

<b>Name of the person/entity proposing comments</b>	Indian Association of Investment Professionals (CFA Society India) Key Contributors : Ashwini Damani, CFA; Kshitiz Jain, CFA; Ramkumar Venkatramani, CFA
<b>Category (Listed Entity / MII / Market Intermediary / Professional / Investor / Academician / General Public etc.)</b>	Association of Investment Professionals
<b>Email id</b>	advocacy@iaipirc.org
<b>Contact no.</b>	91 99021 17087 (Ravi Gautham, CFA)

Sr. No.	Proposal	Confirmity to Proposal	Comments	Rationale
1	SEBI should review the eligibility criteria in line with the growth of broad market parameters reflecting size and liquidity of cash market	Strongly Agree	<p>We strongly agree that there is a need to review the Eligibility Criteria of Stock Derivatives.</p> <p>This is an important step to first make the criteria relevant as per the market growth and to plug any loopholes in the requirements. This will help provide further clarity to market participants on the process of inclusion and exclusion of stocks from the derivative market. As per discussion with market experts, there have been several instances where the inclusion or exclusion (ban) of a particular stock in F&amp;O has caught the market by surprise and participants have not been able to identify the rationale. There also have been several stocks with large market capitalization that are not part of Stock Derivatives and the market participants has not been able to identify the rationale.</p> <p>There may be a need to review the criteria in future but for now we strongly believe this review was warranted.</p>	We believe a clearly defined criteria will benefit the market participants and help improve the market integrity.
2	The proposed revision in criterion related to MQSOS is appropriate.	Agree	<p>We support SEBI's proposal to increase the stock's Median Quarter Sigma Order Size(MQSOS). We do not have a view on the exact multiple SEBI should adopt, but we believe an increase is warranted as the market size has increased considerably since last review. This is an important step to exclude the low liquidity stock which are prone to manipulation.</p> <p>We would also like to suggest that apart from this review, SEBI should predefine the periodicity (i.e. annually) of this review to increase transparency of the process and maintain the criterion's relevance over the years.</p>	We believe that the increase is needed as the market size has grown and characteristics has changed since the last review. However, having predefined timeline for review would be useful for the market participants and will help increase the transparency of the process.
3	The proposed revision in criterion related to MWPL is appropriate.	Agree	<p>We support SEBI's proposal to increase the stock's market wide position limit (MWPL). We do not have a view on the exact multiple SEBI should adopt, but we believe an increase is warranted as the market size has increased considerably since last review. Also, there have been several instances where market participants believe that the current MWPL limit has been abused to manipulate the market. We strongly believe that the increase is warranted to maintain the market integrity of the market.</p> <p>We would also like to suggest that apart from this review, SEBI should predefine the periodicity (i.e. annually) of this review to increase transparency of the process and maintain the criterion's relevance over the years.</p>	We believe that the increase is needed as the market size has grown and characteristics has changed since the last review. However, having predefined timeline for review would be useful for the market participants and will help increase the transparency of the process.

4	The proposed revision in criterion related to ADDV is appropriate.	Agree	<p>We support SEBI's proposal to increase the stock's Average daily delivery value (ADDV). We do not have a view on the exact multiple SEBI should adopt, but we believe an increase is warranted as the market size has increased considerably since last review. This is an important step to exclude the low liquidity stock which are prone to manipulation.</p> <p>We would also like to suggest that apart from this review, SEBI should predefine the periodicity (i.e. annually) of this review to increase transparency of the process and maintain the criterion's relevance over the years.</p>	<p>We believe that the increase is needed as the market size has grown and characteristics has changed since the last review. However, having predefined timeline for review would be useful for the market participants and will help increase the transparency of the process.</p>
5	SEBI should extend product success framework to stock derivatives.	Agree	<p>We support SEBI's proposal to extend the product success framework. This framework has already been adopted for indices, so this seems to be a time tested.</p> <p>We would also like to suggest that apart from this review, SEBI should predefine the periodicity (i.e. annually) of this review to increase transparency of the process and maintain the criterion's relevance over the years.</p>	