



Call for Research Proposals (2014-15)

NSE – NYU Stern Initiative on the Study of Indian Financial Markets

The NSE-NYU Stern Initiative on the Study of Indian Financial Markets is a joint venture of the [National Stock Exchange of India \(NSE\)](#) and the [Salomon Center for the Study of Financial Institutions](#) at [NYU Stern School of Business](#). The Initiative invites academics and scholars to submit research proposals for projects, including early-stage projects that are relevant for understanding the Indian financial sector and macro-economy. We expect to approve around a half dozen projects and give grants of \$7,500 per project. While we encourage research proposals that are in the early stages of conception and formulation, the proposals that are relatively more advanced but have not yet been sent for publication in any form (working paper or otherwise) will also be considered.

The topics of particular interest for this year include:

- Risk management in central clearing corporations
- The role of exchanges for listing of and trading in small- and medium-sized enterprises (SMEs)
- Transaction taxes for securities trading and their effects in single- and multi-market settings
- Regulatory arbitrage in trading across markets and jurisdictions
- The pros and cons of high frequency trading (HFT)

We will, however, consider proposals on other topics including but not limited to

- Trading behavior and effects on prices of retail and institutional (incl. foreign) investors
- Organization and performance of collective investment vehicles (e.g., mutual funds) in emerging markets such as India
- The role and functioning of Initial and Secondary Public Offerings
- Financing and growth constraints faced by SMEs
- The role of private equity and family-owned firms in the economy
- The role of informal sector in organizing and allocating capital
- The market for government securities
- Commodities markets and their linkages to other capital markets
- Trading and liquidity of domestic and external corporate debt markets

- Understanding the behavior and risks of banks (private-sector, public-sector) and non-bank financial corporations (NBFCs, central clearing corporations), and how they interact with markets
- Understanding the role and impact of financial sector regulation and government restrictions on markets and systemically important financial institutions (SIFIs)
- Bankruptcy codes and their effect on supply and cost of public, private, and bank credit
- Efficiency of debt restructuring procedures and asset reconstruction companies
- Macroeconomic risks including inflation, fiscal and currency depreciation risks and how they impact markets and firms
- Infrastructure finance and the role of public-private partnerships
- Privatization and divestment of state-owned enterprises
- Studies of other emerging markets relevant for India

PAPER DETAILS: The NSE generally provides two types of data: (a) data relating to trades and (b) corporate data (such as company fundamentals, corporate announcements and shareholding pattern); trading data can be made available as Real Time Data, Snapshot Data, End-of-day Data, Historical Trade Data and Historical tick by tick (TBT) trade and order level data. The NSE would provide this data if required for the approved projects at a subsidized rate. More details can be found at the following link:

http://www.nseindia.com/supra_global/content/dotex/data_products.htm

PAPER DETAILS: Each research proposal should consist of *at most* three single-spaced pages, and must include the project title, information on the principal investigator (PI) and institution where the PI is affiliated, information on any co-PIs, a one-paragraph summary of the project, the project's intended contribution relative to the literature, the data to be employed, research methodology, and preliminary results (if any). It must be stated clearly in the proposal that the paper has not yet been sent for publication in any form (working paper or otherwise). It will be useful for the screening committee to know if required data have already been sourced or are known to be available and also if there is a draft of the paper (if available, please submit the draft).

PAPER SUBMISSION PROCEDURE: The deadline for submissions of the proposal is 3rd October, 2014. Research proposal plus the cv of the principal investigator should be mailed in pdf format as a single file to nse-nyu-call-2014@stern.nyu.edu Project approval decisions will be made and emailed by 17th October, 2014.

The committee that will screen and approve the projects consists of Professors Viral V. Acharya (NYU Stern School of Business), Venkatesh Panchapagesan (Indian Institute of

Management, Bangalore), N R Prabhala (Centre for Advanced Financial Research and Learning, India and University of Maryland), and Suresh Sundaresan (Columbia University).

Past projects and conference agenda can be found at:

http://www.nseindia.com/research/content/research_NSE_NYU.htm or

<http://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/salomon-center-for-the-study-of-financial-institutions/research-areas/indian-capital-markets-initiative/index.htm>

TERMS FOR RECEIVING FUNDING: Funding will be provided in three stages:

- 30% of the grant (first tranche) will be made available upon approval of the research project.
- 20% of the grant (second tranche) will be given on timely submission (i.e. by **1st June 2015**) of the preliminary draft. (Please note that the feedback on the initial draft will be provided within three weeks after submission.)
- The remaining 50% of the grant (third tranche) will be made available if the following conditions are met. Principal investigator of the approved projects must each:
 - Present (or have a co-author present) the revised draft at a research conference to be organized by the NSE in Mumbai, India on 3-4 August, 2015. Travel and accommodation costs relating to the conference would have to be incurred by the presenters from the grant.
 - Submit second draft incorporating discussion at the Conference by middle of October, 2015, on which a final set of comments will be provided by the middle of November.
 - Submit by 1st December 2015 a final draft that gives due consideration to all comments and feedback for inclusion in the Working Paper series of the NSE and the Salomon Center.

In case, the author submits the preliminary draft after June 1, 2015 but before end of June 2015, he/she will have to forgo the second tranche (20%). If however, he/she misses even the end June deadline for submitting the preliminary draft, he/she would forgo both the second tranche (20%) and the third tranche (50%).

About the National Stock Exchange (NSE) of India

NSE is the largest exchange in India that has brought about a high degree of transparency, speed, efficiency and safety in the Indian securities market. As part of its thought leadership efforts, NSE conducts various workshops and seminars. It also conducts training programs and certification programs in the area of securities market.

About the Salomon Center for the Study of Financial Institutions

The Salomon Center for the Study of Financial Institutions is a research Institute founded in 1972 as part of the Stern School of Business, New York University, by a grant from the partners of Salomon Brothers, and specializes in the study of financial institutions, including commercial banks, investment banks, managed funds and insurance companies.

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<http://www.ssrn.com/update/ern/ernann/ann14122.html>