| Nasdaq Nordic and Baltics | NA | 6,283 | 6,283 | NA | NA | NA |
| NYSE | 8,780 | NA | 8,780 | 3,384 | NA | 3,384 |
| LSE Group | 4,405 | 34,312 | 38,718 | 2,309 | 50,209 | 52,518 |
| Euronext | 7,448 | NA | 7,448 | NA | NA | NA |
| Deutsche Boerse AG | 1,536 | 25,598 | 27,134 | NA | NA | NA |
| BME Spanish Exchanges | 921 | 26,625 | 27,546 | NA | NA | NA |
| Japan Exchange Group | 5,576 | 12,550 | 18,125 | NA | NA | NA |
| Singapore Exchange | 98 | 19,846 | 19,945 | 11 | 44,653 | 44,664 |
| ASX Australian Securities Exchange | 4,252 | 54 | 4,305 | 3,083 | 48 | 3,132 |
| Hong Kong Exchanges and Clearing | 5,578 | 14,340 | 19,918 | 2,597 | 20,342 | 22,938 |
| Korea Exchange | 116 | 50,914 | 51,030 | 350 | 45,373 | 45,723 |
| **BRICS** | B3 - BrasilBolsaBalcão | 1,360 | NA | 1,360 | 511 | NA | 511 |
| Moscow Exchange | NA | 20,917 | 20,917 | NA | NA | NA |
| BSE India Limited | NA | NA | NA | NA | NA | NA |
| National Stock Exchange of India Limited | 4,339 | 31,443 | 35,782 | 1,305 | 40,592 | 41,897 |
| Shanghai Stock Exchange | 3,694 | NA | 3,694 | 10,274 | NA | 10,274 |
| Shenzhen Stock Exchange | 4,614 | 1,059 | 5,673 | NA | NA | NA |
| Johannesburg Stock Exchange | 136 | 3,352 | 3,488 | NA | 272,761 | 272,761 |

**Note:** Fund mobilisation data for equities are (i) excluding investment funds and (ii) including Alternative and SME Markets except the following exceptions:

1. Australian Securities Exchange: including investment funds
2. BME: Including investment companies listed (open-end investment companies).
3. Bolsa de Valores de Lima: Includes 26 foreign companies with shares negotiated under a special modality
4. Euronext: includes Belgium, England, France, Netherlands and Portugal
5. Korea Exchange: including Kosdaq market data
6. LSE Group: includes London Stock Exchange and BorsaItaliana
7. Nasdaq Nordic Exchanges include Copenhagen, Helsinki, Iceland, Stockholm, Tallinn, Riga and Vilnius Stock Exchanges
8. NSE India: including “Emerge” market data
9. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore. Inactive secondary foreign listings are excluded.

For Funds mobilised through issuance of bonds, due to different reporting rules & calculation methods, turnover figures are not entirely comparable. The sale & purchase of a share are counted as one transaction

NA = Not Available

**Source:** World Federation of Exchanges

**Market Capitalisation of Major Exchanges:**

* Market capitalisation of most of the major economies declined during July 2019.
* Among developed nations, market cap of the Nasdaq Stock Exchange of the US went up by 2 per cent followed by NYSE with 0.6 per cent growth. Market cap of Korea Exchange declined by 7.3 per cent and LSE group by 3.1 per cent.
* Among BRICS nations for which data were available, market capitalisation of B3-Brasil Bolsa Balcão grew by 3.6 per cent. The market cap of Moscow Exchange fell by 7.0 per cent followed by the National Stock Exchange of India Ltd by 6.9 per cent. The market cap of Johannesburg Stock Exchange too fell by 1.9 per cent.

**Table A4: Domestic Market Capitalisation of Major Exchanges**

(US$ Million)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Country** | **Exchange** | **June-19** | **July-19** | **% Change** |
| **Developed Markets** | USA | Nasdaq – US | 11,658,201 | 11,893,399 | 2.0 |
| USA | NYSE | 24,230,840 | 24,382,730 | 0.6 |
| UK | LSE Group | 3,934,491 | 3,812,153 | (3.1) |
| Pan Europe\* | Euronext | 4,418,229 | NA | - |
| Germany | Deutsche Boerse AG | 1,949,134 | NA | - |
| Spain | BME Spanish Exchanges | 774,947 | NA | - |
| Japan | Japan Exchange Group | 5,614,217 | 5,629,343 | 0.3 |
| Singapore | Singapore Exchange | 725,887 | 711,911 | (1.9) |
| Hong Kong | Hong Kong Exchanges and Clearing | 4,189,279 | 4,098,837 | (2.2) |
| South Korea | Korea Exchange | 1,432,601 | 1,319,127 | (7.9) |
| Australia | ASX Australian Securities Exchange | 1,454,171 | 1,459,396 | 0.4 |
| **BRICS** | Brazil | B3 – BrasilBolsaBalcão | 1,045,210 | 1,082,680 | 3.6 |
| Russia | Moscow Exchange | 719,545 | NA | - |
| India | BSE India Limited | 2,207,916 | 2,054,029 | (7.0) |
| India | National Stock Exchange of India Limited | 2,183,846 | 2,033,454 | (6.9) |
| China | Shanghai Stock Exchange | 4,776,753 | 4,798,975 | 0.5 |
| China | Shenzhen Stock Exchange | 3,034,149 | NA | - |
| South Africa | Johannesburg Stock Exchange | 977,496 | 958,471 | (1.9) |

**Notes:**

1. Euronext: includes Belgium, England, France, Netherlands and Portugal
2. Johannesburg Stock Exchange: figures include the market capitalization of all listed companies, but exclude listed warrants, convertibles and investment funds
3. Korea Exchange: including Kosdaq market data
4. LSE Group: includes London Stock Exchange and BorsaItaliana
5. NSE India: including “Emerge” market data
6. Singapore Exchange: market capitalization includes domestic listings and a substantial number of foreign listings, defined as companies whose principal place of business is outside of Singapore.

NA – Not available

**Source:** World Federation of Exchanges, BSE

**Equity Derivatives:**

As per the latest data available from the World Federation of Exchanges, during June 2019 the following performance was recorded in equity derivatives markets across the globe (Table A5 and A6):

**Single Stock Options:**

* Amongst exchanges in the Americas, Chicago Board Options Exchange recorded trading of 69.4 million contracts, followed by B3 – Brasil Bolsa Balcão (58.9 million contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Borsa Istanbul recorded trading of 0.8 million contracts, followed by Tehran Stock Exchange (0.5 million contracts).
* Amongst exchanges in the Asia Pacific, the National Stock Exchange of India recorded trading of 18.7 million contracts, followed by Hong Kong Exchanges and Clearing (6.6 million contracts) and Australian Securities Exchange (5.6 million contracts).

**Single Stock Futures:**

* Amongst exchanges in the Americas, Bolsa de Valores de Colombia recorded trading of 8.5 thousand contracts, followed by Bolsa Mexicana de Valores (0.4 thousand contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Borsa Istanbul recorded trading of 19.5 million contracts, followed by Moscow Exchange (18.7 million contracts) and Athens Stock Exchange (0.7 million contracts).
* Amongst exchanges in the Asia Pacific, Korea Exchange recorded trading of 58.1 million contracts, followed by National Stock Exchange of India (22.0 million contracts) and Thailand Futures Exchange (6.6 million contracts).

**Index Options:**

* Amongst exchanges in the Americas, Chicago Board Options Exchange recorded trading of 38.8 million contracts, followed by CME Group (11.1 million contracts) and B3 – Brasil Bolsa Balcão (1.2 million contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Tel-Aviv Stock Exchange recorded trading of 2.2 million contracts, followed by Moscow Exchange (1.3 million contracts) and Johannesburg Stock Exchange (0.1 million contracts).
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 334.4 million contracts, followed by Korea Exchange (49.1 million contracts) and TAIFEX (12.5 million contracts).

**Index Futures:**

* Amongst exchanges in the Americas, CME Group recorded trading of 51.6 million contracts, followed by CBOE Futures Exchange (5.2 million contracts) and ICE Futures US (2.5 million contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Moscow Exchange recorded trading of 7.7 million contracts, followed by Borsa Istanbul (4.9 million contracts) and Johannesburg Stock Exchange (0.7 million contracts).
* Amongst exchanges in the Asia Pacific, Japan Exchange Group recorded trading of 19.8 million contracts, followed by Singapore Exchange (13.5 million contracts) and Hong Kong Exchanges and Clearing (8.5 million contracts).

**Currency Derivatives:**

As per the latest data available from the World Federation of Exchanges, during July 2019, exchanges across the world showed the following trend in trading of currency derivatives (Table A7):

**Currency Options:**

* Amongst exchanges in the Americas, CME Group recorded trading of 1.0 million contracts, followed by B3 – Brasil Bolsa Balcão (0.7 million contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Moscow Exchange recorded trading of 1.4 million contracts, followed by Johannesburg Stock Exchange (1.0 million contracts) and Tel-Aviv Stock Exchange (0.7 million contracts).
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 46.7 million contracts, followed by Singapore Exchange (0.4 million contracts) and Taiwan Futures Exchange (7.3 thousand contracts).

**Currency Futures:**

* Amongst exchanges in the Americas, B3 – Brasil Bolsa Balcão recorded trading of 34.2 million contracts, followed by CME Group (14.1 million contracts) and ICE Futures US (0.4 million contracts).
* Amongst exchanges in the Europe – Africa – Middle East, Moscow Exchange recorded trading of 33.6 million contracts, followed by Borsa Istanbul (5.0 million contracts) and Johannesburg Dubai Gold and Commodities Exchange (2.1 million contracts).
* Amongst exchanges in the Asia Pacific, National Stock Exchange of India recorded trading of 44.8 million contracts, followed by Korea Exchange (7.8 million contracts) and Singapore Exchange (2.1 million contracts).

**Interest Rate Derivatives:**

As per the latest data available from the World Federation of Exchanges, during July 2019, exchanges across the world showed the following trend in trading of interest rate derivatives (Table A8):

**Interest Rate Options:**

* Among exchanges in the Americas, CME Group recorded trading of 54.8 million contracts followed by B3 – Brasil Bolsa Balcão (0.2 million contracts).
* Among exchanges in the Europe, Africa and Middle East, Johannesburg Stock Exchange recorded trading of 88.9 thousand contracts.
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 58.1 thousand contracts, followed by Japan Exchange Group (37.9 thousands contracts).

**Interest Rate Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 139.4 million contracts, followed by B3 – Brasil Bolsa Balcão (41.8 million contracts) and Bolsa Mexicana de Valores (24.6 thousand contracts).
* Among exchanges in the Europe – Africa – Middle East, Johannesburg Stock Exchange recorded trading of 2.2 million contracts, followed Moscow Exchange (42.1 thousand contracts).
* Among exchanges in the Asia Pacific, Australian Securities Exchange recorded trading of 10.1 million contracts, followed by Korea Exchange (3.3 million contracts) and National Stock Exchange (2.2 million contracts).

**Commodity Derivatives:**

As per the latest data available from the World Federation of Exchanges, during July 2019, exchanges across the world showed the following trend in trading of commodity derivatives (Table A9):

**Commodity Options:**

* Among exchanges in the Americas, CME Group recorded trading of 12.74 million contracts, followed by ICE Futures US (1.19 million contracts).
* Among exchanges in the Europe – Africa – Middle East, Moscow Exchange recorded trading of 0.6 million contracts, followed by London Metal Exchange (0.5 million contracts) and Johannesburg Stock Exchange (16.3 thousand contracts).
* Among exchanges in the Asia – Pacific, Dalian Commodity Exchange recorded trading of 2.5 million contracts, followed by Zhengzhou Commodity Exchange (1.4 million contracts) and Singapore Exchange (0.4 million contracts).

**Commodity Futures:**

* Among exchanges in the Americas, CME Group recorded trading of 80.7 million contracts, followed by ICE Futures US (5.0 million contracts).
* Among exchanges in the Europe – Africa – Middle East, Moscow Exchange recorded trading of 56.8 million contracts, followed by London Metal exchange (15.2 million contracts) and Borsa Istanbul (5.2 million contracts).
* Among exchanges in the Asia – Pacific, Zhengzhou Commodity Exchange recorded trading of 137.3 million contracts, followed by Shanghai Futures Exchange (135.5 million contracts) and Dalian Commodity Exchange (128.9 million contracts).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A5: Stock Options and Stock Futures Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Jul-19** | | | | | |
| **Stock options** | | | **Single stock futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **128,385,703** | **44,825** | **195,104,700** | **8,933** | **15** | **24,080** |
| B3 – BrasilBolsaBalcão | 58,947,455 | 44,822 | 27,513,714 | NA | NA | NA |
| Bolsa de Valores de Colombia | NA | NA | NA | 8,524 | 15 | 22,480 |
| Bolsa Mexicana de Valores | 25,000 | 4 | 57,700 | 409 | 0 | 1,600 |
| Cboe Global Markets | 69,413,248 | NA | 167,533,286 | NA | NA | NA |
| **Asia – Pacific** | **33,606,174** | **201,922** | **16,175,307** | **88,708,816** | **234,318** | **9,621,120** |
| ASX Australian Securities Exchange | 5,648,279 | 11,453 | 7,126,220 | 40,140 | 71 | 675,102 |
| Hong Kong Exchanges and Clearing | 6,621,992 | 21,920 | 8,039,962 | 50,680 | 227 | 15,893 |
| Japan Exchange Group | 29,512 | NA | 144,320 | NA | NA | NA |
| Korea Exchange | 2,623,057 | NA | 403,167 | 58,135,517 | 28,004 | 4,149,884 |
| National Stock Exchange of India Limited | 18,661,200 | 168,483 | 455,059 | 22,036,758 | 190,756 | 1,840,334 |
| Taiwan Futures Exchange | 22,134 | 66 | 6,579 | 1,804,273 | 15,260 | 146,679 |
| Thailand Futures Exchange | NA | NA | NA | 6,641,448 | NA | 2,793,228 |
| **Europe – Africa – Middle East** | **2,048,123** | **3,833** | **2,573,268** | **39,261,587** | **3,670** | **4,314,291** |
| Athens Stock Exchange | 4,634 | 2 | 2,472 | 658,840 | 169 | 2,472 |
| Borsa Istanbul | 782,119 | 58 | 523,220 | 19,530,683 | 3,049 | 1,185,430 |
| Budapest Stock Exchange | NA | - | NA | 10,776 | 66 | 6,688 |
| Dubai Gold and Commodities Exchange | NA | NA | NA | 179,602 | 290 | 14,478 |
| Johannesburg Stock Exchange | 351,633 | 3,246 | 1,488,530 | 142,672 | 97 | 1,250,853 |
| Moscow Exchange | 262,747 | - | 471,914 | 18,739,014 | - | 1,854,370 |
| Tehran Stock Exchange | 542,284 | 6 | NA | - | - | NA |
| Tel-Aviv Stock Exchange | 104,706 | 522 | 87,132 | NA | NA | NA |
| **Grand Total** | **164,040,000** | **250,580** | **213,853,275** | **127,979,336** | **238,002** | **13,959,491** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A6: Index Options and Index Futures Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Jul-19** | | | | | |
| **Stock index options** | | | **Stock index futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **51,112,742** | **2,114,681** | **32,214,608** | **59,377,669** | **6,230,823** | **6,415,673** |
| B3 – BrasilBolsaBalcão | 1,168,265 | 77,992 | 475,794 | NA | NA | NA |
| Bolsa de Valores de Colombia | NA | NA | NA | 378 | 5 | 237 |
| Bolsa Mexicana de Valores | 493 | 11 | 893 | 44,422 | 974 | 42,241 |
| Cboe Futures Exchange | NA | NA | NA | 5,188,902 | NA | 459,504 |
| Cboe Global Markets | 38,844,758 | NA | 27,694,384 | NA | NA | NA |
| CME Group | 11,099,226 | 2,036,678 | 4,043,537 | 51,623,295 | 6,100,521 | 4,216,592 |
| ICE Futures US | NA | NA | NA | 2,520,672 | 129,323 | 1,697,099 |
| **Asia – Pacific** | **452,045,423** | **7,790,044** | **13,884,726** | **71,338,647** | **3,267,382** | **6,935,743** |
| ASX Australian Securities Exchange | 783,310 | 34,702 | 900,695 | 934,997 | 104,608 | 429,530 |
| Bursa Malaysia Derivatives | 1,165 | 0 | 414 | 174,543 | 3,434 | 21,843 |
| China Financial Futures Exchange | NA | NA | NA | 4,937,849 | 741,517 | 294,161 |
| Hong Kong Exchanges and Clearing | 2,639,753 | 272,184 | 2,910,355 | 8,522,916 | 966,980 | 610,689 |
| Japan Exchange Group | 2,458,527 | NA | 2,004,304 | 19,807,428 | 808,016 | 1,661,852 |
| Korea Exchange | 61,446,311 | 3,536,144 | 3,366,678 | 8,198,755 | 332,626 | 671,555 |
| National Stock Exchange of India Limited | 369,853,578 | 3,710,582 | 2,107,068 | 6,896,920 | 73,840 | 322,404 |
| Singapore Exchange | 1,141,887 | NA | 2,059,392 | 13,468,729 | NA | 2,404,031 |
| Taiwan Futures Exchange | 13,598,062 | 236,432 | 472,996 | 5,334,990 | 236,362 | 145,026 |
| Thailand Futures Exchange | 122,830 | NA | 62,824 | 3,061,520 | NA | 374,652 |
| **Europe – Africa – Middle East** | **3,644,712** | **99,381** | **1,759,306** | **13,362,620** | **29,501** | **1,460,126** |
| Athens Stock Exchange | 7,911 | 39 | 2,883 | 74,574 | 359 | 17,325 |
| Borsa Istanbul | 18,904 | 44 | 28,420 | 4,892,789 | 11,359 | 418,948 |
| Budapest Stock Exchange | NA | NA | NA | 14,481 | 20 | 15,322 |
| Johannesburg Stock Exchange | 133,664 | 610 | 1,001,039 | 694,560 | 17,762 | 558,469 |
| Moscow Exchange | 1,314,934 | - | 538,242 | 7,685,650 | - | 450,062 |
| Tehran Stock Exchange | NA | NA | NA | 566 | 0 | NA |
| Tel-Aviv Stock Exchange | 2,169,299 | 98,688 | 188,722 | NA | NA | NA |
| **Grand Total** | **506,802,877** | **10,004,106** | **47,858,640** | **144,078,936** | **9,527,706** | **14,811,542** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A7: Currency Options and Futures Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Jul-19** | | | | | |
| **Currency options** | | | **Currency futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **1,692,606** | **120,193** | **1,428,442** | **48,874,203** | **10,345,612** | **9,595,730** |
| B3 – BrasilBolsaBalcão | 673,836 | 260 | 794,658 | 34,163,143 | 8,959,649 | 7,092,262 |
| Bolsa de Valores de Colombia | 103 | 0 | 913 | 24,260 | 1,108 | 2,843 |
| Bolsa Mexicana de Valores | 3,500 | 35 | 8,693 | 115,658 | 1,164 | 421,548 |
| CME Group | 1,011,966 | 119,587 | 618,974 | 14,143,125 | 1,349,291 | 1,955,519 |
| ICE Futures US | 3,201 | 311 | 5,204 | 428,017 | 34,400 | 123,558 |
| **Asia – Pacific** | **47,103,512** | **47,038** | **3,444,659** | **54,900,315** | **135,560** | **3,031,248** |
| Hong Kong Exchanges and Clearing | 705 | 70 | 3,308 | 117,769 | 11,660 | 30,487 |
| Korea Exchange | NA | NA | NA | 7,755,218 | 76,722 | 767,552 |
| National Stock Exchange of India Limited | 46,670,682 | 46,791 | 2,178,192 | 44,798,629 | 45,399 | 2,051,139 |
| BSE Ltd. | NA | NA | NA | NA | NA | NA |
| Singapore Exchange | 424,856 | NA | 1,259,642 | 2,090,410 | NA | 144,895 |
| Taiwan Futures Exchange | 7,269 | 176 | 3,517 | 72,988 | 1,779 | 5,766 |
| Thailand Futures Exchange | NA | NA | NA | 65,301 | NA | 31,409 |
| **Europe - Africa - Middle East** | **3,307,731** | **29,618** | **9,958,028** | **42,846,407** | **16,806** | **14,598,527** |
| Borsa Istanbul | 157,133 | 164 | 107,178 | 5,009,575 | 5,203 | 2,005,567 |
| Budapest Stock Exchange | 2,100 | 2 | 7,150 | 344,687 | 369 | 647,312 |
| Dubai Gold and Commodities Exchange | 1,574 | 0 | 8,948 | 2,130,374 | 9,505 | 6,833,227 |
| Johannesburg Stock Exchange | 1,025,219 | 22,456 | 7,718,982 | 1,733,654 | 1,728 | 1,547,723 |
| Moscow Exchange | 1,428,964 | - | 1,706,276 | 33,628,117 | - | 3,564,698 |
| Tel-Aviv Stock Exchange | 692,741 | 6,996 | 409,494 | NA | NA | NA |
| **Grand Total** | **52,103,849** | **196,849** | **14,831,129** | **146,620,925** | **10,497,978** | **27,225,505** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A8: Interest Rate Options and Futures Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Jul-19** | | | | | |
| **Interest rate options** | | | **Interest rate futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **54,985,845** | **10,407,502** | **93,214,259** | **181,324,175** | **27,542,503** | **89,694,450** |
| B3 - BrasilBolsaBalcão | 223,340 | 0 | 24,818,168 | 41,843,965 | 1,004,279 | 58,235,484 |
| Bolsa de Valores de Colombia | NA | NA | NA | 10,347 | 911 | 10,192 |
| Bolsa Mexicana de Valores | NA | NA | NA | 24,633 | 147 | 49,827 |
| CME Group | 54,762,505 | 10,407,502 | 68,396,091 | 139,445,230 | 26,537,167 | 31,398,947 |
| ICE Futures US | NA | NA | NA | NA | NA | NA |
| **Asia - Pacific** | **96,066** | **3,978** | **18,840** | **17,185,851** | **3,625,573** | **5,650,744** |
| ASX Australian Securities Exchange | 58,125 | 3,978 | 12,000 | 10,064,293 | 3,132,740 | 4,749,164 |
| China Financial Futures Exchange | NA | NA | NA | 1,024,051 | 154,768 | 104,232 |
| Hong Kong Exchanges and Clearing | NA | NA | NA | 75 | 12 | 90 |
| Japan Exchange Group | 37,941 | NA | 6,840 | 594,879 | NA | 109,609 |
| Korea Exchange | NA | NA | NA | 3,293,875 | 331,364 | 511,867 |
| National Stock Exchange of India Limited | NA | NA | NA | 2,193,597 | 6,689 | 156,910 |
| Singapore Exchange | NA | NA | NA | 15,081 | NA | 18,872 |
| Taiwan Futures Exchange | NA | NA | NA | - | - | - |
| Thailand Futures Exchange | NA | NA | NA | - | NA | - |
| **Europe - Africa - Middle East** | **88,896** | **588** | **148,544** | **2,279,235** | **17,704** | **1,392,309** |
| Johannesburg Stock Exchange | 88,896 | 588 | 148,544 | 2,237,119 | 17,704 | 1,304,663 |
| Moscow Exchange | NA | NA | NA | 42,116 | - | 87,646 |
| **Grand Total** | **55,170,807** | **10,412,068** | **93,381,643** | **200,789,261** | **31,185,780** | **96,737,503** |

NA: Not Available

**Source: World Federation of Exchanges**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Table A9: Commodity Options and Futures Traded in Major Exchanges** | | | | | | |
| **Exchange** | **Jul-19** | | | | | |
| **Commodities options** | | | **Commodities futures** | | |
| **Number of contracts traded** | **Notional turnover** | **Open interest** | **Number of contracts traded** | **Notional turnover** | **Open interest** |
| **Americas** | **13,974,084** | **664,565** | **12,831,443** | **85,717,570** | **4,734,379** | **18,216,120** |
| B3 – BrasilBolsaBalcão | 40,989 | 5 | 65,250 | 109,443 | 791 | 65,254 |
| Bolsa de Valores de Colombia | NA | NA | NA | NA | - | 252 |
| CME Group | 12,744,257 | 633,964 | 11,580,713 | 80,657,855 | 4,622,758 | 16,245,259 |
| ICE Futures US | 1,188,838 | 30,596 | 1,185,480 | 4,950,272 | 110,830 | 1,905,355 |
| **Asia – Pacific** | **4,528,607** | **4,222** | **2,269,668** | **432,243,687** | **2,597,880** | **18,942,672** |
| ASX Australian Securities Exchange | 4,912 | 975 | 32,191 | 42,794 | 2,537 | 84,912 |
| Bursa Malaysia Derivatives | 3,100 | NA | 3,800 | 998,734 | 12,093 | 214,610 |
| Dalian Commodity Exchange | 2,523,663 | 120 | 638,525 | 128,862,279 | 1,058,419 | 6,438,397 |
| Hong Kong Exchanges and Clearing | NA | NA | NA | 73,201 | 2,547 | 2,852 |
| Indonesia Commodity and Derivatives Exchange | NA | NA | NA | 9,295 | 0 | 151 |
| Multi Commodity Exchange of India | 204,837 | 3,055 | 10,632 | 27,025,284 | 105,094 | 256,075 |
| NZX Limited | 6,815 | 27 | 15,689 | 30,963 | 120 | 42,104 |
| Shanghai Futures Exchange | NA | NA | NA | 135,536,203 | 1,373,297 | 5,857,876 |
| Singapore Exchange | 424,856 | NA | 1,259,642 | 1,520,480 | NA | 855,851 |
| Taiwan Futures Exchange | 4,062 | 34 | 2,845 | 13,596 | 225 | 1,473 |
| Thailand Futures Exchange | NA | NA | NA | 799,526 | NA | 57,803 |
| Zhengzhou Commodity Exchange | 1,356,362 | 10 | 306,344 | 137,331,332 | 43,549 | 5,130,568 |
| **Europe - Africa - Middle East** | **1,135,370** | **49,457** | **601,325** | **77,507,194** | **1,436,851** | **3,917,003** |
| Borsa Istanbul | NA | NA | NA | 5,166,305 | 1,090 | 518,861 |
| Dubai Gold and Commodities Exchange | NA | NA | NA | 70,420 | 878 | 59,120 |
| Johannesburg Stock Exchange | 16,332 | 13 | 31,185 | 271,006 | 4,727 | 113,429 |
| London Metal Exchange | 539,933 | 49,444 | 325,024 | 15,225,563 | 1,430,155 | 2,196,738 |
| LSE Group | NA | NA | NA | 65 | 2 | 163 |
| Moscow Exchange | 579,105 | - | 245,116 | 56,773,835 | - | 1,028,692 |
| **Grand Total** | **19,638,061** | **718,244** | **15,702,436** | **595,468,451** | **8,769,110** | **41,075,795** |

NA: Not Available

**Source: World Federation of Exchanges**

**Debt Market:**

* End July 2019, The Federal Reserve cut interest rate by 0.25 per cent for the first time since 2008.
* Subsequently, the bond yield have fallen. For US, the 10 year bond yield has hit 3 years low in August 2019. The yield has dropped for all the developed economies compared to August 2018.
* Also, the US treasury yield curve inverted for the first time since 2007 when the yield of two-year US Treasuries briefly rose above that of the 10-year bond in August 2019, hinting that the economy may be heading into recession.
* In the developed nations bond yields fell for all the select nations, and in the BRIC group, Indian bond yields gained by 19bps and Brazil by 20bps.

**Chart 3: Movement of 10 year Government Bond Yields in Developed Nations**

**Source:** Bloomberg

**Chart 4: Movement of 10 year Government Bond Yields in BRIC Nations**

**Source:** Bloomberg

* As of May 2019, Japan and China accounted for 16.9 per cent and 16.8 per cent of total foreign holding of US Treasury Securities. India accounted for 2.5 per cent of total foreign holding of US Treasury Securities (Table A10).

**Table A10: Major Foreign Holders of US Treasury Securities (US$ billion)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2019** | | | | | |
| **Country/Month** | **Jun** | **May** | **Apr** | **Mar** | **Feb** | **Jan** |
| Japan | 1122.9 | 1101 | 1064 | 1078.1 | 1068.8 | 1064.9 |
| China, Mainland | 1112.5 | 1110.2 | 1113 | 1120.5 | 1130.9 | 1126.7 |
| United Kingdom | 341.1 | 323.1 | 300.8 | 317.1 | 302.5 | 290.1 |
| Brazil | 311.7 | 305.7 | 306.7 | 311.7 | 307.7 | 305.1 |
| Ireland | 262.1 | 270.7 | 269.7 | 277.6 | 274 | 270.1 |
| Switzerland | 232.9 | 231.4 | 226.9 | 226.4 | 221.4 | 227 |
| Luxembourg | 231 | 229.6 | 223.7 | 230.2 | 228.9 | 226.7 |
| Cayman Islands | 226.6 | 216.1 | 217.2 | 219.5 | 210.1 | 209.2 |
| Hong Kong | 215.6 | 204 | 205.9 | 207.6 | 202.4 | 200.9 |
| Belgium | 203.6 | 190.5 | 179.8 | 186.6 | 181.3 | 191.5 |
| Saudi Arabia | 179.6 | 179 | 176.6 | 170 | 167.6 | 163.3 |
| Taiwan | 175.1 | 172 | 171.1 | 168.8 | 164.9 | 168.3 |
| **India** | **162.7** | **156.9** | **155.3** | **152** | **144.3** | **144.9** |
| Singapore | 139.6 | 150.4 | 139.3 | 138.8 | 130.5 | 127.8 |
| France | 131.6 | 125.1 | 124.7 | 109.6 | 115.9 | 112.5 |
| Korea | 115.2 | 117.3 | 115.1 | 119.9 | 115.5 | 117.3 |
| Canada | 111.6 | 100.5 | 102.1 | 99.7 | 97.6 | 99.3 |
| Norway | 99.3 | 99.3 | 97.1 | 99.5 | 97.1 | 90.9 |
| Thailand | 83.8 | 81.4 | 82.2 | 84.4 | 90.9 | 83.7 |
| Germany | 79.2 | 77.8 | 72.8 | 78.1 | 76.2 | 73.6 |
| Bermuda | 73.9 | 69.1 | 66.4 | 68.1 | 66.9 | 66.4 |
| United Arab Emirates | 51.5 | 53.2 | 55.7 | 55.6 | 54.5 | 55.9 |
| Sweden | 49.4 | 48.5 | 46.5 | 47.9 | 48.2 | 43.4 |
| Mexico | 49 | 49.9 | 47.7 | 44.7 | 40.5 | 41.2 |
| Netherlands | 47.9 | 44.4 | 45 | 44.5 | 42.9 | 43 |
| Italy | 45.4 | 42.5 | 43.7 | 44 | 42.1 | 41.1 |
| Kuwait | 44.4 | 41.4 | 40.2 | 40.2 | 42.2 | 40.7 |
| Spain | 42.6 | 42 | 41 | 40.9 | 37.7 | 36.6 |
| Israel | 39.5 | 36.1 | 36.2 | 34.8 | 35.4 | 30 |
| Australia | 39.2 | 39.7 | 39.1 | 39.3 | 39.5 | 41.4 |
| Iraq | 34.7 | 34.4 | 35.4 | 36.2 | 34.7 | 34 |
| Philippines | 32.2 | 30.7 | 27.3 | 25.1 | 21.2 | 21.1 |
| Colombia | 31.1 | 29.6 | 29.7 | 31.5 | 27.2 | 26.8 |
| All Other | 517.7 | 535.6 | 535.6 | 524.4 | 513 | 509.5 |
| **Grand Total** | **6636.3** | **6539.1** | **6433.6** | **6473.3** | **6374.8** | **6324.7** |
| Of which: |  |  |  |  |  |  |
| For. Official | 4141.7 | 4103.9 | 4062.5 | 4072.7 | 4024.9 | 3980.4 |
| Treasury Bills | 284.9 | 292.7 | 302.3 | 313.4 | 315.3 | 305.1 |
| T-Bonds & Notes | 3856.8 | 3811.3 | 3760.2 | 3759.4 | 3709.6 | 3675.2 |

**Note:**

1. The data in this table are collected primarily from U.S.-based custodians and broker-dealers. Since U.S. securities held in overseas custody accounts may not be attributed to the actual owners, the data may not provide a precise accounting of individual country ownership of Treasury securities
2. Estimated foreign holdings of U.S. Treasury marketable and non-marketable bills, bonds, and notes reported under the Treasury International Capital (TIC) reporting system are based on monthly data on holdings of Treasury bonds and notes as reported on TIC Form SLT, Aggregate Holdings of Long-Term Securities by U.S. and Foreign Residents and on TIC Form BL2, Report of Customers' U.S. Dollar Liabilities to Foreign Residents.

**Source:** Department of the Treasury/Federal Reserve Board

**Currency Market:**

* Currency markets across the globe were volatile owing to some international developments. Major Global Currencies remained weak against US dollar.
* The dollar index remained in the range of 97.38 and 98.92 during August 2019 and recorded the highest close price on August 30, 2019 at 98.92, since January 2019. This indicates that the dollar index has strengthened against its constituent foreign currencies during the period. US Dollar Index contains six developed market currencies.
* Global currency weakening has reflected in the performance of MSCI EM Currency Index. It fell from 1640.17 on August 1, 2019 to 1595.45 on August 30, 2019. The least closing price since January 2019 was 1590.62 on August 28, 2019.
* The INR did not fluctuate much during the month under review.

**Chart 5: Movement of the Major Currencies against US$**

**Note:** All currencies have been normalised keeping December 31, 2018 as base.

**Source:** Bloomberg

**Chart 6: Movement of the US Dollar Index and MSCI EM Currency Index**

**Note:**

1. All currencies have been normalised keeping December 31, 2018 as base.
2. The U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies. The Index goes up when the U.S. dollar gains value compared to other currencies. The index is maintained and published by Intercontinental Exchange. It is a weighted geometric mean of the dollar's value relative to following select currencies: Euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona, Swiss franc.
3. The MSCI Emerging Markets (EM) Currency Index tracks the performance of twenty-five emerging-market currencies relative to the US Dollar.

**Source:** Bloomberg

**HIGHLIGHTS OF DEVELOPMENTS IN INTERNATIONAL SECURITIES MARKET**

1. **SEC Adopts Amendments to Codify Exemption to Credit Rating Agency Rule**

The Securities and Exchange Commission (SEC) adopted the rule codifying an existing exemption for credit rating agencies registered with the Commission as nationally recognized statistical rating organizations (NRSROs).

Rule 17g-5(a)(3) under the Securities Exchange Act provides for the ability of information necessary to determine a structured finance product’s credit rating to NRSROs that were not hired by the issuer, sponsor, or underwriter of the structured finance product. Prior to the compliance date for Rule 17g‑5(a)(3), the Commission granted a temporary conditional exemption to the rule for certain structured finance products issued by non-U.S. persons and offered and sold outside the United States. The Commission subsequently extended this exemption.

The amendments adopted by the Commission codify the existing exemption to Rule 17g-5(a)(3) and clarify the exemption’s conditions. The amendments also clarify the conditions applicable to similar exemptions in Exchange Act Rules 17g-7(a) and 15Ga-2 so that the approach among these exemptions remains consistent. Rule 17g-7(a) requires an NRSRO to disclose certain information when it publishes a rating action. Rule 15Ga-2 requires an issuer or underwriter to disclose the findings and conclusions of any third-party due diligence report it obtains with respect to an asset-backed security that is to be rated by an NRSRO.

**Source:** [**https://www.sec.gov/news/press-release/2019-145**](https://www.sec.gov/news/press-release/2019-145)

1. **Implementation plan for Margin Requirements for Noncentrally Cleared OTC Derivative Transactions**

The FSC adjusted schedule to implement initial margin requirements for non-centrally cleared derivative transactions in accordance with internationally agreed standards:

* Initial margin requirements for financial institutions with derivatives of KRW70 trillion or more will be implemented from September 1, 2020 as scheduled, while the implementation for those with derivatives of less than KRW70 trillion will be delayed until September 1, 2021.
* The FSC will also propose a bill on margin requirements for non-centrally cleared OTC derivative transactions as the relevant guidelines by the Financial Supervisory Service (FSS) are due to expire in August 2020.

**Source:** [**http://meng.fsc.go.kr/common/pdfjs/web/viewer.html?file=/upload/press1/20190808181311\_eb8833ea.pdf**](http://meng.fsc.go.kr/common/pdfjs/web/viewer.html?file=/upload/press1/20190808181311_eb8833ea.pdf)

1. **CFTC’s Division of Market Oversight Extends Time-Limited No-Action Relief from Certain Position Aggregation Requirements**

The U.S. Commodity Futures Trading Commission’s Division of Market Oversight (DMO) issued a no-action letter extending, until August 12, 2022, the relief provided in CFTC Letter 17-37, which would have expired on August 12, 2019. This no-action letter continues to provide relief to market participants from certain position aggregation requirements in CFTC Regulation 150.4, including by:

* Revising the notice filing requirements;
* Revising the definitional conditions, for purposes of complying with the aggregation requirements, for eligible entities, independent account controllers, and commodity trading advisors; and
* Limiting the aggregation requirements for the “substantially identical trading strategies” rule to circumstances where positions in more than one account or pool are held in order to willfully attempt to circumvent applicable position limits.

This extension will also give DMO additional time to continue to, among other things, consider long-term solutions that might require a notice and comment rulemaking.

**Source:** <https://www.cftc.gov/PressRoom/PressReleases/7989-19>

1. **CFTC Charges International Enterprise with Operating a $103 Million Fraudulent Binary Options Trading Scheme**

The U.S. Commodity Futures Trading Commission today filed a civil enforcement action in the U.S. District Court for the Northern District of Illinois charging five entities and four individuals with fraud relating to a global retail binary options enterprise that targeted and victimized U.S. residents. As alleged in the complaint, the defendants executed their unlawful scheme through internet websites using fictitious trade names such as **BigOption**, **BinaryBook**, and **BinaryOnline**.

The following foreign entities and persons were sued in the CFTC complaint, which seeks to hold them liable for, and enjoin them from, fraud and other violations:

* Yukom Communications Ltd., incorporated in Israel
* Linkopia Mauritius Ltd., incorporated in Mauritius
* Wirestech Limited d/b/a BigOption, incorporated in the Republic of the Marshall Islands
* WSB Investments Ltd. d/b/a BinaryBook, incorporated in Anguilla, the United Kingdom, St. Vincent and the Grenadines, and Gibraltar
* Zolarex Ltd. d/b/a BinaryOnline, incorporated in the Republic of the Marshall Islands
* Yakov Cohen
* Yossi Herzog
* Lee Elbaz
* Shalom Peretz

The CFTC’s complaint charges that from March 2014 through the present, the defendants fraudulently solicited and accepted more than $103 million in connection with their binary options trading scheme. As alleged in the complaint, the defendants have solicited individuals located throughout the U.S. and elsewhere to trade binary options through internet trading websites. The complaint further charges that the defendants have falsely stated that the binary options offered by the five defendant entities are actual transactions subject to objective market conditions when, in fact, they are mere book entries whose outcomes can and have been manipulated to force customer losses. The complaint also alleges that the defendants falsely state that the interests of the defendant entities are aligned with the interests of customers, when in fact the entities are on the opposite side of each binary option trade and therefore profit from customer losses. The complaint further alleged that the defendants falsely represent that the binary options being offered are profitable, when in fact approximately 95 percent of their customers lose money.

The complaint also alleges that the defendants misrepresent the financial expertise, physical location, and identity of the individual “brokers” who solicit and sell binary options and that the brokers have routinely and consistently used high pressure sales techniques when soliciting customers to deposit funds with the foreign entities. The complaint quotes an email from Elbaz, one of the defendants, to certain brokers: “We are the money makers and no one can stop us! I want to hear the noise on the floor! This is not a cemetery here! It is a boiler room! . . . Either you sell the client or he sells you a reason he can’t deposit! . . . Don’t leave the money! Just Take It!”

The complaint further charges that the defendants have engaged in various activities to conceal the true nature of their binary options enterprise, including setting up various foreign nominee entities to enter into agreements and open off-shore bank accounts through which customer funds are transferred, concealed, and ultimately misappropriated. Additionally, the defendants have utilized various manipulative or deceptive devices, including so-called “bonuses” and “risk free” trades, and artificially manipulated the results of binary option trades to force customer losses and ultimately prevent customers from withdrawing funds. The complaint also charges the defendants with acting as futures commission merchants without registering as such, as required by CFTC regulations.

In its continuing litigation against the defendants, the CFTC seeks disgorgement of ill-gotten gains, civil monetary penalties, restitution for the benefit of customers, permanent registration and trading bans, and a permanent injunction from future violations of the Commodity Exchange Act.

**Source:** <https://www.cftc.gov/PressRoom/PressReleases/7995-19>

**POLICY DEVELOPMENTS**

1. **Rationalization of imposition of fines for false/incorrect reporting of margins or non-reporting of margins by Trading Member/Clearing Member in all segments**

In order to rationalize and bring uniformity in the manner of imposition of fine for ‘false/incorrect’ reporting of margin vis-à-vis ‘non-reporting’ of margin, SEBI issued the following guidelines:

1. The Stock Exchanges and Clearing Corporations, in all segments, in consultation with one another, shall devise a standard framework for imposition of fine on the Trading Member/ Clearing Member for incorrect/false reporting and non-reporting of margin collected from the clients.
2. Considering the principle of ‘proportionality’, the fine shall be charged to the member based on the materiality of non-compliance done by the member which may include factors such as number of instances, repeated violations, etc. The amount of fine to be charged upon the member may extend to 100per cent of such false/incorrectly/non reported amount of margin and/or suspension of trading for appropriate number of days.

**Source: CIR/HO/MIRSD/DOP/CIR/P/2019/88 August 01, 2019**

1. **Database for Distinctive Number (DN) of Shares-Action against non-compliant companies**

Regulation 75 of the SEBI (Depositories and Participants) Regulations, 2018 mandates issuer or its agent to daily reconcile the records of dematerialized securities with all securities issued by them. SEBI vide circular dated June 05, 2015 directed Issuers/RTAs to Update Distinctive Number (DN) information in respect of all physical share capital and overall DN range for dematerialized share capital for all listed companies and to take all necessary steps to update the DN database. If there is mismatch in the DN information with the data provided / updated by the Stock Exchanges in the DN database, the Issuer/RTA shall take steps to match the records and update the same latest by December 31, 2015. However, It is noted that certain companies are yet to comply with the circular.

In order to protect the interest of investors, SEBI directed the Depositories with effect from August 01, 2019:-

1. To freeze all the securities held by the promoters and directors of the listed companies that are not in compliance with the provisions of SEBI circular.
2. shall not affect any transfer, by way of sale, pledge, etc., of any of the securities, held by the promoters and directors of such non-compliant companies.
3. To freeze all related corporate benefits on the Beneficiary Owner a/c frozen.
4. Retain the freeze on the securities held by promoters and directors of non-compliant companies till such time the company complies with the directions provided in SEBI circular dated June 05, 2015.

SEBI also directed the exchanges / depositories to disseminate the names of companies that are not in compliance with aforementioned circular in their website. Further, exchanges are requested to ensure compliance by the company with SEBI circular no. CIR/MRD/DP/10/2015 dated June 05, 2015 prior to revocation of suspension of trading of shares of any company.

**Source: SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/87August 01, 2019**

1. **Streamlining issuance of SCORES Authentication for SEBI registered intermediaries**

In the interest of investors, SEBI has streamlined the process of providing SCORES credentials. SCORES user id and password details shall be sent to all new SEBI registered intermediaries, through an auto-generated e-mail, upon completion of process of online grant of registration by SEBI. The SCORES user id and password details shall be sent to the e-mail id of the Contact Person/Compliance Officer as provided in the online Registration Form. The primary e-mail address in SCORES is the e-mail ID where all notifications related to SCORES complaints are sent to the SEBI registered intermediary. All existing and new SEBI registered intermediaries will now be able to update their primary e-mail address and registered address on their own.

1. **Product Advisory Committee**

SEBI has directed commodity exchanges to form a product advisory committee (PAC) for each group or complex of commodities within a month to bring transparency in the designing process of commodity derivatives contracts.

**Source: SEBI//HO/CDMRD/DNPMP/CIR/P/2019/89 August 07, 2019**

1. **Disclosure of reasons for encumbrance by promoter of listed companies**

SEBI directed every listed firm to disclose detailed reasons for pledging of shares by its promoters along with the amount of stake pledged within two days if the total amount of shares pledged by the promoter or the promoter group crosses 50per cent of the total stake held by the promoter or if it is more than 20per cent of the concerned company’s total share capital.

**Source: SEBI/HO/CFD/DCR1/CIR/P/2019/90 August 07, 2019**

1. **Circular on investments by AIFs incorporated in IFSC**

SEBI amended Clause 22 (3) of SEBI (IFSC) Guidelines, 2015 relating to securities in which Alternative Investment Funds (AIFs) operating in IFSC can invest.

Based on consultations held with stakeholders, it has been decided to harmonize the provisions governing investments by AIFs incorporated in IFSC with those provisions regarding investments applicable for domestic AIFs.

**Source: SEBI//HO/IMD/DF4/CIR/P/2019/093 August 16, 2019**

1. **Parking of Funds in Short Term Deposits of Scheduled Commercial Banks by Mutual Funds – Pending deployment**

SEBI clarified that Trustees/Asset Management Companies (AMCs) shall ensure that no funds of a scheme is parked in STD of a bank which has invested in that scheme. Trustees/AMCs shall also ensure that the bank in which a scheme has STD do not invest in the said scheme until the scheme has STD with such bank.

**Non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”)**

SEBI issued circular for non-compliance with certain provisions of ICDR Regulations, stock exchanges shall impose fines on the listed entities, as under:

|  |  |  |  |
| --- | --- | --- | --- |
| **S/N** | **Violation** | **Regulation / Schedule** | **Fine** |
| 1 | Delay in completion of a bonus issue :   1. Within 15 days from the date of approval of the issue by its board of directors – in cases where shareholders’ approval for capitalization of profits or reserves for making the bonus issue is not required. 2. ii. Within 2 months from the date of the meeting of its board of directors wherein the decision to announce bonus issue was taken subject to shareholders’ approval – in cases where issuer is required to seek shareholders’ approval for capitalization of profits or reserves for making the bonus issue. | 295 (1) | ₹ 20,000 per day of non-compliance till the date of compliance. |
| 2 | Listed entities not completing the conversion of convertible securities and allotting the shares, within 18 months from the date of allotment of convertible securities. | 162 | Same as above. |
| 3 | As per Schedule XIX - Para (2) under heading Application for listing, it is stated that: “*The issuer shall make an application for listing, from the date of allotment, within such period as may be specified by the Board from time to time, to one or more recognized stock exchange(s*)”.  In regard to above, it is specified that Issuer shall make an application to the exchange/s for listing in case of further issue of equity shares from the date of allotment within 20 days (unless otherwise specified). | Schedule XIX – Listing of Securities on Stock Exchanges. | Same as above. |
| 4 | Listed entities shall make an application for trading approval to the stock exchange/s within 7 working days from the date of grant of listing approval by the stock exchange/s. |  | Same as above. |

**Source: SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated August 19, 2019**

1. **Handling of Clients’ Securities by Trading Members/Clearing Members**

SEBI has extended the deadline for squaring off all client trades that have not been fully paid by one month. The new deadline for complying the SEBI guidelines is September 30, 2019.

**Source: SEBI/HO/MIRSD/DOP/CIR/P/2019/95 dated August 29, 2019**

*Disclaimer: The summary has been prepared for the convenience of readers. In case of any ambiguity, please refer to the original circular.*

**REGULATORY ACTION TAKEN BY SEBI**

* SEBI passed an order, dated 29 July 2019, in the matter of Sai Prakash Properties Development Limited directing Sai Prakash Properties Development Ltd. and others to jointly and severally liable to wind up its existing collective investment schemes and refund the money collected by it under the schemes with returns which are due to the investors as per the terms of offer within a period of three months. They were further restrained from accessing securities market and prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly, till the directions for refund/repayment to investors are complied with, and further period of seven years from the date of completion of the refund.
* SEBI passed an order, dated 29 July 2019, in the matter of DGR Farms and Leisures Limited (DGR) directing (DGR) and others to jointly and severally liable to wind up its existing collective investment schemes and refund the money collected by it under the schemes with returns which are due to the investors as per the terms of offer within a period of three months. They were further restrained from accessing the securities market and prohibited from buying, selling or otherwise dealing in securities market, directly or indirectly, till the directions for refund/repayment to investors are complied with, and further period of four years from the date of completion of the refund.
* SEBI passed an order, dated 31 July 2019, in the matter of Parichay Investments Ltd. directing Sanjay Jethalal Soni and othersnot to access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of 10 years.
* SEBI passed an order, dated 31 July 2019, in respect of Guiness Securities Ltd and others, confirming the directions of restraining them from accessing the securities market.
* SEBI passed an order, dated 08 August 2019, in the matter of MMF Solutions, directing amount to be refunded vide order dated February 15, 2018 stands modified as Rs. 63,06,952.
* SEBI passed an order, dated 09 August 2019, in the matter of Patel Engineering Limited exempting the acquirers, from complying with the requirements of Regulations 3(1) of the Takeover Regulations with respect to the proposed acquisition of shares / voting rights in Patel Engineering Limited.
* SEBI passed an order, dated 13 August 2019, in the shares of Palred Technologies Limited restraining Palem Srikanth Reddy and others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly for a period of three years. They were also directed to disgorge the amounts wrongly unlawful gains.
* SEBI passed an order, dated 14 August 2019, in the matter of Wisdom Agro Tech Limited directing Wisdom Agro Tech India Limited and others not to launch any new collective investment scheme. They were further restrained from accessing the securities market and also prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of four years.
* SEBI passed an order, dated 19 August 2019, in the matter of Bhilai Engineering Corporation Limited exempting the company from compliance with the MPS norms and the requirement to maintain promoter / promoter group shareholding in dematerialized form. For the purpose of delisting under the special provisions applicable to small companies, as provided under Regulation 27 of the Delisting Regulations, the company shall be exempt from meeting the eligibility conditions stipulated under Regulation 27(1)(a) of the Delisting Regulations, to the extent they pertain to net-worth, and that stipulated under Regulation 27(1)(c) of the Delisting Regulations. The company was directed to complete the delisting process by March 31, 2020 and shall report the outcome within one (1) month’s period from the date of completion of the delisting process among other directions.
* SEBI passed an order, dated 19 August 2019, in the matter of Adel Landmarks Limited directing Adel Landmarks Limited and others to cause to effect a newspaper publication in one widely circulated newspaper, in English and Hindi each, inviting complaints/claims from any investor in respect of the collective investment schemes (carried on in the current name of the noticee company or in any other name it was previously known) that are still outstanding within a period of one month. The newspaper publication shall also contain an advisory, informing the investor to forward a copy of such complaints/claims, with the superscription “Complaints/Claims in the Matter of Adel Landmarks Ltd.”, to SEBI.
* SEBI passed an order, dated 21 August 2019, in the matter of Delisting of Equity Shares of Polygenta Technologies Limited granting the company i.e. Polygenta Technologies Ltd., relaxation from the applicability of regulation 8(1B)(i) (limited to the extent of compliance with minimum public shareholding norms) for the specific purpose of seeking voluntary delisting of its equity shares for non-compliance with the MPS norms and not resorting to any of the methods prescribed in SEBI circular No. CIR/CFD/CMD/14/2015 dated November 30, 2015 to comply with the MPS requirements
* SEBI passed an order, dated 22 August 2019, in the matter of Tradebizz Research restraining Santosh Singh Parihar from buying, selling or dealing in the securities market or associating themselves with securities market, either directly or indirectly, in any manner whatsoever or on behalf of any of his clients through their accounts, till further directions for violation of Regulation 15(1), Clauses 1 and 4 of Code of Conduct as specified under Third Schedule read with Regulation 15(9) of IA Regulations.
* SEBI passed an order, dated 23 August 2019, in the matter of Gujarat Nitrates Ltd. restraining and prohibiting the Company, from accessing the Securities Market and further prohibit it from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, till the Noticee Company resolves the investor grievances pending against it for, the violation of SEBI circulars dated June 3, 2011, August 13, 2012 and April 17, 2013, informing the listed companies about SCORES mechanism and directing them to obtain SCORES authentication and further to take necessary steps so as to be able to resolve the complaints within the stipulated days in terms of the guidance issued to them from time to time
* SEBI passed an order, dated 26 August 2019, in the matter of Premium Research Financial Services and Premium Capital Services directing Premium Research Financial Services and others to cease and desist from acting as an investment advisor and cease to solicit or undertake such activity or any other activities in the securities market, directly or indirectly, in any matter whatsoever, not to access the securities market and buy, sell or otherwise deal in securities in any manner whatsoever, directly or indirectly, not to divert any funds raised from investors, kept in bank account(s) and/or in their custody and immediately withdraw and remove all advertisements, representations, literatures, brochures, materials, publications, documents, websites, communications etc., in relation to their investment advisory activity or any other unregistered activity in the securities market until further orders for the violation of AI and RA Regulations.
* SEBI passed an order, dated 28 August 2019, in the matter of Action Financial Services (India) Ltd. Restraining Atul Sharma from accessing the Securities Market and further prohibited him from buying, selling or otherwise dealing in securities, directly or indirectly in any manner, for a period of Six months for violation of PFUTP Regulations.
* SEBI passed an order, dated 28 August 2019, in the matter of Transgene Biotek Ltd. (TLB) directing Transgene Biotek Limited and others to continue to pursue the measures to recall the outstanding amount of $ 38.5 million and bring the money back into TLB’s bank account in India within a period of one year. They were further directed to remain restrained from accessing the securities market and be further prohibited from buying, selling or otherwise dealing in securities (including units of mutual funds), directly or indirectly, or being associated with the securities market in any manner, whatsoever, till compliance with direction and further for two years for the violation of PFUTP and PIT Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Mohan Lal Agrawal and other associated entities directing Mohan Lal Agrawal and others to forthwith return the money to its clients received from them as fees or in any other form, in respect of its unregistered investment advisory services. They were further directed to cease and desist from acting as an unregistered investment advisor and also to cease and desist from soliciting or undertaking, either themselves or through any firm/company, etc., investment advisory activity, directly or indirectly, in any matter whatsoever. They were also restrained from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner whatsoever, including as an intermediary, starting from the date of this order till the expiry of three (3) years.
* SEBI passed an order, dated 29 August 2019, in the matter of Radford Global Limited restraining Sangita Pramod Harlalka and Shailesh Lalman Ojha from accessing the securities market and buying, selling or dealing in securities, either directly or indirectly, in any manner for a period of Six months for violation of PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Mahavir Advanced Remedies Ltd. restrain the Shilpa Gowdanakunta and others from accessing the securities market and further prohibit them from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of three (3) years from the date of this order. During the period of restraint, the existing holding of securities including units of mutual funds, shall also remain frozen for violation of PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Life Fund prohibiting Life Fund from taking up new clients and any new contracts including contracts from the existing clients, if any from the date of service of this order. They were further directed to liquidate the investments, if any, made by the Life Fund, and return the proceeds to its investors, if any, within Three months for the violation of AIF Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of MI Research (Proprietor - Ashish Jain) prohibiting MI Research and its proprietor from accepting any fresh clients until further orders. MI Research was directed to disclose the contents of these directions on its website(s) immediately.
* SEBI passed an order, dated 29 July 2019, in the matter of Goldstone Infratech Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Rajasthan Global Securities Limited and LRSD Global Holdings Private Limited for the violation of Regulation 13(1) , 13(3), 13(5) of the PIT Regulations and Regulation 29(1), 29(2) read with 29(3) of the SAST Regulations.
* SEBI passed an order, dated 29 July 2019, against Marson S Textile Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Marson S Textile Limited for its failure to obtain SCORES Authentication.
* SEBI passed an order, dated 29 July 2019, in respect of Kwality Builders & Developers Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kwality Builders & Developers Limited for its failure to obtain SCORES Authentication.
* SEBI passed an order, dated 29 July 2019, in respect of Grace (India) Ltd imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Grace (India) Ltd for the violation of failure to obtain SCORES Authentication.
* SEBI passed an order, dated 30 July 2019, in the matter of Amulya Leasing & Finance Ltd.(now known as Apollo Pipes Ltd.) imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Madhukar Sheth for violation of Regulation 29(2) read with Regulation 29(3) of SAST Regulations
* SEBI passed an order, dated 30 July 2019, in respect of Fuji India Ltd imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Fuji India Ltd for the violation of SEBI circular CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 30 July 2019, in the matter of Financial Technologies (India) Limited imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on Naishadh P. Desai for the violation of provisions of Clause 3.3.1 of Model Code of Conduct of Prevention of Insider Trading for Listed Companies specified under Schedule I of Part A read with Regulations 12(1) of SEBI (PIT) Regulations, 1992 and Regulation 12 of SEBI (PIT) Regulations 2015.
* SEBI passed an order, dated 30 July 2019, in the matter of Marwadi Shares and Finance Limited imposing a total penalty of Rs 8,00,000 (Rupees Eight Lakh Only) on Marwadi Shares and Finance Limited for the violation of Point no. 12 of the Annexure A to the SEBI Circular No. MIRSD/SE/Cir-19/2009 dated December 03, 2009; Regulation 16 (b) of SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011 (as amended on March 13, 2014); SEBI circular no. MIRSD/Cir-5/2012 dated April 13, 2012; and SEBI circular No. MIRSD/Cir- 26/2011 dated December 23, 2011. Also, the entity did not abide by Clause A(1), A(2) and A(5) of the Code of Conduct prescribed for stock brokers contained in Schedule II read with 3Regulation 7 of the Stock Broker Regulations.
* SEBI passed an order, dated 30 July 2019, in the matter of dealing in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Dhan Stock and Share Brokers Pvt. Ltd. for the violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 30 July 2019, in the matter of dealing in Illiquid Stock Options at BSE imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on Dippy Investments Pvt Ltd for the violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 30 July 2019, in the matter of Trading in Illiquid Stock Options imposing a total penalty of Rs 18,00,000 (Rupees Eighteen Lakh Only) on Mi Stock Broking Pvt. Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 30 July 2019, in the matter of dealing in Illiquid Stock Options on NCL Research and Financial Services Ltd imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on NCL Research and Financial Services Ltd. for the violation of Regulations 3(a), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Regency Hospital Limited imposing a total penalty of Rs 1,30,00,000 (Rupees One Crore Thirty Lakh Only) on Shree Gopal Gupta and others for the violation of Regulation 3(a),3(b),3(c),3(d), 4(1) and 4(2)(a) (b) (e ) and (g) of the PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Seema Holdings Private Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,20,000 (Rupees Five Lakh Twenty Thousand Only) on Rockland Media and Communication Private Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Shree Ganesh Metaliks Ltd. for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Ram Minerals and Chemicals Ltd. imposing a total penalty of Rs 66,00,000 (Rupees Sixty Six Lakh Only) on All Time Buildtech Private Ltd. and others for the violation of Regulation 4 (1), 4 (2) (a), (e) of the PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Superior Industrial Enterprises Ltd. imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on Rajeev Kumar Bhala and others for the violation of Regulations 3 (a), (b),(c) and (d), Regulation 4 (1), and 4 (2) (a) and (e) of PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Aarya Global Shares and Securities Ltd imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Amita Pradeep Sheth for the violation of Regulations 3 (a), (b),(c) and (d), Regulation 4 (1), and 4 (2) (a) and (e) of PFUTP Regulations.
* SEBI passed an order, dated 31 July 2019, in respect of Indian Products Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Indian Products Limited for the violation of Circular No. CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 31 July 2019, in the matter of International Conveyers Ltd. imposing a total penalty of Rs 49,00,000 (Rupees Forty Nine Lakh Only) on Rajendra Kumar Dabriwala for the violation of Clause 1.2 & 3.2.1 of Code of Conduct as specified under Part A of Schedule I under Regulation 12(1) & 12(3) of PIT Regulations, 1992, Regulation 3(i) and 4 of PIT Regulations, 1992, and Clause 3.2-2 and 3.2-5 of Part A of Schedule I under Regulation 12(1) of PIT Regulations, 1992.
* SEBI passed an order, dated 31 July 2019, in the matter of International Conveyers Ltd imposing a total penalty of Rs 4,00,000 (Rupees Four Lakh Only) on RCA Ltd. for the violation of Regulation 7(1A) of SAST Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of 8K Miles Software Services Ltd imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Sidharth C.A. for the violation of Clause 1.2 of the code of conduct specified under Part A of the Schedule-I stipulated under Regulation 12(1) of PIT Regulations.
* SEBI passed an order, dated 31 July 2019, in the matter of Saint Gobain Sekurit India Ltd imposing a total penalty of Rs 3,00,000 (Rupees Three Lakh Only) on India Infoline Ltd for the violation of Clause A(2) of the Code of Conduct for Stock Brokers as specified under Schedule II r/w Regulation 7 of SEBI Stock Brokers Regulations.
* SEBI passed order dated August 01 2019 in the matter of Octant Interactive Technologies Limited(Now Known as Swarnjyothi Agrotech & Power Limited) imposing penalty to the following entities for violating regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a)and 4(2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003:

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| **Name of the Entity** | **PAN** | **Penalty Amount (Rs)** |
| Manish Rathi | ANCPR8422N | 25,00,000(Rupees Twenty Five Lakh only) |
| Jitendra Chandrabhan Singh | BRBPS1206H | 25,00,000(Rupees Twenty Five Lakh only) |
| Kishor V Gandhi HUF | AAFHK2040D | 10,00,000(Rupees Ten Lakh only) |
| Rashmi Vijayjeet Walia | AABPW3168Q | 5,00,000(Rupees Five Lakh only) |
| Geeta Ajayjeet Walia | AALPW8973B | 5,00,000(Rupees Five Lakh only) |
| Narendra Vallabhji Bahuva | ALEPB6133C | 5,00,000(Rupees Five Lakh only) |
| Jaywant Ganpat Chavan | AERPC7192L | 10,00,000(Rupees Ten Lakh only) |
| Maheshwar Das | AQCPD5208R | 5,00,000(Rupees Five Lakh only) |
| Kailash Chandra Mishra | AUXPM5940Q | 5,00,000(Rupees Five Lakh only) |
| Yogarathinam Siva Arul Durai | AABPS8632H | 10,00,000(Rupees Ten Lakh only) |
| Rahul Sharma | BFMPS6333C | 5,00,000(Rupees Five Lakh only) |

* SEBI passed order dated August 01 2019 in the matter of Octant Interactive Technologies Limited(Now Known as Swarnjyothi Agrotech & Power Limited) imposing penalty to the following entities for violating regulations 3(a), 3(b), 3(c), 3(d), 4(1), 4(2)(a), 4(2)(b), 4(2)(e) and 4(2)(g) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003:

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| **Entity Name** | **PAN** | **Penalty Amount (Rs)** |
| Girraj Kishore Agarwal | AABPA4928N | 3,00,00,000 (Rupees Three Crore Only) |
| Tanu Girraj Kishore Agarwal | AADPA7003J | 2,00,00,000 (Rupees Two Crore only) |
| Fulchand Raka | AABPR8367G | 25,00,000 (Rupees Twenty Five Lakh only) |
| Radha Govind Lashkari (HUF) | AADHR4707E | 25,00,000 (Rupees Twenty Five Lakh only) |
| Manju Mutha | AAEPM5217D | 35,00,000 (Rupees Thirty Five Lakh only) |
| Radha Lashkari | AAHPL2851M | 25,00,000 (Rupees Twenty Five Lakh only) |
| Sanjay Jain | AARPJ1511G | 25,00,000 (Rupees Twenty Five Lakh only) |
| Dinesh Ghevariya | ABCPG0638B | 25,00,000 (Rupees Twenty Five Lakh only) |
| Rajendra Aggrawal | ABKPA0759R | 25,00,000 (Rupees Twenty Five Lakh only) |
| Ramesh Kumar Jain | ABKPR0083M | 25,00,000 (Rupees Twenty Five Lakh only) |
| S Raja | ABTPR5484R | 25,00,000 (Rupees Twenty Five Lakh only) |
| Sunita Garg | ADFPG5482Q | 25,00,000 (Rupees Twenty Five Lakh only) |
| Jigneshkumar Kapadia | ADMPK6294P | 25,00,000 (Rupees Twenty Five Lakh only) |
| Dhiren Kapadia | AEUPK1721L | 25,00,000 (Rupees Twenty Five Lakh only) |
| Suresh Chandra Kapadia | AEUPK1722K | 25,00,000 (Rupees Twenty Five Lakh only) |
| Raman Goyal | AFMPG7504C | 25,00,000 (Rupees Twenty Five Lakh only) |
| Rampal Kalya | AHUPK2621G | 25,00,000 (Rupees Twenty Five Lakh only) |
| Govindbhai Patel | AKUPP8308C | 25,00,000 (Rupees Twenty Five Lakh only) |
| S Ramesh | AUVPS3519F | 25,00,000 (Rupees Twenty Five Lakh only) |
| Keystone Stock Finance Ltd. | AAACK3241J | 1,00,00,000 (Rupees One Crore only) |
| Manish Rathi | ANCPR8422N | 1,00,00,000 (Rupees One Crore only) |
| Indra Pratap Gajraj Singh | APEPS7258B | 1,00,00,000 (Rupees One Crore only) |
| Jitendra Chandrabhan SIngh | BRBPS1206H | 1,00,00,000 (Rupees One Crore only) |
| Alliance Intermediaries and Network Pvt. Ltd. | AACCA9750E | 1,00,00,000 (Rupees One Crore only) |
| VRP Financial Services Pvt. Ltd. | AAACV7147C | 1,00,00,000 (Rupees One Crore only) |
| Shiv Kumar Kaushik | AAGPK7011H | 35,00,000 (Rupees Thirty Five Lakh only) |
| Rajesh Tukaram Dambre | AHAPD8240L | 30,00,000 (Rupees Thirty Lakh only) |
| Praveen Vasisth | ADDPV7664F | 30,00,000 (Rupees Thirty Lakh only) |
| Roshan Jha | AIUPJ4066D | 25,00,000 (Rupees Twenty Five Lakh only) |
| Shanti Pinto | AMGPP0156N | 25,00,000 (Rupees Twenty Five Lakh only) |
| Kaushik Shah | AXAPS7940N | 55,00,000 (Rupees Fifty Five Lakh only) |
| Divya Sushil Kumar Shah | BHZPS3728L | 25,00,000 (Rupees Twenty Five Lakh only) |
| Aparna Commodities Pvt. Ltd. | AAFCA2440N | 25,00,000 (Rupees Twenty Five Lakh only) |
| Uniflex Carrying Co. | AAACU2984J | 25,00,000 (Rupees Twenty Five Lakh only) |
| Clocksign Trading Pvt. Ltd. | AACCC4640H | 35,00,000 (Rupees Thirty Five Lakh only) |

* SEBI passed an order, dated 06 August 2019, in respect of Real Realty Management Company Ltd imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Real Realty Management Company Ltd for the violation of Regulation 13(6) of PIT Regulations.
* SEBI passed an order, dated 06 August 2019, in the matter of Dynacons Technologies Ltd imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Arun Govil for the violation of Regulation 29(1) read with 29(3) of SAST Regulations.
* SEBI passed an order, dated 07 August 2019, in the matter of Star India Market Research, Investment Adviser imposing a total penalty of Rs 40,00,000 (Rupees Forty Lakh Only) on Star India Market Research for the violation of Regulations 15, 16 & 17 along with Schedule III of IA Regulations.
* SEBI passed an order, dated 08 August 2019, in the matter of its dealings in illiquid stock options at the BSE Limited imposing a total penalty of Rs 13,00,000 (Rupees Thirteen Lakh Only) on Fastner Machinery Dealers Private Limited for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 08 August 2019, in the matter of not obtaining SCORES authentication and non redressal of investor grievances imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Moh Limited for its failure to obtain the SCORES authentication.
* SEBI passed an order, dated 09 August 2019, in the matter of 20 Microns Limited imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Marfatia Stock Broking Private Limited for the violation of Regulations 9(b) and 9(f) of Broker Regulations.
* SEBI passed an order, dated 19 August 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 7,00,000 (Rupees Seven Lakh Only) on Ravinder Singh for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 20 August 2019, in the matter of failure to obtain SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kamayani Engineering Products Limited for the violation of Circular No. CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 20 August 2019, in the matter of trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Ajanta Comtrade Private Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 20 August 2019, in the matter of trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Abhishek Capital Private Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 20 August 2019, in the matter of trading in the matter of Action Financial Services (INDIA) Limited imposing a total penalty of Rs 35,00,000 (Rupees Thirty Five Lakh Only) on Bakul Ramniklal Parekh and others for the violation of section 12A (a), (b), (c) of the SEBI Act read with Regulation 3 (a), (b), (c), (d) & 4(1) of the PFUTP Regulations.
* SEBI passed an order, dated 21 August 2019, in the matter of Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Antimony Tradelink Private Limited for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 22 August 2019, in the matter of Non-redressal of investor grievance(s) imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Trigon Zinco Ltd for the violation of SEBI Circulars No. CIR/OIAE/2/2011 dated June 03, 2011, CIR/OIAE/1/2012 dated August 13, 2012 and CIR/OIAE/1/2013 dated April 17, 2013.
* SEBI passed an order, dated 22 August 2019, in the matter of Dealing in Illiquid options on the BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Imtihan Distributors Private Limited for the violation of 3(a), 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 22 August 2019, in the matter of Sanwaria Consumer Ltd imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Anil Kumar Agarwal for failure to comply with the relevant provision of PIT Regulations.
* SEBI passed an order, dated 22 August 2019, in the matter of AF Enterprises Ltd. imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Sanjeev Dalmia for the violation of Regulation 29(2) read with regulations 29(3) of SAST Regulations.
* SEBI passed an order, dated 22 August 2019, in the matter of failure to obtain SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Indo Traders and Exporters Limited.
* SEBI passed an order, dated 23 August 2019, in the matter of Illiquid Stock Options at BSE imposing a total penalty of Rs 11,50,000 (Rupees Eleven Lakh Fifty Thousand Only) on Anurabh Vanijya Private Limited for the violation of regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 23 August 2019, in the matter of Dealing in Illiquid options on the BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Hotahoti Wood Products Limited for the violation of regulations 3(a), 4(1), 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 23 August 2019, in the matter of Vertex Spinning Limited imposing a total penalty of Rs 26,00,000 (Rupees Twenty Six Lakh Only) on SIC Stock & Services Pvt. Ltd and others for the violation of Section 12A(a), (b) and (c) of SEBI Act read with 3(a),(b), (c) and (d) read with Regulation 4(1), 4(2) (a) and (e) (f), (k) and (p) of SEBI PFUTP Regulations read with Regulation 7 of SBSB Regulations by not adhering to due skill, care and diligence expected from stockbrokers in terms of Regulation 7 read with Clause A(1) to (5) of Code of Conduct specified under Schedule II of SEBI SBSB Regulations, 1992 and SEBI Circular Nos. SEBI/MRD/SE/Cir33/2003/27/08 dated August 27, 2003, ISD/CIR/RR/AML/1 /06 January 18, 2006 and ISD/CIR/RR/AML/2 /06 dated March 20, 2006.
* SEBI passed an order, dated 26 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Survi Dealers Pvt. Ltd. for the violation of regulations 3(a),(b),(c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 26 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 7,60,000 (Rupees Seven Lakh Sixty Thousand Only) on Swastik Securities & Finance Ltd. for the violation of regulations 3(a),(b),(c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 26 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Jaganathan Jayseelan for the violation of regulations 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 26 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on Inter Globe Finance Ltd. for the violation of regulations 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 26 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 6,00,000 (Rupees Six Lakh Only) on Airspace Infrastructure Private Limited for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 27 August 2019, in the matter of failure to obtain SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Kanoi Developments Limited.
* SEBI passed an order, dated 27 August 2019, in the matter of dealing in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Greencrest Financial Services Limited for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 27 August 2019, in the matter of dealing in Illiquid Stock Options at BSE imposing a total penalty of Rs 14,00,000 (Rupees Fourteen Lakh Only) on Sai Refinery for the violation of Regulation 3(a), (b), (c), (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 27 August 2019, in the matter of Himachal Fibres Ltd imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Sushma Gupta for her failure to comply with the disclosure requirement under Regulation 8(2) of the SEBI Act.
* SEBI passed an order, dated 27 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Tejas Babulal Shah for the violation of regulations 3(a), (b), (c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 28 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Sureshine Vintrade Private Limited for the violation of regulations 3(a), (b), (c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 28 August 2019, in the matter of dealings in Illiquid Stock Options at BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Shristi Cement Ltd. for the violation of regulations 3(a), (b), (c) & (d), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of failure to obtain SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on J G Finance Limited.
* SEBI passed an order, dated 29 August 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Sangrahalaya Timber and Crafts Ltd. for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of PFUTP Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of KIFS Trade Capital Pvt. Ltd. imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on KIFS Trade Capital Pvt. Ltd. for the violation of Clause A(1) and A(5) of the Code of Conduct as specified in Schedule II of Regulation 9 read with Regulation 26 (xvi) of the SEBI Stock-Brokers Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Succinct Fintech Services Private Ltd imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on Succinct Fintech Services Private Ltd and others for the violation of Section 12 (1) of the SEBI Act and Regulation 3 (1) of Investment Adviser Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Trading in Illiquid Stock Options on BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Sarthak Sales Pvt. Ltd. for the violation of Regulations 3(a), (b), (c), (d), 4(1) and 4(2)(a) of “PFUTP Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs 12,00,000 (Rupees Twelve Lakh Only) on Pradeep Kumar Jindal for the violation of Regulation 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs 9,00,000 (Rupees Nine Lakh Only) on Mamta Jindal for the violation of Regulation 13(4) and 13(4A) read with Regulation 13(5) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of dealings in Illiquid Stock Options at Bombay Stock Exchange Limited imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Emrald Commercial Ltd for the violation of Regulations 3 (a), (b), (c), (d) and 4 (1), 4 (2) (a) of PFUTP Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Onward Technologies Limited imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Jigar Harish Mehta for the violation of Regulation 13(4A) and Regulation 13(5) of PIT Regulations.
* SEBI passed an order, dated 29 August 2019, in the matter of Maanibhadra Commodities imposing a total penalty of Rs 2,00,000 (Rupees Two Lakh Only) on Maanibhadra Commodities for the violation of SEBI Circular No. SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order, dated 30 August 2019, imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on K.M. Industrial Investments Ltd. in the matter of failure to obtain SCORES Authentication.
* SEBI passed an order, dated 30 August 2019, in the matter of Syncom Healthcare Ltd. imposing a total penalty of Rs 1,15,00,000 (Rupees One Crore Fifteen Lakh Only) on Syncom Healthcare Ltd. and others for the violation of Section 12A(a), (b) and (c) of SEBI Act, 1992 read with Regulations 3(a), (b), (c) & (d), 4(1), 4(2) (K) and (r) of PFUTP Regulations, Section 21 of SCRA read with Clause 36(7), Clause 32 and Clause 50 of the Listing Agreement .
* SEBI passed an order, dated 30 August 2019, in the matter of Dealing in Illiquid Stock Options at the BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Love Kush Securities Pvt. Ltd. for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Dealing in Illiquid Stock Options at the BSE imposing a total penalty of Rs 5,00,000 (Rupees Five Lakh Only) on Mahavir Finance Private Limited for the violation of Regulation 3(a), 4(1) and 4(2)(a) of the PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Inventure Growth & Securities Ltd. imposing a total penalty of Rs 1,81,00,000 (Rupees One Crore Eighty One Lakh Only) on Inventure Growth & Securities Ltd. and others for the violation of Section 12 A (a), (b), (c) of SEBI Act, Regulations 3 (b), (c), (d), 4(1), 4(2)(f), (k) and (r) of the PFUTP Regulations and Regulations 57 (1) and 57 (2) (a) read with Clause 2 (VII) (G) and (XVI) (B) (2) of part A of schedule VIII and 60 (4) of the SEBI (ICDR) Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Moryo Industries Ltd. imposing a total penalty of Rs 10,00,000 (Rupees Ten Lakh Only) on Badrilal Birla for the violation of Regulations 3(a), (b), (c) & (d), 4(1) and 4(2) (a) & (e) of PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Non- Obtaining of SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Badrilal Birla.
* SEBI passed an order, dated 30 August 2019, in the matter of Non- Obtaining of SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on Madhu Jayanti International Limited.
* SEBI passed an order, dated 30 August 2019, in the matter of Non- Obtaining of SCORES Authentication imposing a total penalty of Rs 1,00,000 (Rupees One Lakh Only) on M C C Investment & Leasing Company Limited.
* SEBI passed an order, dated 30 August 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs 11,50,000 (Rupees Eleven Lakh Fifty Thousand Only) on Archit Jindal for the violation of Regulation 13(4A) read with 13(5) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.
* SEBI passed an order, dated 30 August 2019, in respect of Alpha Commodity Private Limited imposing a total penalty of Rs 3,00,000 (Rupees Three Lakh Only) on Alpha Commodity Private Limited for the violation of Circular SMD/SED/CIR/93/23321 dated November 18, 1993.
* SEBI passed an order, dated 30 August 2019, in the matter of Trading Activities of Certain Entities in the Scrip of Pawansut Holdings Limited imposing a total penalty of Rs 10,50,000 (Rupees Ten Lakh Fifty Thousand Only) on Aanchal Jindal for the violation of Regulation 13(4A) read with Regulation 13(5) of PIT Regulations and Regulation 29(2) read with Regulation 29(3) of SAST Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of Shreekrishna Biotech Ltd imposing a total penalty of Rs 13,00,000 (Rupees Thirteen Lakh Only) on Keval Chandrakant Shah and others for the violation of Regulation 3 (a), (b), (c), (d) and 4(1), 4(2)(a) & (e) of the PFUTP Regulations.
* SEBI passed an order, dated 30 August 2019, in the matter of R. M. Mohite Textiles Ltd. imposing a total penalty of Rs 20,00,000 (Rupees Twenty Lakh Only) on Bharatkumar Baldevbhai Parmar and others for the violation of Regulation 12A(a), (b) & (c) of the SEBI Act, and Regulation 3 (a), (b), (c) & (d) and 4(1), 4(2)(a) & (e) of the PFUTP Regulations.

***Note: The information provided above is indicative only. For details, please log on to***

[*http://www.sebi.gov.in/sebiweb/home/list/2/9/0/1/Orders*](http://www.sebi.gov.in/sebiweb/home/list/2/9/0/1/Orders)

*Disclaimer: The summary has been prepared for the convenience of readers. In case of any ambiguity, please refer to the original order.*

1. **At the Seminar in GIFT City, Gandhinagar, Gujarat on August 23, 2019** [↑](#footnote-ref-1)
2. **At AMFI, Mumbai on August 27, 2019** [↑](#footnote-ref-2)