Investor World

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I E W A
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INSIDE

Mr. Bhavesh Vora
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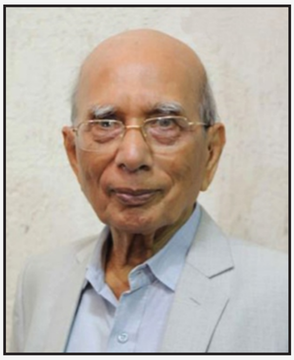

Shri. N. L. Bhatia
President Emeritus

Editorial - October 2020

As situation gets near normal, though Pandemic is still raging world over, its time to reflect on the some deep changes that the last 7 months have made in our lives. Suddenly people have realized that several needs that we carried with us are now dispensable. What we thought , we cannot do with out is no longer that important in life. What we neglected because of lack of time, we now realise, we need to give it a priority. The life has definitely changed.

1. A Businessman will now be wary of taking more loans to fund the expansion of business. He will be more conscious and will take into account such extraneous situation which he faced in last 7 months.
2. A Student will now have to get used to online and self study. He suddenly has more options to register for subjects/courses of his liking.
3. An employee of a company working from home (WFH has become a popular abbreviation) suddenly finds that he does not need to commute to work everyday yet be as much effective and productive.
4. People taking vacations and travelling abroad every year or more frequently realized that staying at home and developing a hobby is equally enjoyable.
5. Family members at home have begun participating in activities of managing daily chores which was earlier thought to be domain of specific person in the family.
6. People have realized that going to restaurants, visiting malls is not all that necessary unless it becomes absolutely essential.
7. Online banking has become a necessity and not an option any more. Gone are the days of issue of cheques and soon will become obsolete.
8. Most people have upgraded their use of smart phones by down loading several apps which help them plan their lives better. The degree of tech-savviness has increased a lot in these 7 months.
9. The level of health consciousness both mental and physical has increased tremendously. The fear of getting affected by the Virus forced people to improve their immunity and hygiene levels. It has now made people devote a certain time in a day to the cause of their health.
10. The young migrant workers have returned back realizing that ultimately their better livelihood is in the Metros given lack of opportunities in their small towns and villages.
11. Governments world over have realized that more funds need to be spent on upgradation of medical facilities and rehabilitation of slums.

I am sure there would be many more subtle changes in every one's life because of the Pandemic. Whatever is good let us make it permanent even after Pandemic is gone and done with.

INVESTOR PROTECTION THROUGH EDUCATION

INVESTORS' PROTECTION FUND

Investing all your money in one source
may not reap you the ideal results.

Diversify your investments.

Diversifying your investments helps you reach your financial goals faster by protecting you against significant losses and increasing your chances of getting better returns.

To report any market irregularity,

call 022 22728097

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RECENT DEVELOPMENTS RELATED TO INVESTORS IN CAPITAL MARKET

(Bombay Stock Exchange)

Upfront collection of margin from clients and pledge of securities in the client's DP account.

In order to align and streamline the risk management framework of both cash and derivatives segments, with respect to collection of margins from the clients and reporting of short-collection/non-collection of margins, SEBI, vide Circular no. CIR/HO/MIRSD/DOP/CIR/P/2019/139dated November 19, 2019, inter alia, required the Trading Members (TMs) / Clearing Members (CMs)in cash segment as well to mandatorily collect upfront VaR margins and ELM from their clients. The important aspects of said circular are provided as under.

- The provisions of the above circular have been effective from September 1, 2020.
- 20% of (VAR and ELM) margin obligation of the client, shall be collected upfront by TMs, before execution of the trades.
- Even profit on intra-day trading transactions cannot be used now and separate margin has to be deposited for trading in another security. When the trade is reversed, the blocked margin is released and available.
- No upfront margin is required to pay, if early pay in of funds/securities is done within the given time schedule.
- Securities in the demat accounts of the clients can be provided towards margin obligations **only through pledge in favour of member.**
- Clients need not have to now transfer shares to the account of member, instead can create a pledge in favour of member in his DP account.
- Depositories shall provide a separate pledge type viz. 'margin pledge', for pledging client's securities as margin to member.
- Members shall open a separate demat account for accepting such margin pledge, which shall be tagged as **'Client Securities Margin Pledge Account'**.
- Authorization of each pledge transaction will be done through OTP and or email to client.
- Release of pledge request in the account of client can be given by client to member and member will give to CC.
- Additionally, all off market transfers are to be done only thru physical DIS and that too authorized by client thru OTP, so as to prevent transfer of client securities to any other account by broker based on POA.
- This will prevent the misuse of client's securities by members.
- Investors will receive all the corporate benefits on their shares since the shares remain in their demat accounts only.

Detailed FAQs on the above is provided at the following link on Bseindia website so as to understand the above.

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200731-7

Notice no. - 20200731-7 on bseindia website

ASSET ALLOCATION BY MULTI CAP MUTUAL FUNDS

SEBI vide its recent circular no. CIRCULARSEBI/HO/IMD/DF3/CIR/P/2020/172 dated September 11, 2020 issued guidelines in order to diversify the underlying investments of Multi Cap Funds across the large, mid and small cap companies and be true to label has partially modify the scheme characteristics of Multi Cap Fund. The important changes are as under.

- Now it is mandatory for all Multi Cap Mutual Fund to have investment in Equity & Equity related in the following manner:
  - Minimum investment in Equity & Equity related instruments of large cap companies- 25% of total asset.
  - Minimum investment in Equity & Equity related instruments of mid cap companies -25% of total assets.
  - Minimum investment in Equity & Equity related instruments of small cap companies - 25% of total assets.
- Earlier it was observed by SEBI that almost all Multi Cap Mutual Funds were allocating maximum proportion i.e. almost 74% of their funds for investments in Large Cap companies only and the remaining proportion to the mid and small cap companies.
- As such the investment was not true to the label of the fund.
- In order to comply with above allocation of investments, mutual funds would be now required to have more mid and small cap companies in their portfolio.
- SEBI has further clarified that in addition to churning of existing portfolio, scheme merger with another scheme or transfer of securities to other scheme would also be allowed in order to comply with the above requirements.
- The above changes would not directly affect Investors and this exercise would be done gradually. All the existing Multi Cap Funds are required to ensure compliance with the above provisions within one month from the date of publishing the next list of stocks by AMFI, i.e. January 2021.
- Depending on composition of scheme whose units are held by the investor at present, impact may be different across different schemes.

INVESTOR CORNER

Live Webinar organised by IEWA under the Aegis of BSE IPF

In our, yet another endeavour, **team IEWA organised a free live webinar on Friday, 16th October 2020 from 06.00 PM to 07.30 PM,** whose **speaker was Mr. Vikram kotak,** who is the co-founder and managing partner of Ace Lansdowne investments Services LLP and has over 24 years of experience in financial markets across all segments and connected with several sections of society.

The session began with Mr. Khushro Balsara, Head, BSE Investor Protection Fund addressing the august gathering and emphasising on the importance of E KYC. He also emphasised that there are over 10 lakh Dmat accounts being opened every single month. He encouraged team IEWA as according to him the views on the impact of Covid on asset classes are very relevant today.

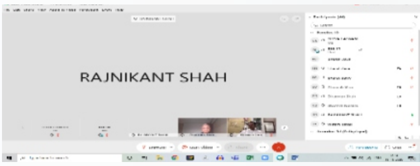
The gathering was then addressed by Mr Rajnikant Shah (President, Jolly Gymkhana), who has always supported IEWA and has also reached out graciously by permitting a quarantined centre in the premises of Jolly Gymkhana for the Covid patients in these pandemic times. Mr. Bhavesh Vora (President IEWA) introduced our **Esteemed Speaker Mr. Vikram kotak who spoke about the "Impact of COVID 19 on Financial Market and Other Asset Class"**

Mr. Vikram Kotak spoke about the trade war between China and US and its global impact. He also spoke about the 'Make in India' concept. Work from home is a concept, which according to him is here to stay permanently as it is a major cost saving for all organisations. The government has started spending on E education and healthcare as it is the need of the hour. Ease of doing business is the punch line and the government needs to put in extra effort to bring down the inflation rate. According to him IT and media sectors are on the rise but an early investor should stay away from real estate and infrastructure sectors for now. Equity today gives an encouraging 12 to 15% return. Gold is an important asset class as mines have shut down and therefore supply has slowed down.

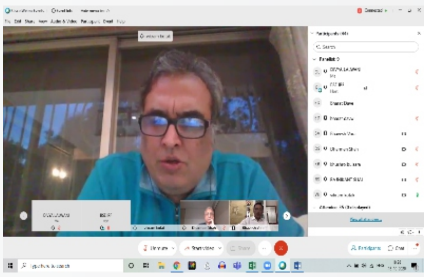
The session was then followed by a panel discussion. The panel members were Mr Vikram Kotak, Mr Bhavesh Vora and Mr Dharmen Shah. Mr Bhavesh Vora was the moderator of the panel discussion. This format was very well received by all attending the webinar as their questions were being taken up and answered in an organised manner which ensured the continuous flow of information during the discussion.

The vote of thanks was delivered by Mr Dharmen Shah (Treasurer, IEWA)

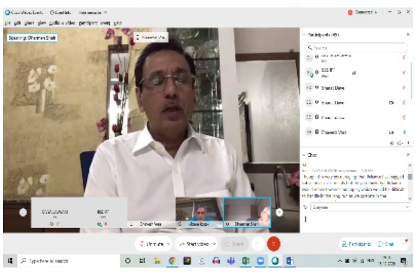
Mr. Khushro Balsara, Head (BSE, IPF)



Mr Rajnikant Shah (President, Jolly Gymkhana)



Speaker Mr. Vilram Kotak



Mr. Bhavesh Vora (President, IEWA)

Mr. Dharmen Shah (Treasurer, IEWA)

INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY

सत्यमेव जयते

Investor Education & Protection Fund Authority

IEPF

MININSTRY OF CORPORATE AFFAIRS
GOVERNMENT OF INDIA

PUBLIC ANNOUNCEMENT

Investor / Depositors whose shares, unpaid dividends, matured deposits or debentures etc. have been transferred to Investor Education And Protection Fund under Companies Act, 1956 / 2013 can now claim online refund.

FOR INVESTORS : How to File the Claims ?

- Register youself on IEPF Webside : www.iepf.gov.in
- Fill the new web form IEPF-5 ONLINE
- Attach scanned copy of requisite documents with form
- Take print out of auto generated advance receipt and indemnity bond (IEPF website → Forms → Web Forms IEPF – 5 → MCA Services)
- Send all documents to the company
- Company to e-verify the claim in 30 days
- On the basis of verification report, refund of shares and amount by IEPF Authority.

Note : Claimants are advised to file e-form IEPF-5 only when all documents are available

FOR COMPANIES : How to Process ?

- File the details of nodal officer in new e-form IEPF-5 (IEPF website → Forms → Register for filling web form.
- e-verify the form IEPF-5 within 30 days of filing of the form.
- Company to retain all original documents.

For ANY QUERY Claimants can call Toll Free Number 1800-114-667 or log on to www.iepf.gov.in **or send mail to E-mail :** iepf@mca.gov.in

Note : Claimants are requested to BEWARE of any middlemen or broker for settlement of claims. The process of filing the claim to IEPF Authority is simple and transparent. The requirement of documents is enumerated in the instruction kit as well as in the FAQ section.

INDIA'S ENERGY CONSUMPTION- TICKING TIME BOMB?

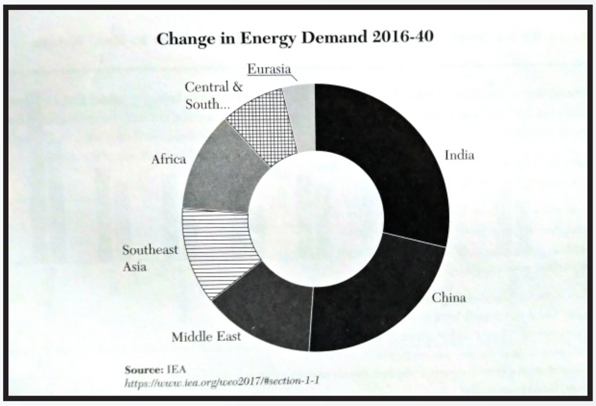
Tanushree Banerjee
Team Equity Master

According to BP Energy Outlook 2018, India's demand growth for energy resources (of 165%) over the next two decades, will be nearly three times the overall non- OECD growth of 61%. It will also outpace each of the BRIC countries: China (+41%), Brazil (+60%), and Russia (+6%).

Since 2015, India has overtaken Japan as the world's third largest oil consuming country behind the US and China.

India's share of global energy demand will rise to 11% in 2040 from 5% in 2016, accounting for the second largest share of the BRIC countries. Demand for coal will see the biggest growth, expanding by 132% followed by renewables, nuclear, hydro, gas and oil.

Power consumption will treble during this period for which coal remains the dominant fuel sources. However, the share of thermal generation would drop from 77% in 2016 to 64% in 2040 as renewables rise from 5% to 23%.



India has surplus power generation capacity but lacks adequate infrastructure for supplying electricity to all needy people. The country's installed power generating capacity of 334.4 gigawatt (GW, or 1000 megawatts) as of January 2018 is the world's fifth largest. Over the last five years, India put up 99.21 GW of additional capacity. Of this, 91.73 GW came from thermal sources, 5.48 GW from hydro, and 2 GW from nuclear sources. In order to address the lack of adequate electricity supply to all the people in the country by March 2019, the government launched a scheme called "POWER FOR ALL". This scheme will ensure continuous and uninterrupted electricity supply to all the household, industries and commercial establishments by creating and improving necessary infrastructure.

India will triple its energy consumption of 1200 units per person per year over the next decade as part of a drive to ensure access to energy for all and to raise living standards.

What it Means for Rebirth of India

India intends to add around 100 GW of power capacity between 2017 and 2022, focusing more on hydro renewable and gas-based power, besides looking at the adoption of the clean coal technology. The country will have around 60 GW of wind capacity and around 100 GW solar by 2022. The government aims to quadruple its nuclear capacity to 20 GW by the end of 2020. Therefore, growth of renewable energy sources and energy efficiency will be critical for India's growth during the rebirth phase.

12 RULES TO INVEST WISELY

(AND REAP BENEFITS IN ANY MARKET CONDITION)

Rule 1: Invest regularly

Rule 2: Start investing early in life (and get the power of compounding to work for your investment)

Rule 3: Never try and time your investments basis tips, market trends or economic outlook

Rule 4: Inflation and Taxes will eat into your returns. Therefore know your actual returns in hand

Rule 5: Diversify your investments across asset classes, to spread your risk

Rule 6: Balance and re-balance your investments as you age

Rule 7: Expect reasonable returns from your investments and sell, once you have got the returns you seek

Rule 8: Get over your mistakes and losses. Learn from them

Rule 9: Never invest or sell in haste (and regret later)

Rule 10: Avoid investing in complicated products you don't fully understand or products that offer unrealistic returns

Rule 11: Spend time on your investments (it's your hard earned money) or get a good financial advisor to do it for you

Rule 12: Keep it simple, invest in Mutual Funds

INVESTOR PROTECTION THROUGH EDUCATION

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