



ANMI NATIONAL PRESIDENT MEETS MD & CEO, NSE

CA. K. Suresh, National President, ANMI presenting
a citation to Mr. Ashishkumar Chauhan, MD & CEO, NSE

ANALYSIS

Artificial Intelligence
and Tax Compliance

**Cryptocurrency's
Dynamic Role in Portfolio
Diversification**

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REPORT

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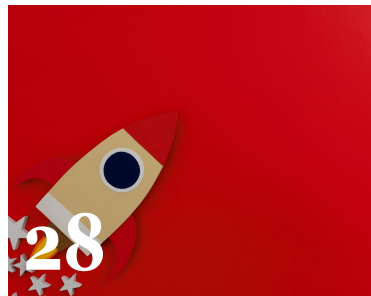
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FROM THE PRESIDENT'S DESK

Dear Members,

It is both an honour and responsibility to communicate with you at a historic moment when India has emerged as **the world's fourth-largest economy** and surpassed \$15 trillion in **Purchasing Power Parity (PPP)** terms—more than half of the United States economy, as rightly noted by NITI Aayog Vice-Chairman Shri. Suman Bery. This milestone is not just a number; it reflects decades of resilience, policy continuity, entrepreneurial energy, and the maturation of our financial markets.

Sincere Thanks to the Finance Minister

It is very much heartening to note that the Minister of Finance, through notification dated 19th May 2025 in the Gazette of India, has amended Securities Contracts(Regulation) Rules,1957, thereby giving room for investment in other businesses—provided such investments do not involve client funds or client securities, or relate to arrangements which are in the nature of creating financial liabilities on the broker. This is great news for our members, and it is our duty to express sincere thanks to the Hon'ble Finance Minister Smt. Nirmala Sitharaman.

Strengthening the Capital Market in an Expanding Economy

With the IMF projecting India to become the **world's third-largest economy by 2027**, our capital markets are poised to play a pivotal role in funding this economic transition. Union Minister **Shri. Piyush Goyal** reinforced this vision at the **CII Annual Business Summit**, stating India is on track to remain **the fastest-growing large economy** for the next 30 years. In this context, ANMI's mission to empower intermediaries and foster investor trust becomes even more critical.

Strategic Engagements & Regulatory Dialogue

This month, ANMI office bearers and I held high-level consultations with key regulatory stakeholders, including the Chairperson of SEBI and the MD and CEOs of NSE, BSE, MSE, and CDSL. Our agenda focused on:

1. Simplifying compliance structures
2. Enhancing market accessibility



3. Facilitating digital transformation
4. Building capacity among intermediaries

We echoed the broader national goals articulated by the **Chief Economic Advisor**, who emphasized the need to narrow the gap between profit growth, capital formation, and employment. For capital markets, this means designing frameworks that promote **inclusive participation**, long-term capital formation, and trust.

ANMI Northern Region Members Meet – Delhi

Our Northern Region Members Meet in Delhi was a significant success. Distinguished guests included **Mr. Rajesh Panwar**, Director, Department of Economic Affairs, Ministry of Finance; **Mr. Amit Pradhan**, Regional Director – Northern Region, SEBI; **Mr. Sriram Krishnan**, Chief Business Development Officer, NSE; **Mr. V. Balasubramaniam**, MD & CEO, NSE International Exchange; and **CA. Charanjot Singh Nanda**, President, ICAI. They emphasized the themes of regulatory clarity, digital innovation, and retail investor education. Their collective vision aligns well with ANMI's focus on robust risk management and transparency in market operations.

Key Representations – April & May 2025

ANMI continues to be a vigilant advocate of member interests with notable submissions that include:

- **SEBI:** Inputs on nomination circular and settlement reforms
- **MCX:** Relief sought for members with <500 active clients
- **NSE:** Recognition for internal auditors from non-empanelled firms
- **TRAI & SEBI:** Permission for using registered numbers for client communication
- **Multi-Exchange:** Operational relief due to Indo-Pak border tensions

We also pushed back against **duplicative penalties** and ambiguities in the **Cyber Resilience Framework** through ISF.

These interventions reflect our commitment to ensure ease of doing business.

India's Resilience Amidst Global Volatility

The global landscape remains challenging. The **US economy contracted by 0.2% in Q1**, amidst tariff disruptions and weak consumption. Meanwhile, **core inflation in Tokyo hit 3.6%**, increasing the likelihood of a rate hike by the BOJ. Yet, amidst this turbulence, India stands out:

- **GDP growth** is projected to hit **6.9% in Q4FY25**, a four-quarter high (as per MC Poll)
- **RBI** sees a bright 2025–26 led by **consumption and capex**
- **Forex reserves** are robust, and **headline inflation** at 3.2%—a 69-month low
- **Rural demand** looks promising, aided by a favourable monsoon

RBI's record dividend, strong **UPI penetration (near-universal in 15–29 age group)**, and ongoing digitalization of financial services support investor sentiment and market depth.

Market Performance & Investor Sentiment

Indian equities outperformed global peers, with the **Nifty 50 gaining 5.5% in April-May**, fuelled by FPI and DII inflows, and positive policy cues including Indo-US trade advancements.

However, a slowdown in **new investor registrations** hints at consolidation. This should be seen not as a setback, but as an opportunity to shift focus from quantity to **quality of participation**—a move aligned with CEA Shri. Nageswaran's advice to

bridge the trust gap to escape the **middle-income trap**.

Moreover, **public sector banks** posted record profits in FY25 due to improved asset quality—a strong signal for institutional investors looking for long-term plays in the banking and financial sectors.

Insights, Research & Global Trends

The academic and policy insights provide context for India's own regulatory direction. As **Shri. Amitabh Kant** urged, India must not be an "event manager" economy, but a **research and development-driven one**.

India's **strategic trade posture**—through FTAs with the UK and dialogue with the EU—illustrates an agile approach. As Minister **Shri. Piyush Goyal** affirmed, these agreements aim to strike a balance between domestic priorities and global ambitions. India's **Make-in-India defence production (₹1.46 trillion in FY25)** and **AI policies** are feeding a virtuous cycle of innovation, jobs, and capital formation.

The Road Ahead

As we enter the new fiscal year, several developments are noteworthy:

- **Defence innovation** is accelerating: 5 AMCA prototypes and 10% of the defence budget allocated to R&D
- **Green energy** momentum is palpable: Diu is now fully solar powered; India targets 20 lakh rooftop solar installations this year
- **Data & digital leadership:** India is poised to be the **data capital of the world** in 5 years (Scindia)
- **Education and governance** reforms are intensifying: U.P. signed MoU with Monash University; Odisha cleared a ₹171 crore AI-led governance project

These initiatives will significantly impact capital flows, sectoral rotations, and new investment avenues in both equities and debt.

In the words of **Union Minister Shri. Bhupender Yadav**, "In an uncertain world, India is the most trusted partner." This trust is our greatest asset.

Let us carry this momentum forward—with integrity in operations, innovation in service, and inclusion in outreach.

By this time, every one of you would have received a redesigned and renamed ANMI journal "Voice." I invite further suggestions and articles from each of you to make our journal a knowledge platform.

We always think for you.

"A leader is a person you will follow to a place you wouldn't go by yourself."

—Joel A. Barker

Warm regards,



CA. K. Suresh

National President, ANMI

Why Restrict When You Can Regulate Mutual Funds?

There is a need for overhauling Regulation 24(b) to unlock Indian AMCs' global potential without compromising fiduciary safeguards.



Sandeep Parekh

FOUNDER
FINSEC LAW ADVISORS



At the recent CII Mutual Fund Summit, SEBI Executive Director, Mr. Manoj Kumar, catalyzed industry optimism by signaling a potential relook at Regulation 24(b) of the SEBI (Mutual Funds) Regulations, 1996. The provision, long seen as a constraint, prohibits asset management companies or AMCs from undertaking fund management activities beyond mutual funds, except through SEBI-approved subsidiaries. It also mandates separate teams for fund management—even for back-office functions. Even some distinction between broad based funds and

non-broad based should be done away with so long as it is clean money.

While originally rooted in investor protection and systemic prudence, these restrictions may be misaligned with today's integrated financial ecosystem. As India's mutual fund industry surpasses ₹64 lakh crore in assets under management (AUM), it is time to ask whether such constraints are serving or stifling investor interests and innovation.

One of the most glaring missed opportunities is the management of foreign investments. Indian AMCs

—despite their competence—are largely excluded from managing India-focused offshore funds, which are instead run from jurisdictions like Singapore or the UAE. The core asset management expertise of Indian fund houses remains underutilized, costing the domestic industry potential leadership in global India-focused capital management. While there are significant tax considerations at play, this piece focuses on the regulatory bottlenecks.

Regulation 24(b) has come to represent the Achilles' heel of India's mutual fund ecosystem.



Introduced at a time when the primary fear was that AMCs could drift into unrelated businesses, potentially diluting fiduciary obligations, the regulation took a blanket prohibition approach. However, global markets have since matured. Today, asset managers like BlackRock, Vanguard, and Allianz operate across wealth management, advisory, private credit, and fintech—without compromising investor protection—thanks to robust internal governance and transparent disclosures.

In contrast, Indian AMCs are required to establish separate subsidiaries even for closely related businesses. This creates inefficiencies, increases costs, and limits scale—all of which ultimately

affect the end investor. Worse, it prevents Indian AMCs from competing globally on equal footing.

The regulatory philosophy must

“SEBI’s recent reversal of a proposal to segregate listed and unlisted business lines for merchant bankers is a recognition that structural separation does not always serve investor interest.”

shift. Regulation should be about managing and disclosing conflicts of interest, not banning economic activity. A prohibition-based model, while perhaps necessary in nascent

markets, is out of step with today’s sophisticated financial landscape. Conflicts of interest exist across professions—from legal to audit to fund management—and are rarely grounds for outright prohibition. Instead, they are managed through disclosure, transparency, and strong compliance mechanisms.

The United States and European Union offer useful examples. In both regions, mutual fund managers are permitted to diversify their services—provided they ensure client asset segregation, implement robust controls, and disclose conflicts clearly. Regulation in these jurisdictions is designed to build guardrails, not walls. India must consider a similar evolution.

A central reform principle could



be client-level segregation. Rather than enforcing structural separation between fund management and ancillary activities, regulators should require operational ring-fencing—through Chinese walls, access control, compliance oversight, and independent audit mechanisms. This is already standard practice in India’s securities broking framework under the Securities Contracts (Regulation) Rules, 1957, and forms the backbone of the Financial Conduct Authority’s (FCA) Client Assets Sourcebook (CASS) in the UK. These frameworks insulate investor assets from systemic contagion without sacrificing operational efficiency.

SEBI itself has evolved in other areas. Merchant bankers, initially

restricted to capital market activities, have been allowed to expand into corporate advisory and venture capital, subject to conditions like capital adequacy and periodic disclosures. Similarly, stockbrokers can undertake services such as depository operations and portfolio advisory without the need to float separate legal entities. The key requirement is maintaining client asset segregation and passing periodic audits—not artificial structural divisions.

There have also been course corrections. SEBI’s recent reversal of a proposal to segregate listed and unlisted business lines for merchant bankers is a recognition that structural separation does not always serve investor interest. Another example was SEBI’s earlier

misinterpretation of a Central Government rule which allowed brokers to carry out any agency-based securities business without financial liability. It took a government affidavit in court to correct this error. These episodes underscore the need for regulatory restraint and an openness to recalibration.

Relaxing Regulation 24(b) does not mean loosening oversight. On the contrary, it provides SEBI an opportunity to align AMC governance with the broader regulatory ecosystem—through net worth thresholds, enhanced disclosure norms, operational firewalls, and strengthened compliance. This would allow AMCs to scale intelligently, without compromising investor protection.



More importantly, this reform would position Indian AMC's as global players. With a supportive framework, they could manage not just domestic mutual funds, but also cross-border mandates, alternative investment funds (AIFs), wealth management platforms, and fintech-driven models. However, global competitiveness requires more than just permission—it demands cutting-edge infrastructure.

“A tiered risk approach can allow regulated entities to offer services across securities, insurance, and non-banking domains...”



Platforms like BlackRock's Aladdin, which integrates risk, portfolio, and compliance functions, are examples of how technology can amplify scale while enhancing oversight.

India's mutual fund industry must similarly invest in technological innovation to compete at the global level. SEBI's role would be to ensure that regulations remain principle-based, technology-neutral, and aligned with global best practices—so that domestic capital is not disadvantaged. There is also a case for simplifying mutual fund rules and the Master Circular, which together exceed a thousand pages of law.

Finally, this is not just about mutual funds. India's financial regulatory architecture remains highly fragmented, with sector-specific silos across insurance, asset management, securities, and fintech. The future lies in cross-functional financial institutions—firms that operate seamlessly across product verticals while respecting domain-level risk protocols. A tiered risk approach can allow regulated entities to offer services across securities, insurance, and non-banking domains, while applying stricter guardrails in areas that fall outside existing regulatory oversight. The current siloed model impedes innovation and stunts the growth of integrated platforms. Enabling regulated entities to expand responsibly—based on risk tiering, disclosures, and capital adequacy—would help India leapfrog into a more efficient, investor-friendly financial system.

In conclusion, revisiting Regulation 24(b) is not just a legal reform—it's a strategic pivot. It's about modernizing India's mutual fund industry, unlocking dormant capabilities, and ensuring that Indian asset managers can finally claim their place in the global sun. A principles-based, risk-managed framework—backed by technology and investor transparency—can make that possible. ■

Courtesy: Mr. Parekh's blog



Artificial Intelligence and Tax Compliance

This article investigates the present landscape of AI applications in tax administration within India and reviews case studies of successful applications, by utilizing both primary research obtained from interviews with tax officials and secondary research from scholarly articles, government documents and global comparisons. This study attempts to offer an analysis of how AI is transforming tax compliance in India.



CS Charu Vinayak, FCS

PRACTICING COMPANY
SECRETARY

INTRODUCTION

The intersection of technology and taxation has emerged as a critical frontier in public administration globally. In India, a country with over 1.4 billion citizens and a rapidly evolving economic landscape, tax administration faces unique complexities and challenges. The digital transformation of India's tax system began in earnest with the introduction of e-filing in 2006 and gained momentum with the implementation of the Goods and Services Tax (GST) in 2017, which created one of the world's largest digital tax platforms (Rao, 2021).

Artificial intelligence represents the next frontier in this digital evolution. AI technologies—including machine learning, natural language processing and predictive analytics—offer powerful tools to address persistent challenges in tax administration: detecting evasion, improving compliance, reducing administrative burdens,



and enhancing taxpayer services. The Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes and Customs (CBIC) have increasingly recognized AI's potential, initiating various projects to integrate these technologies into their operations (Ministry of Fin., 2023). This article examines the current landscape of AI applications in Indian tax administration, analyzes case studies of successful implementations, identifies challenges and limitations, and explores future directions for policy and practice. By drawing on both primary research through interviews with tax officials and secondary research from academic literature, government reports, and international comparisons, this study aims to provide a comprehensive analysis of how AI is reshaping tax compliance in India.

THE EVOLUTION OF TAX ADMINISTRATION IN INDIA

Historical Context and Digital Transformation

India's tax administration has undergone significant evolution since independence. The formation of the Central Board of Revenue in 1944, which later split into the CBDT and CBIC in 1964, established the foundational structure of modern Indian tax administration (Bagchi, 2005). For decades, tax administration remained largely paper-based, characterized by manual processes, limited enforcement capabilities, and significant compliance gaps.

The digital transformation began in earnest in the early 2000s with the introduction of the Tax Information Network (TIN) and e-filing systems. This shift gained momentum with the implementation of the Permanent Account Number (PAN) as a universal identifier for taxpayers, allowing for better tracking and cross-referencing of financial transactions (Kumar, 2019). The launch of Project Insight in 2017 marked a significant step toward data-driven tax administration, using big data analytics to identify non-filers and potential cases of tax evasion (CBDT, 2018).

The implementation of the Goods and Services Tax (GST) in 2017 represented perhaps the most ambitious

digital tax reform in India's history. The GST Network (GSTN) created a unified digital platform for indirect tax administration, processing millions of returns monthly and generating vast amounts of transaction data with potential for AI-driven analysis (GST Council, 2022).

ARTIFICIAL INTELLIGENCE APPLICATIONS IN INDIAN TAX ADMINISTRATION

1. Current AI Implementations

Project Insight: Launched in 2017, Project Insight represents one of India's most significant investments in AI-enabled tax administration. With an initial outlay of approximately Rs.1,000 crore, this multi-year project aims to create a comprehensive data analytics platform for Direct Tax Administration (Income Tax Department, 2020). Key features include:

- **Non-filer Monitoring System (NMS):** Uses machine learning algorithms to identify potential non-filers by analyzing data from multiple sources, including financial transactions, property registrations, and high-value purchases.
- **Predictive analysis for audit selection:** Employs advanced algorithms to identify high-risk cases for scrutiny based on historical patterns and anomaly detection.
- **360-degree taxpayer profiling:** Creates comprehensive taxpayer profiles by integrating data from various sources to identify discrepancies between reported income and actual economic activity.

“Project Insight has fundamentally altered the risk-reward equation for potential tax evaders. The system's ability to correlate data across multiple domains—financial transactions, property, luxury purchases, travel—means that discrepancies between reported income and actual economic activity become increasingly difficult to conceal.” — **Senior CBDT Official (Interview, September 2023).**

A study by Deloitte (2022) found that Project Insight led to the identification of approximately 2.4 million potential non-filers in its first three years of operation, resulting in additional tax collection of Rs.14,000 crores.

2. GST Analytics

The GST system generates vast amounts of transactional data, creating opportunities for AI-driven analytics. The GSTN has implemented several AI applications:

- **Invoice matching algorithms:** Automatically verify the consistency of transactions reported by suppliers and recipients, identifying discrepancies that may indicate fraud or evasion.
- **Risk-based scoring systems:** Assign risk scores to taxpayers based on their compliance history, transaction patterns, and industry benchmarks.
- **Network analysis:** Map relationships between businesses to identify potential fraud networks and circular trading arrangements designed to claim fraudulent input tax credits (GSTN, 2023).

Research by the National Institute of Public Finance and Policy indicates that AI-driven analytics in GST administration has contributed to a 12% increase

in compliance rates among previously high-risk sectors (Mukherjee, 2022).

3. Chatbots and Taxpayer Services

AI-powered virtual assistants have been deployed to improve taxpayer services:

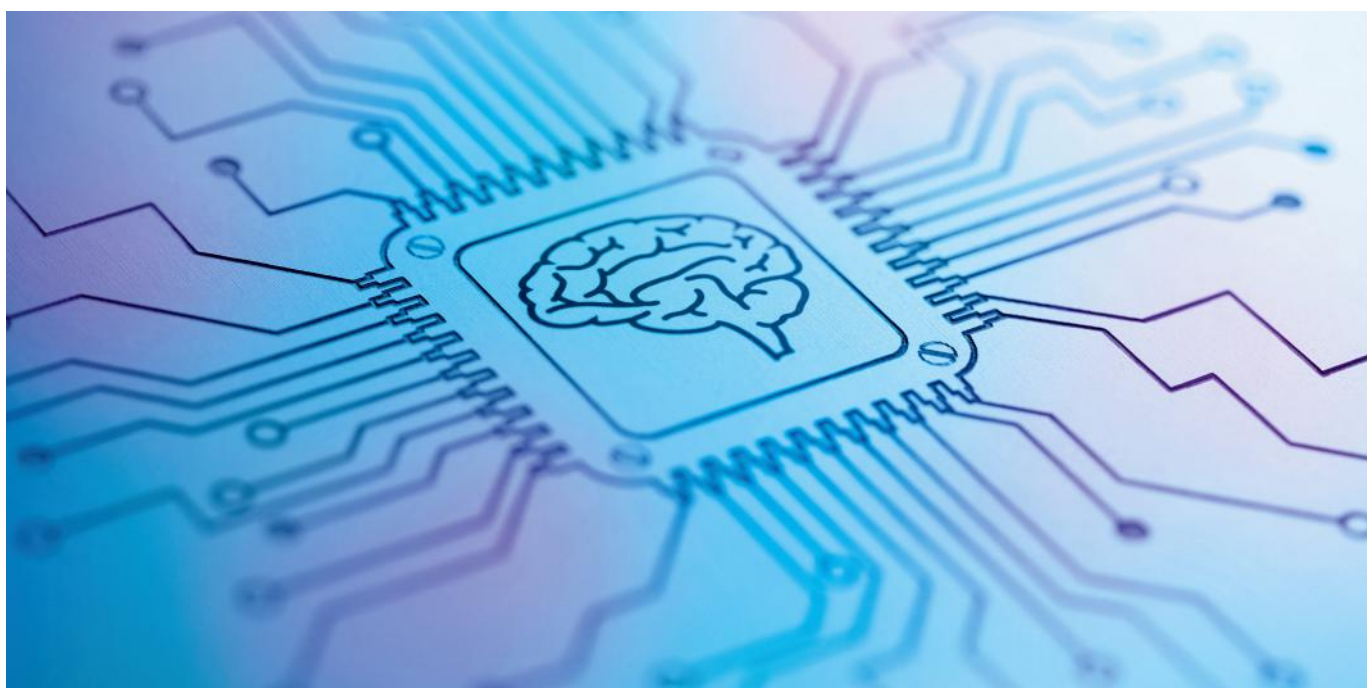
- **AskIT:** An AI chatbot launched by the Income Tax Department that addresses taxpayer queries in natural language, handling over 20,000 queries daily during peak filing periods (Income Tax Department, 2023).
- **GSTBOT:** A virtual assistant for GST-related inquiries, capable of answering questions about filing requirements, payment procedures, and policy clarifications in multiple Indian languages (GSTN, 2023).

These implementations reflect a growing recognition of AI's potential to transform both compliance enforcement and taxpayer service aspects of tax administration.

4. Theoretical Frameworks for AI in Tax Compliance

The application of AI in tax compliance can be understood through several theoretical frameworks:

- **Deterrence Theory:** Classical deterrence theory suggests that compliance improves when



the probability of detection and the severity of penalties increase (Allingham & Sandmo, 1972). AI significantly enhances the detection probability by enabling more sophisticated and comprehensive data analysis. Research by Das-Gupta et al. (2021) found that the perceived increase in detection probability following the implementation of Project Insight contributed to a 14% increase in voluntary compliance among previously non-compliant taxpayers.

- **Behavioural Economics Perspectives:**

Behavioural economics suggests that compliance decisions are influenced by psychological factors beyond rational cost-benefit analysis. Nudge theory, which involves subtle interventions to influence behaviour, has informed AI applications in Indian tax administration (Thaler & Sunstein, 2008). For example, the Income Tax Department now uses AI to generate personalized communications to taxpayers, emphasizing social norms of compliance and the collective benefits of taxation, resulting in a 7% increase in on-time filing rates (CBDT, 2023).

- **Technology Acceptance Model:** The effectiveness of AI in tax administration depends partly on taxpayer acceptance of these technologies. The Technology Acceptance Model (TAM) suggests that perceived usefulness and ease of use are critical factors influencing technology adoption (Davis, 1989). Survey research by Sharma and Patel (2022) found that 68% of Indian taxpayers viewed AI-enhanced tax systems positively, with perceived usefulness being the strongest predictor of acceptance.

PRIMARY RESEARCH FINDINGS

Methodology:

Primary research for this study involved semi-structured interviews with 15 stakeholders in the Indian tax ecosystem:

- 6 senior tax officials from CBDT and CBIC.
- 4 technology providers working on tax administration systems.
- 5 tax professionals and consultants.

Interviews were conducted between June to September 2023, focusing on current AI implementations, perceived benefits and challenges, and future directions. The qualitative data was analysed using thematic analysis to identify key patterns and insights.

Key Findings

Respondents identified several key benefits of AI in tax administration:

- **Enhanced detection capabilities:** 86% of respondents highlighted improved ability to identify non-compliance as the primary benefit of AI implementation.

“The pattern recognition capabilities of modern AI systems have transformed our ability to identify sophisticated evasion schemes that would have been nearly impossible to detect manually. What previously required months of forensic accounting can now be flagged automatically through pattern recognition algorithms.” — Senior CBDT Official (Interview, August 2023)

- **Resource optimization:** 73% noted that AI-driven risk assessment allows for better allocation of limited audit and enforcement resources.

“With limited enforcement resources, targeting is everything. AI allows us to focus our attention on cases with the highest probability of non-compliance and the greatest potential revenue impact, effectively multiplying the capacity of our enforcement teams.” — Regional Commissioner, Income Tax (Interview, July 2023)

- **Reduced compliance burden:** 67% mentioned the potential for AI to simplify compliance processes for honest taxpayers through pre-filled returns and automated assistance.
- **Improved taxpayer service:** 60% highlighted enhanced responsiveness and accessibility of taxpayer services through AI-powered chatbots and virtual assistants.

Implementation Challenges

Key challenges identified include:

- **Data quality issues:** 80% of respondents cited inconsistent data quality across different sources as a significant barrier to effective AI implementation.
- **Technical capacity constraints:** 73% mentioned limitations in technical expertise within tax departments as a challenge for developing and maintaining sophisticated AI systems.
- **Integration with legacy systems:** 67% highlighted difficulties in integrating AI solutions with existing IT infrastructure.
- **Privacy and transparency concerns:** 53% expressed concerns about balancing enhanced compliance monitoring with privacy protections and algorithmic transparency.

COMPARATIVE ANALYSIS: GLOBAL BEST PRACTICES

- **International Benchmarking:** A comparative analysis of AI implementation in tax administration globally provides valuable insights for India's ongoing digital transformation.
- **Brazil's SISAM System:** Brazil's *Sistema de Seleção por Aprendizado de Máquina* (SISAM) uses machine learning algorithms to optimize audit selection. The system analyses over 600 variables to identify high-risk taxpayers, achieving a 30% improvement in audit yield compared to traditional methods (Brazilian Federal Revenue Service, 2022).
- **Singapore's IRAS Analytics:** Singapore's Inland Revenue Authority (IRAS) has implemented advanced analytics for compliance risk management, using AI to create taxpayer compliance scores and tailor enforcement approaches accordingly. The system has achieved a 25% reduction in compliance costs for businesses while maintaining high levels of revenue collection (IRAS, 2023).
- **United Kingdom's Connect System:** The UK's HMRC Connect system integrates data from over 30 sources, using advanced analytics to identify potential non-compliance. The system has



generated additional tax revenue of £3 billion annually since its full implementation (HMRC, 2022). The UK's approach to data integration and governance provides useful lessons to create comprehensive taxpayer profiles.

Key Learnings

Based on this comparative analysis, several key learnings emerge:

- **Integrated data governance frameworks:** Successful AI implementations globally are built on coherent data governance frameworks that ensure data quality, integration, and accessibility.
- **Balanced approach to compliance and service:** Leading tax administrators use AI not only to enhance enforcement but also to improve taxpayer service and reduce compliance costs.
- **Transparent algorithms and appeal mechanisms:** Countries with mature AI implementations have established mechanisms for algorithmic transparency and appeal processes for AI-driven decisions.
- **Collaborative development models:** Successful implementations often involve collaboration between tax authorities, technology providers, and academic institutions.

FUTURE DIRECTIONS

Policy Recommendations

Based on the analysis of current implementations, global best practices, and several policy recommendations emerge.

Comprehensive Data Governance Framework

- Establish a unified data governance framework for tax-relevant data across government departments.
- Implement standardized data quality metrics and improvement processes.
- Develop clear protocols for data sharing while ensuring privacy protections.

Balanced Implementation Strategy

- Prioritize both compliance enforcement and taxpayer service applications of AI.
- Establish clear metrics to evaluate the impact of AI implementations on compliance rates, revenue collection, and taxpayer experience.
- Develop a phased implementation approach with regular evaluation and adjustment.

Capacity Building and Technical Expertise

- Establish specialized AI units within tax departments with dedicated recruitment and training programs.
- Develop partnerships with academic institutions for research and talent development.
- Create knowledge-sharing mechanisms between technical experts and tax professionals.

Ethical and Legal Safeguards

- Develop clear guidelines for algorithmic transparency in tax administration.
- Establish dedicated appeal mechanisms for AI-driven decisions.
- Conduct regular algorithmic audits to identify and address potential biases.

Emerging Technologies and Applications

- **Blockchain for Transaction Verification:** Blockchain technology could enhance the verification of transactions reported in tax filings, particularly for GST. Pilot projects by the GSTN have demonstrated the potential for blockchain to reduce fraudulent input tax credit claims by creating immutable transaction records (GSTN, 2023).

Advanced Natural Language Processing

Developments in NLP offer opportunities to enhance the analysis of unstructured data in tax administration:

- Automated analysis of legal documents and rulings to ensure consistent tax treatment.
- Sentiment analysis of taxpayer communications to identify potential compliance issues.

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- Multilingual virtual assistants to improve taxpayer service across India's diverse linguistic landscape.

Federated Learning for Privacy-Preserving Analysis

Federated learning approaches, which allow AI models to be trained across multiple decentralized datasets without exchanging the underlying data, offer promising solutions to privacy concerns in tax data analysis (Konečný et al., 2016). The Ministry of Electronics and Information Technology has initiated pilot projects exploring federated learning for government applications, including potential tax use cases (MeitY, 2023).

THE ROLE OF COMPANY SECRETARY

The role of Company Secretary in India is evolving significantly with the integration of Artificial Intelligence (AI) and the increasing focus on tax compliance. In the realm of AI, Company Secretaries are adapting to leverage technology to enhance their efficiency and effectiveness.

AI is being utilized to automate routine administrative tasks, improve due diligence processes, expedite research, and assist in document management. This allows Company Secretaries to focus on more complex and strategic responsibilities, such as providing valuable insights into critical board issues and enhancing their judgment and decision-making skills. However, it's important to note that while AI can streamline many processes, the advisory role of Company Secretaries, which requires human judgment, critical analysis, and expertise, cannot be fully automated.

Regarding tax compliance, Company Secretaries play a vital role in ensuring adherence to various tax laws and regulations. They are responsible for verifying and submitting attested returns and forms, overseeing the authentication and filing of Tax Deducted at Source (TDS), and ensuring proper maintenance of tax records. Their expertise extends to advising on tax implications of corporate transactions and business structures. The Income Tax Act, 1961 recognizes

Company Secretaries as authorized representatives in tax matters, demonstrating their competence in taxation and financial compliance.

The future of Company Secretaries in an AI-driven world requires continuous adaptation and upskilling. While AI will undoubtedly change the way they work, it is expected to enhance rather than replace their role. Company Secretaries will need to focus more on assessment, judgment, and providing valuable insights into complex corporate issues, leveraging AI as a tool to support their decision-making processes and improve overall corporate governance.

CONCLUSION

Artificial intelligence represents a transformative force in Indian tax administration, offering unprecedented opportunities to enhance compliance, reduce evasion, and improve taxpayer service. The initiatives already undertaken by the CBDT and CBIC demonstrate recognition of AI's potential.

As India continues its digital transformation journey, a balanced approach to AI implementation, one that enhances both enforcement capabilities and taxpayer service while maintaining robust safeguards for privacy and fairness will be essential. The experiences of other countries suggest that successful AI integration requires not only technological investment but also institutional adaptation, skill development, and clear governance frameworks.

The future of AI in Indian tax administration will likely involve increasingly sophisticated applications that leverage emerging technologies like blockchain and federated learning while addressing the unique challenges of India's diverse and complex economic landscape. By addressing the technical, institutional, and ethical challenges identified in this study, India can harness AI's potential to create a more efficient, equitable, and effective tax system. ■

Courtesy: ICSI Chartered Secretary, April 2025

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ARTICLE

Ghosts in the Order Book

SEBI uncovers the systemic manipulation of markets through spoofing and takes decisive action against the practice.



Sandeep Parekh

FOUNDER
FINSEC LAW ADVISORS

The stock markets have come a long way from the days of the open outcry system. Offers and bids for stocks, once shouted or hand-signaled on trading floors, now reside in electronic and anonymous order books. These books reveal more than just orders, they provide crucial information on bid-offer balance, market depth and the prices traders are willing to accept. Order books offer a glimpse into the push and pull of the market—a vital piece of the mosaic of information that shapes market prices. However, this leaves the order book open to manipulation or ‘spoofing’, a practice that usually involves placing non-bona fide orders of large quantity on one side of the market while attempting to execute a bona fide order on the other side.

For instance, a trader places buy orders for huge quantities of ‘X’, but at a price that’s lower than the market price. The probability of his orders getting filled is fairly low, because common sense dictates that no seller would sell lower than the market. The bid, however, which may make up a sizeable portion of the order book, may signal higher

demand for 'X' leading to other traders selling X at higher prices. The manipulative element kicks in when the trader also places a sell order at these prices, which are higher than they would have been if not for his own earlier buy orders. These fictitious orders, usually fully visible to the market, are designed to create an artificial impression of demand or supply. These buy orders are then conveniently cancelled after the trader books a profit and true to their name, are nothing more than a 'spoof' that the trader has no intention of seeing through.

While spoofing has been frequently reported and penalized in the United States, it remains relatively uncommon in the Indian markets. In this context, it is worth discussing the recent interim order passed by SEBI against Patel Wealth Advisors Private Limited (PWAPL), a stockbroker, and its directors, in connection with an elaborate and recurring scheme of 'spoofing' across the equity and derivatives segments of the Indian markets. SEBI's analysis revealed that PWAPL allegedly manipulated the market over 292 scrip contract days spread over 173 different scrips, by placing large fake orders that it never intended to execute. These orders were meant to mislead other investors by creating a false impression of demand or supply. The regulator passed a series of directions against the broker and its directors, including indefinite trading restrictions on PWAPL,

“ *In 2025, with average daily orders reaching approximately 16 billion, such manipulations can occur in microseconds...* ”

impounding of over ₹3.22 crore in alleged unlawful gains, and instructions against disposing of any of their assets or properties.

In the case of PWAPL, SEBI's investigation found that this strategy was not an isolated tactic but a sustained and repeated pattern. The firm would place large orders at prices far from the current market rate, then immediately place a smaller order on the opposite side at a more realistic price. Once those trades were executed at prices influenced by the spoofed demand or supply, the large orders were swiftly cancelled.

Seeing how 'spoofing' essentially revolves around manipulated order books, it is important for the regulator to identify the non-bona-fide orders and deconstruct the manipulative scheme to satisfy the evidentiary burden of fraud. Since the cancellation or modification of limit orders (before they are executed) is an otherwise permissible activity, the regulator would also need to carve out illegitimate behavior from otherwise legitimate behavior, and identify cancelled orders that were placed with an intent to be cancelled and manipulated. This would require establishing patterns

of such behavior and circumstances that indicate an intent to manipulate and the herculean task of sifting through vast volumes of unexecuted order activity, including placements, modifications, and cancellations. In 2025, with average daily orders reaching approximately 16 billion, such manipulations can occur in microseconds, often vanishing before it can be matched or executed.

In this context, SEBI's action against PWAPL is not just a punitive measure but a reflection of its growing enforcement, surveillance and analytic capabilities. The regulator's ability to detect and reconstruct these fleeting patterns of conduct signals a shift in its approach—one that is increasingly aligned with the demands of modern, high-speed markets. This isn't SEBI's first brush with spoofing. In an earlier case involving Nimi Enterprises, the regulator identified a similar pattern, albeit on a smaller scale. While that case involved fewer trades and lower gains, it served as an important precedent, reinforcing the principle that even in the absence of actual trade execution, conduct that creates a false or misleading appearance of market activity can be penalized.

The U.S. Securities and Exchange Commission (SEC) has tackled similar conduct under the label of "layering"—a specific form of spoofing where multiple fake orders are placed at different price

levels to build a false illusion of depth. The U.S. regulators have successfully prosecuted cases under the Dodd-Frank Act, which explicitly prohibits spoofing in commodities and securities markets. This explicit inclusion also empowered the Commodity Futures Trading Commission (CFTC) and the Department of Justice (DOJ) to pursue spoofing not just through fines or market bans, but also through criminal prosecution in 2015, making Michael Coscia, an HFT commodities trader, the first person convicted under this law.

Spoofing and similar misconduct already fall within the broad anti-fraud umbrella of PFUTP regulations. These provisions broadly prohibit fraudulent, manipulative, or deceptive conduct in securities trading. In the above discussed cases, SEBI has

“*In a world where technology, algorithmic strategies, and high-frequency trading evolve rapidly, a highly codified regime may risk catching innocent actors in the net.*”

successfully demonstrated that even in the absence of a statutory label, spoofing can be penalized when it results in a false or misleading appearance of market demand or supply.

This framework enables SEBI to address a range of manipulative behaviours, whether old or emerging, without waiting for legislative catch-up. In a world where technology, algorithmic strategies, and high-frequency

trading evolve rapidly, a highly codified regime may risk catching innocent actors in the net.

As algorithmic and high-frequency trading continue to reshape market dynamics, regulators will be expected to remain equally agile—leveraging surveillance tools, data analytics, and principles-based enforcement to detect and deter abuse. While the call for clearer legal definitions may grow louder, India’s current approach preserves regulatory adaptability without compromising accountability. The key lies in continuing to evolve enforcement practices, increasing transparency, and ensuring that market participants, whether institutional or retail, can trust that the playing field is level. ■

Courtesy: Mr. Parekh's blog

Kotak Nifty 1D Rate Liquid ETF

Optimize the value of your trading account cash balance

NSE Symbol: LIQUID1

One of the Lowest
Expense Ratio[#]

0.19%
pa.

Key Advantages

Efficient and convenient avenue to utilise idle funds in between trades on the stock exchange

No Securities Transaction Tax (STT)

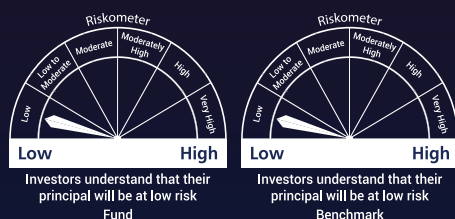
Can be used as Cash-Equivalent Margin on Exchange

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[#]Source - Kotak Mutual Fund Factsheet, <https://www.kotakmf.com/Information/TER>. Data as on 31st October 2024. Total expense ratio ("TER") refers to the total of ongoing fees and operating expenses charged to the scheme, expressed as a percentage of the scheme's daily net assets. As per the applicable provisions of the SEBI (Mutual Funds) Regulations, 1996 and the Scheme Information documents of the Scheme, the TER of the Scheme including the investment and advisory fees shall not exceed 1.00 per cent of the daily net assets.

Potential Risk Class Matrix of the Scheme

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low	A-1		
Moderate			
Relatively High			



Kotak Nifty 1D Rate Liquid ETF (NSE: LIQUID1)

An open ended Exchange Traded Fund replicating/tracking NIFTY 1D Rate Index. A Relatively Low Interest Rate Risk and Relatively Low Credit Risk.

This product is suitable for investors who are seeking*

- Income over a short term investment horizon.
- Investment in Tri-party repo on Government securities or treasury bills (TREPS).

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

The above riskometer is based on the scheme portfolio as on 31st October 2024. An addendum may be issued or updated on Kotak Mutual Fund's website for new riskometer.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.


 ARTICLE

Unlocking the Potential

Cryptocurrency's Dynamic Role in Portfolio Diversification Through a Causation Lens in the Indian Context

A look at Bitcoin's pivotal role in portfolio diversification and hedging amid India's evolving regulatory environment and growing crypto ecosystem.

Dr. Nazreen Parveen Ali

ASSISTANT PROFESSOR, GARGAON COLLEGE, SIMALUGURI

Cryptocurrency has emerged as a transformative investment asset, bypassing third-party intermediaries and avoiding common issues like insider trading in traditional markets. Despite regulatory resistance and bans in several countries, its popularity continues to grow, especially after the advent of Bitcoin in 2009. Although prices of altcoins are largely influenced by Bitcoin, the asset class still faces criticism regarding its intrinsic value and speculative bubbles. Countries differ in their approach to regulating crypto, with some embracing it fully while others impose significant restrictions.

Cryptocurrency and Other Investment Assets

This section explores how cryptocurrency interacts with traditional investment assets,

assessing its viability as a portfolio component through a causation lens.

(a) Cryptocurrency and Stock Market Returns

The relationship between stock markets and cryptocurrencies is complex and often inconsistent. While stock market booms typically attract foreign capital and can affect currency values, cryptocurrencies are largely insulated from these influences. Studies show that cryptocurrencies do not pose systematic risks to Asian stock markets, nor do they significantly affect stock returns. However, during times of financial stress, the connection between these two asset classes intensifies. In the Indian context, the correlation is low and shows no causality. Macroeconomic news positively affects stock returns but tends to impact cryptocurrencies negatively.

(b) Cryptocurrency and Gold Returns

Gold and Bitcoin exhibit inverse movements in many scenarios. Bitcoin prices often move contrary to gold, especially during market phases of fear or exuberance. Including Bitcoin in a portfolio can yield better risk-adjusted returns than gold. It also unilaterally influences gold prices, indicating its growing relevance in the broader asset landscape.

(c) Cryptocurrency and Foreign Exchange Returns

India's foreign exchange market has minimal impact on cryptocurrency due to crypto's lack

of legal status and limited adoption. Yet, as crypto volatility increases, investors may revert to traditional currencies, increasing local currency value. Cryptocurrencies influence stock indices more than exchange rates, suggesting a stronger financial integration with equities than forex.

(d) Cryptocurrency and Crude Oil Returns

Bitcoin can act as a hedge against crude oil, especially during bearish markets. While it is not ideal for extreme short-term shocks, it proves beneficial in medium- to long-term investment horizons. Studies show a long-term positive relationship between oil price changes and crypto returns, especially during crises like COVID-19. Cryptocurrencies offer strong protection against oil volatility but serve as only a weak hedge for equities and none for gold.

Inter-Cryptocurrency Dynamics

Bitcoin and Ethereum can enhance portfolio diversification if used cautiously. High allocations, however, can heighten portfolio risk. Psychological factors, including investor sentiment, significantly influence crypto prices. Cryptocurrencies often move in tandem, with strong correlations among them, but weak ties with traditional assets. Bitcoin exerts unilateral influence on Ethereum and other major altcoins, highlighting its dominant market position. Interestingly, during COVID-19, crypto portfolios

exhibited high uncertainty but lower associated risk, making them potential safe havens. Bitcoin stands out as the least risky with the highest average return, due to its maturity and widespread adoption.

Global Regulatory Landscape

Countries differ widely in their crypto policies. Australia, Japan, Switzerland, and the EU accept cryptocurrency as legal tender. Nations like the U.S., Canada, and the UK allow trading under regulatory oversight but do not recognize crypto as legal tender. China has banned it entirely. India maintains a cautious stance, taxing crypto at 30% and imposing a 1% TDS on trades without granting it legal status. Nonetheless, the government plans to launch its digital currency—the e-Rupee—by 2025. These regulatory uncertainties make Indian investors hesitant, despite crypto's global potential.

Bitcoin vs. Other Assets: Risk and Return Patterns

Bitcoin is found to be less volatile than crude oil and gold while offering superior returns compared to stock and forex markets. While gold shows greater volatility, its returns are not significantly different from Bitcoin. Bitcoin's returns, however, differ significantly from stocks, crude oil, and exchange rates. Though crude oil provides higher returns due to higher volatility, Bitcoin remains attractive due to its risk-return profile.

Bitcoin vs. Other Cryptocurrencies

Bitcoin has historically delivered the highest average returns (6.99%) with the lowest volatility (0.233) since 2015. It surpasses Tether and Ripple in performance, though Ethereum and Binance Coin offer slightly higher mean returns but with greater volatility. Bitcoin exhibits strong positive correlation with other altcoins—especially Tether and Binance Coin—though its correlation with Ethereum is negative. Despite high interdependence, no significant return differences exist among them. Bitcoin's performance and relatively lower risk position it as the preferred choice for investors.

Causation Analysis of Bitcoin with Other Assets and Cryptocurrencies

Bitcoin influences domestic

stock markets and exchange rates, and also affects global stock and gold prices, establishing its role as both a reactive and causative asset. It plays a pivotal role in the pricing of other cryptocurrencies, especially Ethereum, Tether, and Binance Coin, which largely respond to Bitcoin's market behavior.

Conclusion

Cryptocurrencies, particularly Bitcoin, hold substantial promise as diversification and hedging instruments. Their speculative nature and historically strong returns make them superior to traditional assets like stocks under certain conditions.

In portfolios containing domestic equities and foreign exchange, Bitcoin can act as a diversifier; with crude oil, it

becomes an effective hedge. The observed negative correlation between Bitcoin and Ethereum also makes their combination ideal for balanced diversification. Bitcoin's causal effect on both traditional financial assets and other cryptocurrencies emphasizes its central role in the digital asset ecosystem.

While Bitcoin presents a robust short-term investment strategy, long-term prospects in India remain uncertain due to regulatory ambiguity.

The planned introduction of India's digital rupee by 2025 adds to the complexity. Until a clear legal framework emerges, cryptocurrency investment remains both a high-potential and high-risk proposition for Indian investors. ■

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Pawan Kumar Bagri
Managing Director



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Members :

- **National Stock Exchange(NSE)**
- **Bombay Stock Exchange Ltd(BSE)**
- **Multi Commodity Exchange of India Ltd(MCX)**
- **Central Depository Services (India) Ltd(CDSL)**

Startups in India

An Examination from a Socio-Economic Angle

On 15th August 2015, Prime Minister Narendra Modi announced the launch of a new initiative to promote startups in India from the Red Fort. This was formalized on 16th January 2016, when the Government introduced the Startup India Policy (SUP).

Dr. Saibal Chandra Pal

ADVOCATE, CALCUTTA HIGH COURT

Overview of the Startup Policy

Comprehensive Initiative: The policy aims to simplify regulatory processes, offer tax benefits, provide access to funding, promote innovation, and support intellectual property rights.

Policy, Not a Scheme: The SUP is an overarching policy framework and includes schemes like the Startup India Seed Fund Scheme (SISFS) to support early-stage funding requirements.

Implementation Under Government Leadership: The Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry is the nodal agency for implementation.

Clarification on CISF: The reference to the Central Industrial Security Force (CISF) appears to be misplaced. CISF is responsible for security at industrial establishments, not financial assistance. This may require rectification or clarification.

Objectives of the Startup Policy

1. **Promoting Innovation:** Encouraging new ideas,

technology development, and research-based ventures.

2. **Employment Generation:** Aimed at creating large-scale employment opportunities across sectors.

3. **Financial Support:** Schemes like SISFS help in product trials, prototype development, and proof of concept.

4. **Tax Incentives:** Startups are eligible for income tax and capital gains tax exemptions for three out of the first five years.

- The exemption is now extended to startups incorporated before April 1, 2030.
- A startup with a turnover exceeding Rs 100 crore ceases to qualify as a startup (as per the latest norms).

5. **Credit Guarantee:** The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) offers collateral-free loans to eligible startups.

6. **Intellectual Property Rights (IPR) Support:** Startups receive assistance for IPR filing and protection.

7. **Self-Certification Scheme:** Startups can self-certify

compliance with labor and environmental laws for a period of 3 to 5 years.

8. Fast-track Exit Mechanism: Simplified processes have been defined for winding up startups under the Insolvency and Bankruptcy Code.

9. Industry-Academia Collaboration: Promotes partnerships between academic institutions and startups to foster innovation.

Eligibility and Registration

Eligibility Criteria

- Must be registered as a Private Limited Company, Limited Liability Partnership (LLP), or Registered Partnership Firm.
- Should not be more than 10 years old from the date of incorporation.
- Annual turnover must not exceed Rs 100 crore in any financial year.
- Must be working towards innovation, development of products/services, or job creation.
- Should not be formed by splitting or reconstructing an existing business.

Note: A previously disqualified entity (e.g., due to turnover exceeding Rs 100 crore in a past year) does not automatically regain eligibility if turnover falls below the threshold in subsequent years.

Registration Process

- Visit the Startup India portal.
- Fill in the necessary business details and complete verification via OTP.
- Select startup type, name, and stage.
- Upon submission, the Startup India profile is created.

Challenges Faced by Startups (2016–2024)

1. **Funding Constraints:** Many startups were unable to secure sufficient capital due to investor risk aversion, forcing some to shut down.

2. **Market Competition:** Startups faced stiff competition from established players with better resources.

3. **Regulatory Compliance:** Navigating complex regulatory requirements posed significant difficulties.

4. **Talent Acquisition and Retention:** Difficulty in hiring and retaining skilled professionals remained a key issue.

5. **Infrastructure Gaps:** Over 50% of startups are based in Tier II and Tier III cities, often lacking support systems.

6. **Scaling Issues:** Startups struggled to scale operations, maintain quality, and meet growing demand due to limited funding.

7. **Cash Flow Management:** Poor financial planning and inconsistent cash flows led to operational challenges.

8. **Limited Market Penetration:** Some startups failed to establish trust and gain a strong customer base.

9. **IP Protection:** Many startups lacked awareness and support in protecting their innovations.

10. **Societal and Cultural Barriers:** Cultural constraints, especially in smaller towns, impacted entrepreneurial momentum.

Suggestions to Overcome Challenges

A collaborative approach involving policymakers, financial institutions, educational bodies, and private investors is essential. Building a stronger ecosystem with accessible mentorship, easier credit, and robust infrastructure will address these challenges effectively.

Conclusion

Since its inception in 2015, India's startup movement has grown significantly, disrupting conventional business models and contributing meaningfully to the economy. Strengthening this ecosystem will not only fuel innovation and employment but also enable India to compete in global markets, aligning with its status as the world's most populous country. ■

COMPLIANCE CALENDAR

STOCKBROKERS (ALL EXCHANGES)

06-07 JUNE

Settlement of Running Accounts (applicable to clients who have opted for monthly settlement, as well as to clients whose accounts have been inactive for over 30 days)

07 JUNE

- Disclosure of complaints received and their redressal status, as on 31.05.2025, in accordance with Investor Charter compliance requirements on the Websites
- Upload the details of all complaints received during the month of May, 2025, to Exchange

30 JUNE

- No. of STR filed with FIU-IND for the month of May, 2025. (Including NIL STR) (BSE)
- Cyber Security and Cyber Resilience Audit by the Members of the Exchange for the period ended 31.03.2025
- Submission of System Audit Report for the period ended 31.03.2025
- Updation of KMP details (Subject to circular to be issued) for NSE
- Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs) - Extended Date
- Extension of Timeline for consideration of VAR Margin Rate/ Haircut on securities for Margin Collection & Reporting

EVERY WEEK

- Requirement of sending a complete 'Statement of Accounts' for funds, securities, and commodities in respect of each of its clients (within the next four trading days of the subsequent week)
- Uploading of clients mapped with Authorised Persons (AP) before the next 2 trading days of the subsequent week.

EVERY DAY

Uploading of day-wise Holding Statement in the specified standard format to the exchange (within the next day)

DEPOSITORY PARTICIPANTS (NSDL & CDSL)

02 JUNE

Opening of Demat Account in the name of Association of Persons Ref Circular No:SEBI/HO/MRD/PoD1/CIR/P/2025/24 dated: February 25, 2025

07 JUNE

Disclosure of complaints received and their redressal status, as on 31.05.2025, in accordance with Investor Charter compliance requirements on the Websites

10 JUNE

- Investor Grievances Report (Record of all the BO grievances received at DP, Main / Branch) to CDSL for the month of May 2025
- Online facility for mandatory submissions to CDSL - Details of 2 days' notice given to BO prior to stopping the process of instructions in case of default in payment
- Indictment order disclosures (Information w.r.t. the indictment or any other orders passed against the DP by any competent authority, if any) to CDSL for the month of May 2025
- Submission of the report of Modification in URL reported to CDSL within 3 days of such changes
- Reporting of STR findings with FIU-India by DP to CDSL for the month of May 2025
- Tariff Structure of the DP (Information w.r.t increase in charges/fees providing 30 days' notice to the BOs, if any) to CDSL for the month of May 2025

20 JUNE

Submission of report for Non-profit organization transactions report by 15th of next month to FIU-Ind to CDSL

25 JUNE

Compliance Report w.r.t Same Mobile Number/Email ID captured for multiple accounts to NSDL

30 JUNE

- Submission of Cyber audit for the period ended 31.03.2025 (CDSL & NSDL)
- Submission of system audit report for the period ended 31.03.2025 (CDSL & NSDL)
- Extension towards Adoption and Implementation of Cyber security and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs) - Extended Date

PORTFOLIO MANAGERS**7 JUNE**

Disclosure of complaints received and their redressal status, as on 31.05.2025, in accordance with Investor Charter compliance requirements on the Websites

10 JUNE

Uploading of Activity Report- through SEBI portal for the month of May, 2025

30 JUNE

Extension towards Adoption and Implementation of Cyber security and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs) - Extended Date

INVESTMENT ADVISORS**7 JUNE**

Publishing the data on complaints received against them or

against issues dealt by them and redressal thereof on website as on 31.05.2025 (Investor Charter compliance)

30 JUNE

- Requirement of website and the details on the website
- Deposit to be lien marked in favour of BSE in lieu of networth
- Requirement of Agreement between IA & client (Existing clients)
- Requirement of maintenance of Record (Call recording of every consent for implementation/execution obtained from the client if advice/execution is given through telephone call.)
- Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs) - Extended Date
- Extension of timeline for submission of periodic report by Investment Adviser

RESEARCH ANALYSTS**7 JUNE**

Publishing the data on complaints received against them or against issues dealt by them and redressal thereof on website as on 31.05.2025 (Investor Charter compliance)

30 JUNE

- Fees and flexibility in change of modes of charging fee to clients
- Guidelines for recommendation of 'model portfolio'
- Disclosure of terms and conditions to the client for existing clients
- KYC Requirements and maintenance of record
- Requirement of website and the details on the website
- Extension towards Adoption and Implementation of Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI Regulated Entities (REs) - Extended Date
- Extension of timeline for submission of periodic report by Research Analysts
- Extension of timeline to furnish Deposit requirement for Research Analysts

Disclaimer: The Compliance Calendar is indicative. Kindly refer to the respective Market Infrastructure Institution's latest circulars for real-time updates.

Compiled by:

CA Kamlesh P. Mehta (B.Com, FCA, DISA)

Kamlesh P Mehta Associates/ Mehta Sanghvi & Associates

Email: kamleshmehtaca@gmail.com, Contact: 98198 39188

Events

ANMI National President meets Mr. Ashishkumar Chauhan, MD & CEO, NSE on 7th May, 2025 at NSE



CA. K. Suresh, National President, ANMI presenting a token of appreciation to Mr. Ashishkumar Chauhan, MD & CEO, NSE



ANMI Team with Mr. Ashishkumar Chauhan, MD & CEO, NSE & Mr. Sriram Krishnan, CBDO, NSE



(L-R) Mr. Mahesh Desai, Director, NC, ANMI; Mr. Hemant Kakkar, Director, NC, ANMI; Mr. Ashishkumar Chauhan, MD & CEO, NSE; CA. K. Suresh, National President, ANMI; Mr. Sudhir Agarwal, Director, NC, ANMI; Mr. Arjun Shah, Chairman, WR, ANMI & Dr. Raghavendra Prasad, CEO, ANMI



Mr. Hemant Kakkar, Director, NC, ANMI & CA. K. Suresh, National President, ANMI



(L-R) Mr. Mahesh Desai, Director, NC, ANMI; Mr. Hemant Kakkar, Director, NC, ANMI; Mr. Arjun Shah, Chairman, WR, ANMI; Mr. Sudhir Agarwal, Director, NC, ANMI & CA. K. Suresh, National President, ANMI

ANMI National President meets Mr. Sundararaman Ramamurthy, MD & CEO, BSE on 8th May, 2025 at BSE



CA. K. Suresh, National President, ANMI presenting a token of appreciation to Mr. Sundararaman Ramamurthy, MD & CEO, BSE



(L-R) Dr. Raghavendra Prasad, CEO, ANMI; Mr. Hemant Kakkar, Director, NC, ANMI; Mr. Kamlesh Shroff, Alternate President, ANMI; CA. K. Suresh, National President, ANMI; Mr. Sundararaman Ramamurthy, MD & CEO, BSE; Mr. Mahesh Desai, Director, NC, ANMI; Mr. Arjun Shah, Chairman, WR, ANMI & Mr. Ojas Shah, Product Head, Regional Business Head, DGM- Business Development, BSE

ANMI National President meets Ms. Latika Kundu, MD & CEO, MSE on 8th May, 2025 at MSE



CA. K. Suresh, National President, ANMI presenting a token of appreciation to Ms. Latika Kundu, MD & CEO, MSE



(L-R) Dr. Raghavendra Prasad, CEO, ANMI; Mr. Hemant Kakkar, Director, NC, ANMI; CA. K. Suresh, National President, ANMI; Ms. Latika Kundu, MD & CEO, MSE; Mr. Mahesh Desai, Director, NC, ANMI; Mr. Arjun Shah, Chairman, WR, ANMI & Mr. Saket Bhansali, Chief Financial Officer, MSE

ANMI National President meets Mr. Nehal Vora, MD & CEO, CDSL on 7th May, 2025 at CDSL



CA. K. Suresh, National President, ANMI presenting a token of appreciation to Mr. Nehal Vora, MD & CEO, CDSL



(L-R) Mr. Mahesh Desai, Director, NC, ANMI; Mr. Nehal Vora, MD & CEO, CDSL; CA. K. Suresh, National President, ANMI; Mr. Arjun Shah, Chairman, WR, ANMI & Dr. Raghavendra Prasad, CEO, ANMI



(L-R) Mr. Arjun Shah, Chairman, WR, ANMI; CA. K. Suresh, National President, ANMI; Mr. Nehal Vora, MD & CEO, CDSL & Mr. Mahesh Desai, Director, NC, ANMI

ANMI Board Meeting held on 17th May, 2025 at Mumbai



ANMI Knowledge series #162

WEBINAR

CSCRF Compliance & SOC – An Overview

Monday, 12th May, 2025 4:30 pm to 5:30 pm



Scan to watch the webinar

About the webinar

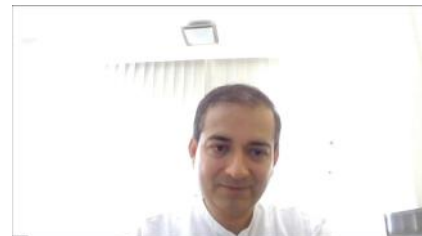
ANMI National Secretariat has organized a webinar on 12th May, 2025. Mr. Hemant Kakkar, Chairman, Program Implementation Board Committee & Director, NC, ANMI welcomed everyone and emphasized the importance of cybersecurity in today's digital landscape. CA. K. Suresh, National President, ANMI, delivered the introductory remarks. The session was moderated by Mr. Arjun Shah, Director, Deal Depot & Chairman, WR, ANMI.



CA. K. Suresh
NATIONAL PRESIDENT,
ANMI



Mr. Hemant Kakkar
CHAIRMAN,
PROGRAM IMPLEMENTATION
COMMITTEE & DIRECTOR, NC, ANMI

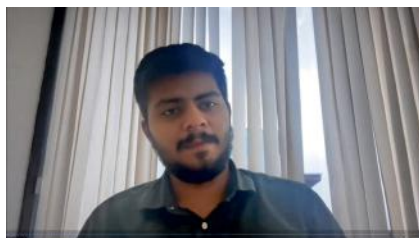


Mr. Arjun Shah
CHAIRMAN,
WR, ANMI

SPEAKERS

Summary

The discussion focused on the need for a structured approach to cybersecurity, the significance of the CSRF framework, and the importance of governance in cybersecurity. The speakers also highlighted the importance of understanding the CSRF framework and its implementation, which is scheduled on June 30th.



Mr. Akshit Kaushik
CO-FOUNDER,
MITIGATA: CYBER INSURANCE &
SECURITY



CA. Shardul Shah
DIRECTOR,
SECMARK CONSULTANCY LTD

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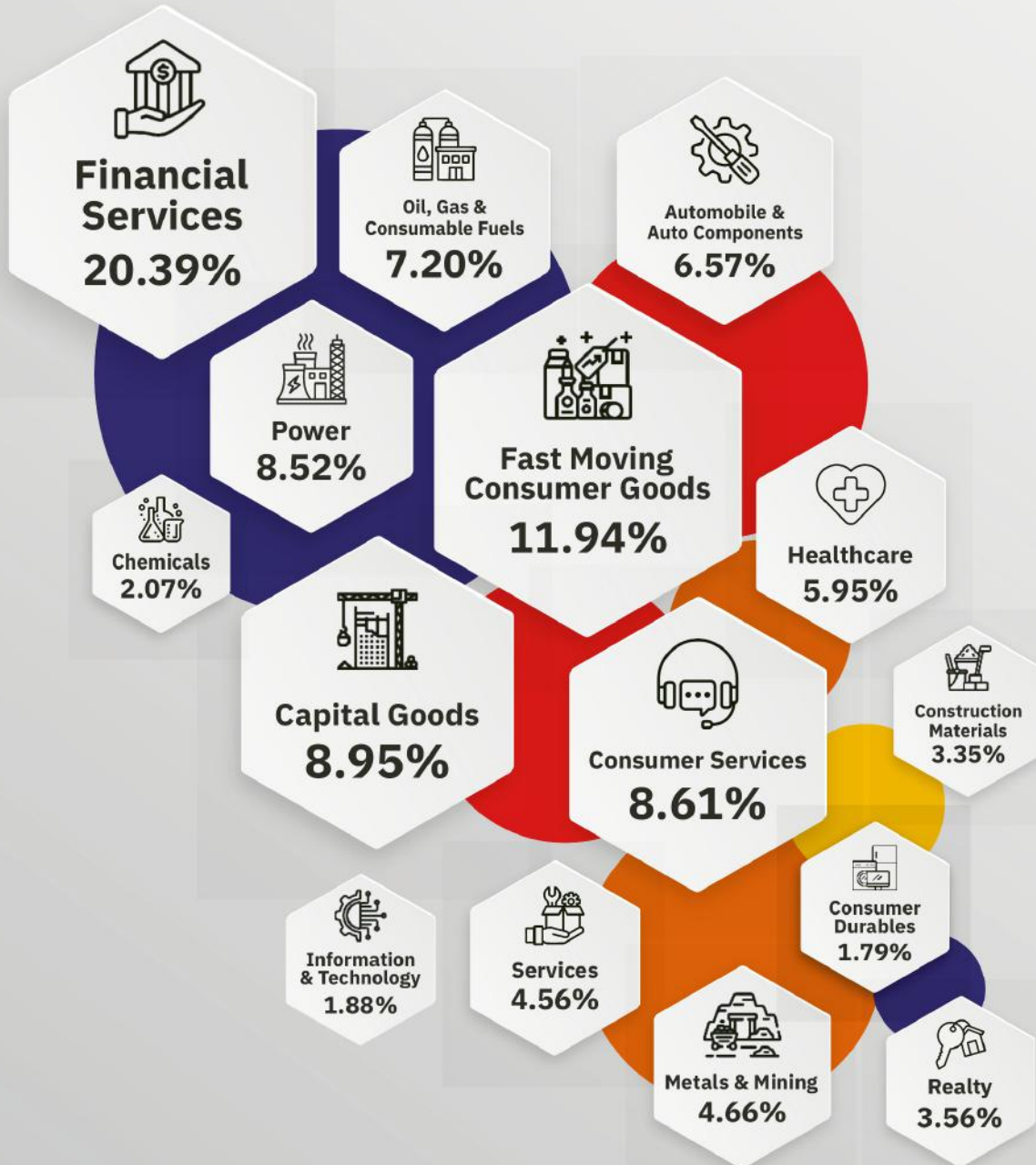
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Index Derivatives - Key Contract Specifications

- Monthly Futures and Options Contract Cycle • Expiry Day: Last Thursday of the month
- Symbol : NIFTYNXT50 • Lot size: 25 • Cash Settled Contracts • European Call & Put Options • Strike Scheme

Strike Interval	Number of Strikes
100	40 - 1 - 40
500	20 - 1 - 20 (Including 500 strikes due to strike interval of 100)