



# NEWS ALERT

## SEBI Ban Ineffective on Debarred Players

How effective are SEBI orders banning individuals and entities from trading in the stock markets as a penalty for manipulative practices? If Dalal Street veterans are to be believed, such curbs matter little as the debarred players can easily work their way around.

As surveillance officials in regulatory bodies (including stock exchanges) admit, enforcing the ban is far more difficult than handing out the punishment. "Float a private limited company, appoint some relative or close acquaintance as a director, and invest through this firm without drawing attention to yourself," said a market old-timer while talking on the modus operandi of players who have fallen foul of the regulator. The more sophisticated players transfer their money out of the country, through hawala or some other convenient route, and deposit it with a friendly foreign bank. The bank then routes this money to a tax haven-registered sub-account of a foreign institutional investor (FII), with instructions to invest that money in specific stocks in India.

## Food Subsidy Bill could Shoot Well Past Rs.60K cr Mark

this year, defying the Budgetary Estimate of Rs. 52145.44 crore for 2009-10, on the back of an impending bonus to paddy farmers, and possible high priced rice imports later in the year as well. Official sources have suggested imports to the tune of 2-3 million tonnes overall based on a production shortfall of around 17 million tones of rice and an effective market short supply of 5 million tonnes.

## Saarc Ministers Promise Free Services Sector

Trade ministers from Saarc countries have decided to fast track negotiations on liberalizing the services market within the region, a move that will enable freer movement of people within the region and give a boost to investments in areas like tourism, financial services and telecom. Services should be incorporated into the South Asia Free Trade Agreement (SAFTA) soon.

## Banks Have to Make Extra Provisioning of Rs 13,000 cr: Crisil

The Reserve Bank's decision to ask banks to keep higher provisioning for non-performing assets means that banks now have to make an additional provisioning of Rs.13000 crore till September end next year, rating agency Crisil said.

Crisil said that the measure will enhance the resilience of the banking system to absorb loan losses.

