

ANMI (WIRC) CEO Conclave

The Second ANMI (WIRC) CEO Conclave was held on Friday, November 19, 2010 at the lawns of the Royal Western India Turf Club, Mahalakshmi, Mumbai.

The meet, which commenced around 19:30 hrs, was attended by over 175 people including ANMI Directors and officials from all the regions as well as representatives of member associations. The highlight of the evening was the address to the Members by Shri C.B.Bhave, Chairman of SEBI.



The evening began with ANMI (WIRC) Chairman Mr. Lalit Mundra welcoming the Members to the ANMI CEO Conclave. ANMI felicitated SEBI Chairman Shri C. B. Bhave, NSE MD Shri Ravi Narain as well as AMBI President Shri Nagendra Bhatnagar. He then requested ANMI President Mr. Anil Bagri to give his opening remarks and also welcome Mr. C.B. Bhave

Mr. Bagri, while welcoming, Mr. Bhave, stated that over the past few years, the support that ANMI had received from NSE as well as SEBI had grown immensely, and it was thanks to their support that ANMI was able to grow substantially in stature. Of late, both NSE and SEBI had made it a point to engage ANMI in their policy decisions, however large or small. ANMI's views were always taken

into account before arriving at a final decision. He thanked them for their support and promised them that ANMI would continue to play an active role in developing the Capital Markets in India.

Since its inception, SEBI's constant aim has been to develop the Indian Capital Markets, not just to bring it in line with global standards, but to also help define the global standards. SEBI has achieved its aim

by bringing in gradual changes into the Capital Markets landscape. This was tested during the financial meltdown in 2008, during which the regulation by SEBI and the Stock Exchanges ensured that despite the crash in prices, there was absolutely no stress on the system. And while Indians took it as a part of their lives, the world acknowledged the fantastic role played by SEBI, and promptly acknowledged it by asking it to chair various committees of organisations around the world.

Post-2008, while regulators around the world started clamping down on capital market systems around the world, SEBI continued with its moves of introducing newer products in the Indian Capital Markets, and of opening up the markets even more. And while doing all this, it continued to learn from the mistakes made by other





members and share his thoughts on how he saw regulations changing around the world as well as in India, and what type of products he felt Indians should expect to see in the Indian Capital Markets over the next few years.

Mr. Ravi Narain spoke briefly after Mr. Bagri, and complimented ANMI for the role that they had played over the years. He said that ANMI had earned its spurs by focussing more on business development and it was NSE's pleasure to be associated with a progressive body like ANMI.



Mr. Bhave in his address which was followed by Question and Answer Session covered inter alia the following aspects:

- Global Economic Scenario and significant events during the recent period including the financial crisis and the gradual global recovery.



impact, particularly in the Indian Economy

countries as well as some of their good practices. It is with this thought in mind, that ANMI invited SEBI Chairman Shri C.B. Bhav

- Need and circumstances under which FDI inflows are monitored, and if required, controlled

- The sensitive role of the various Regulatory agencies and the inevitable plethora of regulations in the Indian context.



- Debate as to need for consolidation of regulations and its impact – both positive and negative

- Impact of Global financial crisis and control measures initiated by countries to stabilise both Financial and Capital Markets

- Reported move by the USA Government to segregate Investment Banking and Commercial Banking

Regarding the role of Stock Market intermediaries in India, Mr. Bhav touched upon the following aspects:

- The perceived need for consolidation of the Broking Industry, as mentioned by the brokers

- Importance of Capital Market intermediaries to take initiatives to develop innovative processes in the Financial Market through their own Research and Development cells

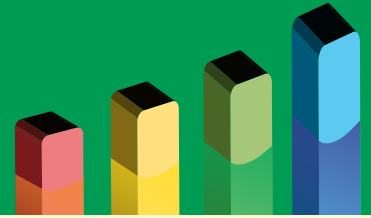
- Emerging role for brokerage firms and significant changes during the past 5-6 years

- Possibilities of alternative trading platform for Investors other than BSE/NSE/Ses.



- Need for proactive role of Stock Market intermediaries to earn further trust of both regulators and investors

Building Growth Together



- Need for Stock Market intermediaries to recognize and appreciate both Central and State levies and function within the ambit of same without seeking any concession.

- Contrary to general understanding, the total number of brokerage houses in India is not large (given India's population and geographic spread) and similarly, the percentage of investing public is about 10% of the population with negligible % coming under the category of HNIs.

Hence, there is a compelling need to adopt various Investor friendly processes to draw more investors to the Stock Market.



It is important for the intermediaries to project an image of group that shows concern "Investor's Gain" rather than seen as a group more concerned about its own progress.

- It is likely that new avenues and new products may be entering Capital Market providing alternate mode of Investment opportunities. It is but natural that the regulatory authorities would keenly monitor and if necessary control such products as otherwise it could lead to other financial crisis similar to the recent one wherein Investors were lead and made to invest in complicated



models of Investment without appreciating the more sensitive aspects of such new products.

- Role of OTC Exchanges, its

initial impact and its later progress both in India and in other countries.

- Futures and options, Derivatives Market while they



are challenging and attractive avenues for investment can also result in destabilising the market in any context of fall in economic development in major countries which immediately impact the global market. Hence regulatory authorities would always monitor closely such products and it's trading to ensure that over enthusiasm does not lead to any surprises and consequent loss of revenue to investors.

Throughout his interaction, the SEBI Chairman continued to give the audience tremendous food for thought and urged them to think, and plan, for the long term.

The conclave concluded with a vote of thanks proposed by Mr. N C Maheshwari, Alternate President of ANMI. Mr. Bhave then spent some time interacting with the members before leaving. Mr. Ravi Narain, Ms. Chitra Ramakrishnan, Mr. R. Sundararaman, Mr. Ravi Apte and

Ms. K. Kamala spent time interacting with members while having dinner with them. Members spent time discussing shop and various other



things with each other, while enjoying the live music at the venue, before finally winding up at 10:30 at night.