

Edition - October 2014

S-CAP

SME CAPITAL MARKET WATCH



E-COMMERCE Adoption in **INDIA**

How SMEs can
FUND EXPANSION
through VC FUND



An initiative by :
SARHI CAPITAL ADVISORS PRIVATE LIMITED
SEBI Registered Category I - Merchant Banker

SARHI



PREFACE



Crossing 100 days being in power, the new NDA government has been on toes to keep the faith of the voters as mandate given for reforms and to see 'Achhe Din'. The strategic meetings with Japanese, Chinese, Australian and recently a trip to US, shows the futuristic strategy to take forward the reforms in the country.

The US federal reserve has kept interest rate unchanged and took a stance to support the economic growth booster in the country. We expect Fed raising interest rates, probably in mid-2015. Despite the vote against independence, it does not completely resolve the political uncertainty. The implication of the "No" vote is, above all, political in nature. Now, the stronger focus is placed on next year's UK general election and the upcoming EU referendum. A debate about federalism is gaining strength in the UK parliament.

In the precious metals segment, gold is facing headwinds from a rise in US long-term real interest rates. In an environment where US economic activity continues to improve, downside risks to gold will persist.

Indian capital markets continue its upward journey with confident moves. A huge buying interest has been observed in mid-caps especially in consumer businesses as festival season is expected to bring more sales in consumer and consumer durable companies. Going forward, we expect volatility in markets as statement by the Reserve Bank of India (RBI) Governor that Indian interest rates might not go down immediately, despite favourable inflation data.

We at Sarthi, are committed to the SMEs in India to support in the capital markets as a Merchant Banker for the growth of their business.

Regards,

Deepak Sharmaa
Group Managing Director

A FACILITATIVE PLATFORM FOR CREATING A VIBRANT ENTREPRENEURIAL ECO SYSTEM IN INDIA

SALIENT FEATURES

- Sarthi Angels is a section 25 non-profit organisation
- Provides a platform to connect the budding entrepreneurs with Angels
- Provides Incubation Services to entrepreneurs
- Our endeavor is to create a conducive environment for Entrepreneurs & provide value investment opportunities to Angels



BRIDGING THE GAP BETWEEN ENTREPRENEURS AND ANGELS

A ONE STOP COMPREHENSIVE SOLUTION TO SME LISTING

Smelisting.net

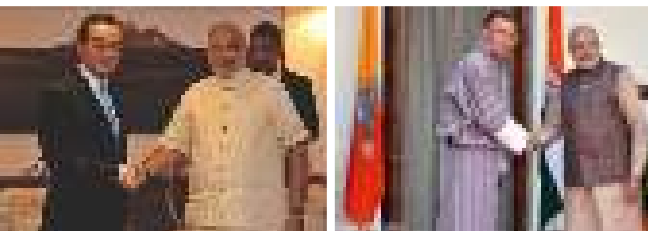
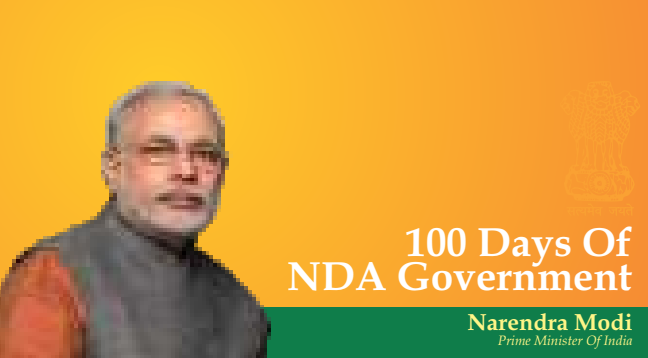
Knowledge Portal



SALIENT FEATURES

- Comprehensive content on procedural and regulatory aspects.
- Eligibility Calculator to gauge your eligibility for SME IPO.
- Knowledge Corner that provides regulatory & market insights.
- A platform to interact with the experts on SME Listing & related topics.
- Latest happenings in SME world
- An in-depth research on listed SMEs & prospective IPOs.

& many more...



CONTENTS

ARTICLES

- 100 Days of NDA Government*
- E-Commerce Adoption in India*
- How SMEs can fund expansion through VC Fund*

01-13

RESEARCH COVERAGE

- Bhanderi Infracon Ltd.*
- Atishay Infotech Ltd.*

15-16

DEVELOPMENTS

- Market Development*
- Other Development*

17-20

GUEST ARTICLE

- Abhay Chandalia*

21-22

MISCELLANEOUS

- What's in Press ?*
- Quotes*

23

MARKETS

- Market Watch*
- SME Market Statistics*

24-25

EVENTS

- UPCOMING EVENTS*
- Media Coverage*

25-26



100 Days Of NDA Government

Narendra Modi
Prime Minister Of India

On September 2, Modi Sarkar completed 100 days in Office. Prime Minister Narendra Modi and his Council of Ministers took Oath of Office and Secrecy on May 26, 2014, 10 days after the verdict of the people of India was announced.

News starved media, joined by the Congress and its allies desperately searched for the report card of Mr. Narendra Modi Government as it completed 100 days in the Office of Government of India.

All an independent analyst could say for now is that the story of India has improved since the day Narendra Damodardas Modi assumed office as India's 14th Prime Minister. He aims at fixing the 10-year-long policy paralysis of the previous UPA dispensation. The 100 days of our Government witnessed Mr. Modi taking gradual but firm control of the ministry and bureaucracy. Slowly but steadily he took charge of the government by placing his key ministers in important ministries, rolling out the roadmap to the bureaucrats, taking stock from the secretaries, and ultimately trying to tame bureaucracy so that good governance can be offered to the citizens.



Narendra Modi completed his first 30 days as Prime Minister on June 24, 2014. Equity market of India (especially benchmark Sensex) however, gave a roaring welcome to Narendra Modi's

first one month by touching new highs, even breaking the 25,000- level psychological barrier. Foreign funds also flowed in and helped Indian currency get stronger.

INTERNATIONAL RELATIONS WITH CHINA

For the advancement of relations between the India and

China, Chinese foreign minister Wang Yi's visit to India has been turned out to be a positive diplomatic beginning. The Indian cabinet has approved a Memorandum of Understanding with China for setting up Industrial Parks so that Chinese investors can invest in these low-tax SEZs as well as manufacturing hubs so that India can lessen Chinese imports on one hand, and increase growth of manufacturing sector, on the other. It is expected that proper implementation of this process will lead to marked decrease in India's \$40 billion trade deficit with China. This move by Indian cabinet is a strong signal to China to forge closer economic ties for mutual benefit.



EFFORTS TO UNEARTH BLACK MONEY

The Narendra Modi government had appointed Special Investigation Team (SIT) headed by Justice M B Shah for unearthing black money. Indian Lenders have been directed by Reserve Bank of India to help Special Investigation Team with all available information.

RESTRICTIVE MEASURES FOR MINISTERS

Ministers were asked not to buy any new car and to get approval from PMO for any expenditure above Rs. 1 Lakh.



FIRST INTERNATIONAL VISIT

Modi selected Bhutan as his first international destination after becoming

the Prime Minister. The strategic location of this tiny Buddhist country was the main reason. Bhutan assured India of its assistance in setting hydropower generation plants and assistance was offered from India to Bhutan in various areas of education.

FDI IN INDIAN RAILWAYS

On June 19, 2014 the Railway Minister announced 100 per cent FDI in Indian Railways for modernising railway sector, on one hand, and meeting resource crunch, on the other. FDI is expected to create high-end infrastructure to make high-speed trains in India a reality.

ESSENTIAL COMMODITIES ACT, 1955

In awe of increasing rate of inflation, the Centre took the decision on July 2, 2014 of including onions and potatoes under the Essential Commodities Act, 1955. This has been done to let states impose stock holding limits on these food items so that their prices don't cross a certain level. Due to poor monsoon forecast, many middlemen have been hoarding these items, leading to escalation of their prices. This decision was taken by the Cabinet Committee on Economic Affairs (CCEA) for providing impetus to the states to carry on de-hoarding operations.

MAKE OVER OF SOCIAL SECURITY SCHEMES

Social security framework is going to witness a major revamp as three key schemes will be converted into one. Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Aam Aadmi Bima Yojana (AABY), and Rashtriya Swasthya Bima Yojana (RSBY) will be brought under a pilot project under the Ministry of Labour and Employment. This pilot project is expected to be launched from January 1, 2015 in 20 districts for facilitating unorganised workers access the three schemes through a single smartcard.

FRENCH TALKS

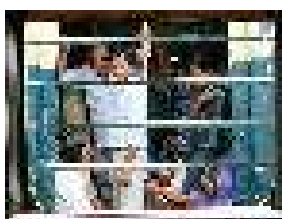
French Foreign Minister Laurent Fabius discussed with his Indian counterpart the step required for pushing defence deals as well as bilateral trade on June 30, 2014. France is the first Western power to hold talks with the new Indian government.



BUDGET WEEK

The Seventh Week of NDA Government can be christened as Budget Week as the NDA Government presented its first Railway and Union Budget.

Presenting the Budget, Railway Minister Sadananda Gowda, in his speech, made it clear that



finances were a huge concern and tough decisions were but imminent. One of the key highlights was the intention to attract private investors – both domestic and foreign – through Public Private Partnership (PPP) model. The much awaited bullet trains were given green signal besides promise for more trains to religious destinations.

Other highlights included No hike in passenger fares and freight charges. Wi-Fi to be introduced in A1 and A category trains. Reservation system to be revamped and ticket booking via mobile phones and post offices to be made popular; online booking of tickets to support 7200 tickets per minutes, allowing about 1,20,000 users to log in at the same time; a separate online platform for unreserved tickets and women constables to be assigned to women coaches – boosting an induction of about 4000 women constables; food courts to be introduced at major stations and food to be ordered through SMS, phone and cleanliness budget to be hiked by 40 percent as compared to last year.

Some opined that the Budget lacked timelines and specifics whereas others termed the Budget as futuristic and growth-oriented.

Tabling the Economic Survey, Finance Minister Arun Jaitley pegged the economic growth at 5.4-5.9 percent. The high food inflation that has constantly been a source of concern has been predicted to ease off by the end of the year and is expected to reach a moderate level.

The maiden Union Budget was presented by NDA government on 10 July 2014. Given the fact that the Budget was prepared within 45 days of Finance Minister Arun Jaitley's assumption of office, it has been considered as a progressive one.

The highlights of the Budget include the rise of the existing income tax exemption limit by Rs 50,000 to Rs 2.5 lakh; investment cap under 80 C by Rs 50,000 to Rs 1.5 lakh and the rise in the deduction limit on interest on housing loan by Rs 50,000 to Rs 2 lakh.

Apart from making salaried employees happy, the announcement of hike in the foreign direct investment limit in the insurance sector from 26 percent to 49 percent has brought a cheer to the insurance industry. The defence sector too saw a hike in the FDI limit to 49 percent from the existing 26 percent.

Funds have been allocated to develop new cities, to give a boost to the manufacturing industry and infrastructure projects, to improve irrigation and sanitation in every household has been promised. The establishment of four more All India Institute of Medical Science (AIIMS) was sanctioned, in Andhra Pradesh, West Bengal, Vidharbha and Purvanchal to improve the doctor-people ratio. Five more Indian Institutes of Management (IIM) and Indian Institutes of Technology (IIT) are scheduled to come up too.

He set aside Rs 200 crore for a statue of Sardar Patel while the allocation towards women safety was about Rs 100 crore. It was clarified that the projects falling between Rs 100 to 200 cores would take few months to be implemented. Considering that four months of this financial year are almost over, it made sense to hand over the funds as an 'initiation' amount. Once the projects were initiated, more funds could be allocated towards the same.

Mobile phones, LCDs, computers, shoes, branded clothes got cheaper while cigarettes and aerated drinks were made costlier.

On the whole, it was a balanced budget. However, the real success of this Budget would be seen in the coming months provided all the steps outlined in the Minister's speech are implemented.

BRICS SUMMIT - MULTILATERAL DEBUT



Prime Minister Narendra Modi made his multilateral debut with the sixth BRICS summit hosted by Brazil.

The deadlock over the creation of a new BRICS development bank that has been continuing for two years ended at this summit with the launch of a \$100 billion bank and currency reserve pool. This bank will fund infrastructure projects in developing countries and also act as a cash reserve pool.

The initial subscribed capital of \$50 Billion will be shared equally by the five nations, preventing domination by any member by way of paying higher capital amount. The bank will be headquartered in Shanghai, China; the first president will be from India and the Board of Governors from Russia. The name of the bank will be New Development Bank – a name suggested by Mr. Narendra Modi.

For India, it is indeed a big success that has been achieved after driving a very hard bargain. The deadlock that lasted for over two years was mainly because China wanted a bigger share and control in the bank by way of higher contribution and India had opposed it. Modi's determined tactical expertise seems to have worked well because he managed to achieve equal partnership as well as the authority to manage the bank for first five years.

INTERNATIONAL MOVES

Mr. Modi's meets with Chinese President Xi Jinping, Russian President Putin and South African President Jacob Zuma are signing towards deepening strategic ties and working closely with China, Russia and South Africa to develop the symbiotic relationships between India and these countries.

LOK SABHA STEP-UPS

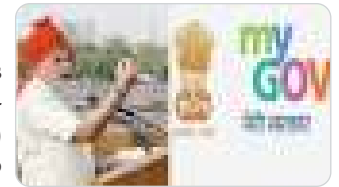
The Lower House of the Parliament of India passed the amended Telecom Regulatory Authority of India (TRAI) Bill and Andhra Pradesh Reorganization Bill.

AIRLINES TO TAKE UP TO THE SKY

With the government liberally clearing the aviation licenses, new airlines are all set to take to the skies. Civil aviation minister Ashok Gajapathi Raju has awarded no-objection certificates to six airlines. These applications have been awaiting approval for a long time and the clearances pave way for three new airlines - Air One Aviation Pvt Ltd, Zexus Air and Premier Air - to ply the national route and another three airlines - Turbo Megha, Air Carnival and Zav Airways - to operate in the regional route.

PUBLIC INTERFACE

The NDA government has launched a unique website - MyGov (www.mygov.nic.in) at the completion of 60 days, to engage people in the governance. This technology driven platform MyGov aims at providing opportunity for the citizens to contribute towards good governance.



NEPAL TIES

Prime Minister Narendra Modi made a historic visit to Nepal, the first of an Indian Prime Minister to Nepal after 17 years. The visit that



lasted for two days is said to have won millions of hearts in Nepal. The speech that Mr. Modi made at the Parliament of Nepal was praised. In his speech, he urged political leaders in both India and Nepal to work together for greater and stronger economic and strategic cooperation. As a way forward, the two countries have agreed to revisit the 1950 Treaty of Peace and Friendship and other bilateral agreements. Among other discussions he announced a soft loan of USD 1 billion towards Nepal's infrastructural needs.

TEETH TO SEBI

The Securities Laws (Amendment) Bill, 2014 aiming to give Securities and Exchange Board of



India (SEBI) more power was tabled in the Lok Sabha and Union Government on 25th August, 2014 notified the Securities Laws Amendment Act, 2014.

PANEL TO FORM RULES FOR E-RICKSHAWS

With the Delhi High Court barring battery operated cycle rickshaws from operating in New Delhi, the NDA government has decided to form a panel that will recommend rules for the construction and maintenance of

these rickshaws.

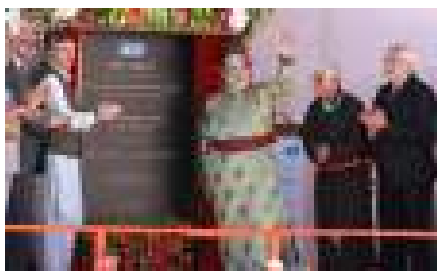
Currently, the e-rickshaws have no accountability and neither are they issued any licenses or registered with any authority. There are about 70,000 such e-rickshaws plying on the roads of New Delhi.



With a view of making the e-rickshaws safer, the panel will recommend rules on the construction, the equipment and the overall maintenance of e-rickshaws. On the panel are representatives from the Automotive Research Association of India, department of heavy industries, transport department of Delhi, ministries of environment and forest and power, Society of Indian Automobile Manufacturers, the Council of Scientific and Industrial Research and the Energy and Resources Institute.

This project is championed by Transport Minister Nitin Gadkari who had earlier promised that e-rickshaws will not be considered illegal.

LADAKH - KARGIL VISITS



Modi made a one-day visit to Ladakh to inaugurate few notable power projects. Addressing the officers and soldiers, he said that his

government would never compromise on the Siachen Glacier, which India has controlled since 1984.

Later, he flew down to Kargil to inaugurate the 44 MW Chutak hydro-power project. He was the first prime minister to visit this area after the conflict of 1999 with Pakistan. In Leh, Modi emphasised on the fact that his government would strive to bring *prakash, paryavaran and paryatan* (Power, Environment and Tourism) to the region.

RESTRUCTURING OF FCI

A committee has been constituted by The Ministry of Consumer Affairs, Food and Public Distribution to come up with recommendations for restructuring the Food Corporation of India (FCI). FCI, a nodal agency of Union government, was set up in 1964. Its main objective was to procure food grains through a price support mechanism, distribute the grains under the public distribution system and maintain buffer stocks to ensure food security. Today, the FCI is faced with multiple inefficiencies that are leading to considerable wastage of food.

The committee will consist of eight members who will study various role models and suggest methods to achieve operational efficiency and financial management. The idea is to segregate the procurement, storage and distribution activities with a view to increase the efficiency of FCI.

JAN DHAN YOJNA LAUNCHED, 1.5 CRORE BANK ACCOUNTS OPENED ON FIRST DAY

With a view to providing bank accounts to every single household, Prime Minister Narendra Modi launched the Jan Dhan Yojna that is aimed at financial inclusion of the



poorest of the poor. On the day of the launch itself, 1.5 crore bank accounts were opened. This plan was launched across the country by several chief ministers and Union ministers. Now, the poor people can borrow from the bank instead of the money lenders who charge very high rate of interest.

Under this plan, all the account holders are entitled to zero balance and will be given a Rupay debit card with life insurance cover of Rs 30,000 and an accidental insurance cover of Rs 1 lakh. Later, they will be given an overdraft facility up to Rs 5000. The government is eyeing at covering 75 million households by January 26, 2015.

The Jan Dhan Yojna is one of the biggest projects to be launched by the National Democratic Alliance (NDA) government ever since it came to power in May 2014. With a view to bring everyone under this plan, the government has announced an additional life insurance cover of Rs 30,000 to all those who open the account before 26 January 2015.

ROAD MINISTRY EMPOWERED

With a view to boost the implementation of highway projects, the NDA government decided to give the Ministry of Road Transport and Highways more powers.

The Ministry can now amend the Model Concession Agreement (MCA) for highway projects and also decide the mode by which the projects will be delivered.

The MCA is a legal contract that governs the terms by which road projects will be executed. Currently, any changes in the MCA or changes in the mode of project delivery have to be approved by an inter-ministerial group that includes road ministry officials, finance ministry, law ministry and the planning commission. This then has to be approved by the Cabinet Committee on Economic Affairs (CCEA).

Now with an empowered ministry, the government is looking forward to reviving private sector participation in the roads sector. In the fiscal year ended March 2014, NHAI

had awarded 1,436 kilometres of highway projects, way below its target of 4,030 kilometres. In 2012-13, it had awarded 1,116 kilometres against the target of 9,500 kilometres.

With its new powers, the road ministry can easily implement changes in the MCA or mode of delivery in case it fails to attract private investment through BOT (Toll) or BOT (Annuity) Method. (BOT refers to Build, Operate, Transfer). In the past two years, about 20 projects worth Rs 27,000 crore have failed to attract investments. This may now change and hopefully the road ministry will be successful in attracting better private participation.

RE-CONSTITUTION OF BJP PARLIAMENTARY BOARD

The role of Margdarshak Madal will be restricted to offering guidance to the party, but it is up to the PB whether to accept it or not. In the 'Modified' BJP, senior leaders, though with age and experience on their side, are thought to be fast losing touch with the party as well as the younger generation.

The world watched as 800 million eligible voters took to the polls in India, making the 2014 Lok Sabha elections the single biggest electoral exercise in history. Few people predicted India would remain a democracy post-independence because of its heterogeneous society. It is a country where people practice every major religion in the world and speak more than a hundred different languages. From an economic standpoint, the divide between rich and poor is so stark that



The BJP has dropped senior leaders like Atal Bihari Vajpayee, Murli Manohar Joshi and Lal Krishna Advani from its Parliamentary Board (PB), the highest decision-making body of the party. The new members inducted in their places are party general secretary J P Nadda and Madhya Pradesh Chief Minister Shivraj Singh Chouhan.

The dropped leaders now form part of a five-member Margdarshak Mandal, a mentors' panel that comprises Prime Minister Narendra Modi and Home Minister Rajnath Singh, apart from the three senior leaders.

Chaired by BJP party president Amit Shah, the 12-member PB includes the names of Arun Jaitley, M. Venkaiah Naidu, Nitin Gadkari, Sushma Swaraj and Ananth Kumar.

This move is being seen as a continuation of the generational change that was initiated in the BJP with the appointment of Modi as the chief of election campaign committee.

there is a slum in the vicinity of a *billion*-dollar residential building in Mumbai. Even though India faces various socio-economic tensions, the strength of its institutions and division of power between the Judiciary, Legislature and Executive, have together ensured a robust democracy. People of India have pitched in their expectations from Modi Government. There is a long way to go for our Government and being judgmental on the basis of 100 days of power of Modi Government will not be a fair game. There are lot of tough challenges and goals to accomplish before them. The coming days will evident how the Government puts in place efficient governance, deliver and implement planned programmes bringing maximum output to the people of India.

--Prabhjyot Kaur

E-Commerce Adoption in India

PREFACE

India has an internet user base of about 250.2 million as of June 2014. The penetration of e-commerce is low compared to markets like the US and the UK but is growing at a much faster rate with a large number of new entrants. India's e-commerce market was worth about \$2.5 billion in 2009, it went up to \$6.3 billion in 2011 and to \$14 billion in 2012. About 75% of this is travel related (airline tickets, railway tickets, hotel bookings, online mobile recharge etc.). Online Retailing comprises about 12.5% (\$300 Million as of 2009). India has close to 10 million online shoppers and is growing at an estimated 30% CAGR vis-à-vis a global growth rate of 8-10%. Electronics and Apparel are the biggest categories in terms of sales.

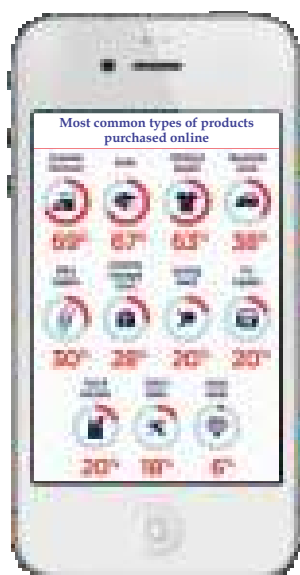
THE INITIAL HICCUPS

It has been chronicled that the great e-commerce story of India kick-started around 2006-07 when pioneers like Redbus (2006), Flipkart and Myntra (2007) and Snapdeal (2010) started experimenting with the online model for different categories. The majority of people transacted online for the first time in the 2008-10 period; but the period that saw the single largest number of online converts was the 2011-13 window when nearly 55% of people first made an online purchase not related to travel.

The worrying reason about making an online purchase was because people were not sure whether the product would look exactly the way it appeared online – the touch-and-feel concept of purchasing a product and few felt that not having a credit card was the deterrent. Thus, in a way, this implies that the problem solved by the Cash-on-Delivery (COD) model was not the lack of plastic money, but the resolution of doubt on how the products would actually look like. Many

people felt comfortable making a purchase online after COD was introduced by Flipkart and other players starting in 2010.

Today we have many good players in the E-commerce segment with Flipkart and Snapdeal leading the pack. Amazon has also entered the fray. Most of the retail shoppers in India belong to the 19-24 and 25-40 age group with female having close to 40% contribution. There are other sites like FashionandYou, Myntra, Yebhi and Caratlane to name a few. Not only are they creating a sea change in the



buying behavior and online purchasing trends amongst Indians but generating many lateral job opportunities. The B2B sites like Alibaba and Indiamart have helped many small scale players to access diverse markets and sell their products.

(Source: <http://www.go-globe.com/blog/e-commerce-in-asia/>)

Key Drivers for E-Commerce in India

The industry consensus is that growth is at an inflection point with key drivers being:

Increasing broadband Internet
(growing at 20% MoM) and 3G penetration

Rising standards of living and a burgeoning, upwardly mobile middle class with high disposable incomes

Availability of a much wider product range (including online purchase from international retailers and direct imports) compared to what is available at brick and mortar retailers

Busy lifestyles, urban traffic congestion and lack of time for offline shopping

Lower prices compared to brick and mortar retail driven by disintermediation and reduced inventory and real estate costs

Increased usage of online classified sites, with more consumer buying and selling second-hand goods

Evolution of the online marketplace model with sites like Jabong.com, Flipkart, Snapdeal, and Infibeam

ADVANTAGES OF E-COMMERCE

- 1. Time saving** – is the reason number one for using electronic commerce. People now have access to their money and what they need to buy from home and work all from a desktop computer.
- 2. Consumers have an access to a wider range of products** – company now can use internet sites as shop fronts, so consumers can browse, buy from many different sellers and making it easier to find exactly what they are looking for.
- 3. Allows small businesses to mix with the big business online** – with a relatively small cost, a new business can set its self up to conduct transactions online.
- 4. Provide benefits to suppliers of goods and services** – company now can target a wider variety of consumers even take the product or service international, allowing them a means of supplying their goods to places that were before unreachable.
- 5. Business is Open 24 x 7 x 364 7/8** – it works while you play or sleep. They are open for business every hour of the day, every day of the week, every week of the year. Your receptionist, greeter and front people are always working for you because they are your website. They do not complain about the long hours.
- 6. Messages spreading (world wide market space)** – advertising on the web can make a big or small firm's promotional message reach out to potential customers all over the world quickly and small cost as an online marketing strategy.
- 7. Help protect against frauds and theft losses** – electronic payments can be easier to monitor than payments are made by cheques.
- 8. Thinking Outside the Globe** – selling something made by someone else, shipped by yet another and the money handled by yet another is the heart of the advantages e commerce brings to the business world. You can even employ an international staff. Some work you may need done can be more effectively done by companies or even individuals in other countries.

DISADVANTAGES OF E-COMMERCE:

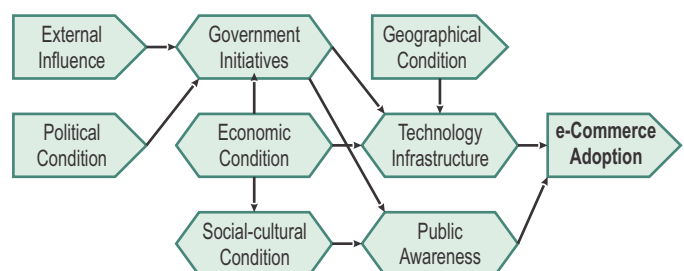
- 1. Purchase to Delivery** – when making a purchase at a brick and mortar business, you get the product when you pay for it. On the web, there may be a time lag from purchase to actually being able to consume. The consumer will have to wait for delivery of physical goods.
- 2. Inability to Feel the Physical** – it is nearly impossible to sell things like furniture and tires online. Furniture is something people like to sit on and know the feel. Tires need to be installed once purchased. The old tires also need to be disposed of. In both instances, there is a need

for real actions to fulfill the reason for the purchase. That's why things like food, jewelry, antiques etc. can never turn to E-commerce.

- 3. Trouble recruiting and retaining employees** – the company needs well-expert and skilled staff to keep up and create the ecommerce facilities of the company. Many companies favor to outsource their improvement and programming tasks to decrease labor costs.
- 4. Consumers feel less confident with their credit card numbers** – most of the consumers are still not confident in providing their credit card numbers for making payments on the website while shopping on the Internet.
- 5. Not every company can take the benefit** – some of the small companies may not be able to take the benefit of E-commerce for example the lack of expertise and lack of technology. The legal environment in which E-commerce is conducted is full of unclear and conflicting laws. It should be noted that mostly these disadvantages stem from the newness and rapidly growth of the technology.

FACTORS INFLUENCING THE ADOPTION OF E-COMMERCE IN INDIA

To explore the relevance of e-commerce and the opportunity of its growth in developing countries, it is important to understand national factors that affect e-commerce adoption. The figure demonstrates the influence of each factor on other factors. These factors will be used in developing a research model of e-commerce adoption by developing countries, combined with other factors identified at various levels including industry and organizational levels.



GOVERNMENT INITIATIVES

Government initiatives are important in the adoption of e-commerce and other Information and Communication Technology (ICT) in general. They can be in terms of promotion of ICT usage, education and the establishment of adequate regulatory framework for e-commerce including taxation and tariff for revenue generated through e-commerce and Intellectual Property protections. Government initiatives are affected by many factors including the country's political condition, economic condition, and external influence from other countries.

POLITICAL CONDITION

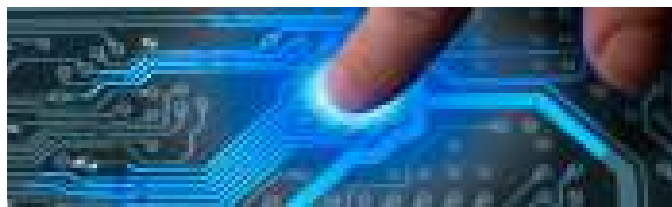
Political situation is a key factor for e-commerce growth. In a country with an unstable political condition, it is less likely that government will give enough attention, if any, on e-commerce development.

ECONOMIC CONDITION

Economic condition is also widely recognized as a major driver for e-commerce adoption. The GDP and income per capita are common indicators for the economic condition of a country. Since e-commerce relies on some technology infrastructures which are relatively expensive for many developing countries, countries with unfavourable economic condition are not likely to be involved in e-commerce. The economic condition will also affect the socio-cultural condition of a country.



TECHNOLOGY INFRASTRUCTURE



E-commerce success relies heavily on a number of technology infrastructures. Firstly, telecommunication infrastructures are required to connect various regions and parties within a country and across countries. The cost of accessing the infrastructures also influences the growth of e-commerce. E-commerce also relies on efficient logistic infrastructures within a country. Its growth further requires the establishment of reliable and secure payment infrastructures to avoid frauds and other illegal actions. The overall technology infrastructure development of a country relies heavily on the economic and geographical conditions of the country. Geographical Condition

Geographical condition of a country can be a motivation or barrier to technology infrastructure development. In countries that consist of many small islands, technology infrastructures can be difficult to develop. On the other hand, the need for having such infrastructure is also significant for effective communication and trading among the widely spread parties.

SOCIO-CULTURAL CONDITION

The adoption of e-commerce also depends on the cultural and social environment. In some countries, people consider shopping as a recreation, and therefore, B2C e-commerce is difficult to nurture. Likewise, the level of education, the availability of IT skills, the level of penetration of personal computers and telephone within the society affect the growth of e-commerce.

PUBLIC AWARENESS

A lack of awareness of the use and potential benefits of ICT can also hinder the growth of e-commerce. In some developing countries, many people are only aware of limited e-commerce applications such as chat, email and browsing websites. As a result, many organizations have not considered exploiting the potential of e-commerce to improve their business operations.

EXTERNAL INFLUENCE

The growth of e-commerce in a country is also influenced by other countries. For example, the reputation of credit card frauds in some countries caused blockages of several IP addresses by a number of commercial sites from different countries. This situation can cause those countries to be expelled from global business transactions and hence, limit the usefulness of e-commerce.

SMALL AND MEDIUM ENTERPRISES (SMES) AND E-COMMERCE

The SMEs today constitute a very important segment of the Indian economy. As per available statistics (4th Census of MSME Sector), this sector employs an estimated 59.7 million persons spread over 26.1 million enterprises. It is estimated that in terms of value, MSME sector accounts for about 45% of the manufacturing output and around 40% of the total export of the country which is next only to the agricultural sector.

In spite of their immense contribution to the global economy, SMEs face many challenges: limited capital and lack of access to adequate and timely banking finance, non-availability of suitable technology, small production capacity, non-availability of skilled labor at affordable cost, and inability to compete with larger organizations' marketing muscle.

SMEs are some of the biggest beneficiaries of e-commerce, as they now have the opportunity to overcome logistical and geographic challenges in terms of access to markets. SMEs can reap the efficiency gains associated with the use of e-commerce, arising from reductions in business costs by eliminating middlemen and a rationalization of business processes. In addition to these static gains, SMEs can also use e-commerce to create added value by producing new products, adopting completely new business practices, or changing the ways in which they interact in the marketplace.

HOW SMES CAN ADOPT E-COMMERCE

With more consumers prepared to shop online in the years ahead, no enterprise today can afford to miss out on the online opportunity.

1. **Doing homework** – Understanding what the customers want and expect from an online site is crucial before rolling out changes or making the move online. Consumers are becoming increasingly picky and won't hesitate to go elsewhere if they experience poor levels of customer service.

2. **Picking an expert partner** – Given the huge opportunity e-commerce offers, it's important to get it right online the first time. Doing this requires working with an e-commerce partner that can host the site and provide innovative technology, as well as offer strategic advice on best practices.
3. **Starting small but thinking big** – Gradually increasing the functionality on e-commerce offering over time helps the site evolve in line with the business. Testing the waters with some initial base e-commerce technology that allows to easily scaling up is often the best approach to take. Starting with an e-commerce solution that's too small and it can be all too easy to outgrow, resulting in expensive development and re-platforming costs.
4. **Continually learning** – Deploying tools that provide insight into why customers are visiting the site, and what they are searching for in order to improve the online offering and increasing the chances of converting browsers into buyers.
5. **Keeping it personal** – Technology can be used that automatically recommends the customer, the products and services, based on their shopping behaviour to increase the likelihood of purchase. Such tools can also help increase the value of orders placed, since consumers always respond well to a personalised level of service.
6. **Remembering the human touch** – Customers may be increasingly happy to shop online but still expect a human touch. Using tools such as click to call technology that allows customers to request a call from a sales agent to discuss their purchase over the phone.
7. **Opening up the site** – Success for SMEs often depends upon word-of-mouth recommendations, especially since spend on marketing activity is tight. Opening up the site by encouraging customers to post reviews and recommendations can help SME raise awareness of its online offering.



UPCOMING TREND

With an exponential increase in internet usage, there's an increasing PC and broadband penetration, coupled with the declining prices of PCs. Tablets and smart phones have given a new meaning to connectivity and user experience. The adoption of 3G and upcoming 4G technology, along

with the declining prices of smart phones, is expected to result in an additional increase in internet usage in the country. Improvements on the payment front have brought about the increasing use of plastic money by Indian consumers. Payment gateways have now been made more secure through multiple levels of authentication via one-time passwords (OTPs). This has helped strengthen users' confidence in carrying out online transactions.

Mobile commerce is the next logical step for Indian merchants. With the growth of mobile phones and increased issuing and use of debit and credit cards, mobile commerce will deliver strong growth over the coming years. Mobile technology gives the edge over competitors.

Social media networks such as Facebook are likely to increasingly become channels for sales and consumer engagement. With Google Wallet, millions of consumers will no longer need to carry their leather wallets. This mobile application securely stores credit cards, offers, gift cards and more on their mobile phone. This virtual wallet is changing the face of commerce by enabling customers to simply make "tap and go" payments with their mobile devices, while increasing loyalty at merchant locations.

CONCLUDING REMARKS

Undoubtedly, it's an expansion time for E-Commerce Industry. The E-Commerce market is poised to grow at a CAGR of 17% from around \$18.5 billion in 2013 to \$30 billion by 2016. E-Commerce players are banking on the Indian internet growth story. The fact that an average online user is spending more time online gives these players the opportunity to draw more users to their websites through innovative marketing strategies such as those revolving around social media.

Furthermore, to fully utilize the opportunity, players need to leverage the growing number of mobile devices in the country. They should focus on developing mobile-compatible websites and applications. This would allow customers to log on to easy-to-access platforms and browse e-Commerce websites on their mobile devices.



- Sudeep Mendjoge



HOW SMEs CAN FUND EXPANSION THROUGH VC FUNDS

Preface

The SME are the backbone of economic development in any country. They are the incubators for talent, innovation and entrepreneurial spirit which is central to a country's development. Efficiently organized and innovative, SMEs often exercise frugal management skills and use local resources to create innovative products and services which cater to any country's growing needs.

However in order to continue scaling up, timely and adequate access to financial services is an imperative, and this has been traditionally one of the biggest hurdles.

Traditionally, private funds from friends and family form the single largest source of finance to SMEs in India. SMEs in India also rely heavily on private money lenders and the unorganized financial sector for their requirements, where the terms of financing are unclear and interest rates are high. This small pool of funding providers often forces many potentially viable and growth focused SMEs out of operation.

Banks have been making steady strides in order to bridge this gap. However the approach followed by banks to funding is very restrictive as the bank has to create value by controlling & managing risk. In any loan application for a business, a Bank has to necessarily evaluate the risks involved, gauge collateral support and the methods to mitigate those risks. Therefore it is not always possible for an entrepreneur to satisfy all requirements and conditions which the Bank might pose. The above methods of financing are majorly debt financing, and sources of equity funding remain elusive in India.



The void created by the Banks are filled by Angel Investors, Venture Capitalists and Private Equity Funds.

1) Angel investors: These are typically high-net-worth individuals (HNIs) who have often been successful entrepreneurs themselves. They re-deploy their wealth in next-generation businesses. They invest in new-idea enterprises (that do not yet have external validation), help bring these ideas to market, take significant risks and invest a lot of time and energy in mentoring, management guidance and networking.

Angel investors are also governed by considerations other than finance alone, such as belief in Entrepreneurship itself.

2) Venture Capital (VC) funding provides funds for early stage companies. VC investments are traditionally made for scaling up operations (i.e. developing, launching and expanding new products or services).

VCs take lesser degree of risk and invest more money than angel investors. However, a VC is about more than financial support alone. VCs provide entrepreneurial support and partnership-based value-addition, often in the form of providing financial advice, human resources, establishing networks with customers and overall guidance in company strategy.

Venture Capital financing is a process whereby funds are pooled in for a period of around 10 years and investing it in venture capital undertakings for a period of 3 to 5 years with an expectation of high returns. To protect the funds of the investors against the risk of losses, venture capital fund provides its expertise, undertake advisory function and invest in the 'patient capital' of the undertaking – equities.

3) Private Equity players are established investment bankers and typically invest into proven/established businesses. PE funds/players are among the largest sources of funding for enterprises that are relatively secure with an established track record, requiring significantly large funds for expansion and growth. As such, they take reasonably well-defined risks and their exit strategy is usually up to the stage when the company goes public or gets acquired at high value. PE funds are generally seen to attract huge amount of

capital from investors, including pension funds, insurance funds, university foundations and individuals. PE investors can be domestic or foreign private equity firms. Domestic PE firms are either established as trusts, or set up as a company.



MODES OF FINANCING

Equity funding : In India apart from traditional funding avenues from friends and close associates, there is growing trend in terms of institutionalization of this funding sources. At present one can source funding via Angel investors – either HNI individually or wealth management business family set-ups or angel groups like Mumbai angels, IAN (Indian angel network), etc. Lot of city based HNIs are now forming angel groups to fund the local entrepreneurs and SME business set-ups.

There are number of Venture Capital (VC) funds in India as well apart from Private Equity (PE) funds which funds slightly with higher ticket size. Following table best illustrate the business type funding scenario in terms of equity options

Business segment	Type of Investor	Funding amount ticket size
Start-ups/Early stage	Angels/HNI's/Family set-ups	Upto INR 5 cr.
Early stage growth with proven market product/services	VC Funds + PE funds or in isolation	From INR 5 cr. Onwards to INR 50 cr.
Hyper growth venture to establish SME business owners	Private Equity Funds	Upward of INR 10 cr. Plus onwards

From the above table it can be ascertained that how Venture Capital can act as a catalyst in providing funds as well guidance on the other aspects of the business in SME sector .

DEBT FUNDING - In India, there are number of debt options available based on the stage of business. While there are number of Govt formulated schemes like Collateral free loan upto INR 1 cr. Or SIDBI funded SME loans etc. however conventional norms in terms of lending & business feasibility guided by apex banks Non Performing Asset (NPA) norms are always on top of the mind with these Institutions.

Typical debt funding for working capital are available via various credit lines like bill discounting, traditional bank overdraft, securitisation of receivables, working capital term loan, factoring finance (against receivables though not very popular), commercial paper issuance by banks for sound rating SMEs, etc.

For export business owners, there are pre-shipment and post-shipment credits available in LIBOR based highly competitive interest rate regime and this should be explored fully to neutralise the foreign exchange exposure against receivables.

Many times overseas suppliers also offers competitive credit facility to Indian buyer to promote the trade and export between both the countries. These facilities are available via buyers credit which in turn is funded by overseas buyers bank. Off late, Indian SMEs can also avail external commercial borrowing subject to RBI guideline to fund its requirement.

For capital expenditure (capex), apart from Indian banks there are number of NBFCs which offers credit against capex proposals via term loans or operating/ financial lease with various derivative products around them.

MEZZANINE DEBT FUNDING - In India, there are some Institutions (Domestic as well Foreign) which offers these kind of funding which is very often a product around mix of equity and debt. Some of the instruments are like convertible debentures, preference stocks with convertible options or senior debt with participating options at later date in equities via warrants etc.

There are quiet a few NBFCs which offers venture debt backed up by PE funding or back to back PE funding round.

GRANTS - Bilateral trade ties between India & other countries in developed world's trade/finance association offers financial grants to sun rising and technologically



proven/upgrade sectors and to take advantages of hyper growth prevailing in these sectors. For example, many of the solar power or bio-gas power sectors enjoys financial grants from various overseas trade associations.



V.C. FUNDING IN SME SECTOR

As funds required by SMEs are too large for micro finance institutions and too small or too risky for commercial banks, this is one of the primal issues that the PE/VC component addresses as part of the investment promotion of the consolidated project for SME development in India.

Stages in Venture Capital Funding:

A. Early Stage Financing:

- Seed financing for supporting a concept or idea.
- Research and Development financing for product development.
- Start-up capital for initiating operations and develop a prototypes.
- First stage financing for production and marketing.

B. Expansion Financing:

- Second stage financing for working capital and initial expansion.
- Development financing for major expansion.
- Bridge or mezzanine financing for facilitating public issue.

C. Acquisition/Buy-out Financing:

- Acquisition financing for acquiring another firm for further growth
- Management Buy-out financing for enabling operating group to acquire the firm or part of its business.
- Turnaround financing.

ADVANTAGES OF VENTURE CAPITAL

- It injects long term equity finance which provides a solid capital base for future growth.
- The venture capitalist is a business partner, sharing both the risks and rewards. Venture capitalists are rewarded by business success and the capital gain.

- The venture capitalist is able to provide practical advice and assistance to the company based on past experience with other companies which were in similar situations.
- The venture capitalist also has a network of contacts in many areas that can add value to the company, such as in recruiting key personnel, providing contacts in international markets, introductions to strategic partners, and if needed co-investments with other venture capital firms when additional rounds of financing are required.
- The venture capitalist may be capable of providing additional rounds of funding should it be required to finance growth.

FACTORS DETERMINING THE VENTURE CAPITAL REQUIREMENTS

Nature of business: The requirements of working is very limited in public utility undertakings such as electricity, water supply and railways because they offer cash sale only and supply services not products, and no funds are tied up in inventories and receivables. On the other hand the trading and financial firms requires less investment in fixed assets but have to invest large amount of working capital along with fixed investments.

Size of the business: Greater the size of the business, greater is the requirement of working capital.

Length of production cycle: The longer the manufacturing time the raw material and other supplies have to be carried for a longer in the process with progressive increment of labor and service costs before the final product is obtained. So working capital is directly proportional to the length of the manufacturing process.

Seasonal variations: Generally, during the busy season, a firm requires larger working capital than in slack season.

Working capital cycle: The speed with which the working cycle completes one cycle determines the requirements of working capital. Longer the cycle larger is the requirement of working capital.

Business cycle: In period of boom, when the business is prosperous, there is need for larger amount of working capital due to rise in sales, rise in prices, optimistic expansion of business, etc. On the contrary in time of depression, the business contracts, sales decline, difficulties are faced in collection from debtor and the firm may have a large amt. of working capital.

FACTORS CONSIDERED BY VC BEFORE INVESTING IN A VENTURE:

- An innovative project is essential but within realistic and logical area, *venture capitalists seeks any project which promises immense growth potential and competitive ability to succeed and sustain in the market.*
- Entrepreneurial personality, experience and his management team contribute towards the execution and success of the project, since they utilise the *VC's fund the venture capitalist make sure of their major role with managing, working, guiding and co-coordinating the team towards the right path.*
- Good Team work, the mantra for modern success stories in the market, holds good for venture capital funding too.
- Market Characteristics covers the marketability of the product and the competition it faces from other competitors. Returns in the short period depend on the market characteristics of the project hence it is criterion in decision making for capital funding.



CONCLUSION:

Venture capital has become a part of the popular business in India. Venture capital has also become synonymous with investing in high risk technology businesses, that could be majorly IT and can spread across further domains like healthcare, agriculture etc. The VC's final decision on a proposed venture is based on many criteria and also it differs from one to other. All seek one common thing the right and proper way of documentation for them to analyse the projects faster and easily. If the project is new, promising and has innovative features then VC's seek to have more interest and are ready to help with more amounts because of its wide market characteristics and its ability to capture the market. Many SME's usually lack the right method and technique to approach the suitable VC and thereby they seek consultants to seek funds in the startup stage through financial

institution. SME firms in India believe that ownership of the company is compromised with the price paid for VC funds. The preference for investing venture capital is given to start-up stage may be because of innovativeness of the project and a good team. It is found that less preferences is given for expansion and turnaround stage of the venture. Due to the formal structure of the VC operation and more stringent evaluation process, complete business plans are compulsory.

Thus it can be concluded that even though obtaining finance from Venture Capital is rigid, but the with kind of experts and resources available with the Venture Capitalist, success of the business in which Venture Capital has invested money is ensured.

Source: Yes Bank article on SME sector for the period November 2013- March 2014, NSE Research papers on SME segment & Google.

- Umashankar Hegde

Want to invest for your long term goals ???

Choose Equity Mutual Funds



Advantages of Equity Mutual Funds

Diversification: Instead of investing in an individual stock you get to invest in a basket of well-researched stocks

Affordability: You can start investing with a small amount and keep adding at your convenience

Ease of operations: In open-ended funds you can invest/redeem anytime online / offline or through your distributor. You may also select Direct Plans with lower expense ratios

Special features: Funds offer Systematic Investment Plan (SIP) / Systematic Transfer Plan (STP) to suit your needs & budget. Encourages the habit of regular savings & investing

Taxation: Long term capital gains if any (after holding for 12 months) are tax-free. Dividends are tax free

Wide range: Depending upon your preference & risk taking ability you can choose from Index funds / Diversified - large cap, mid cap, multi cap funds / Sector funds/ Theme based funds / Overseas funds etc. You may also choose between open-ended or close-ended funds

An Investor Education and Awareness Initiative
by Taurus Mutual Fund

TAURUS
Mutual Fund

Mutual Fund investments are subject to market risks, read all scheme related documents carefully

To see the future, you must sometimes turn to the past.

As Asia's oldest exchange and India's first, the BSE has played an important role in India's financial history. Building on that rich past, the BSE is committed to being an important part of India's future. Today, the BSE trades on a variety of market segments and offers several advanced technology services. With the technologies now in place and an innovation-driven strategy to move forward, a bright new future is just around the corner.

Market Segments: Equities • Delivery-based Derivatives • Securities Lending & Borrowing
• Mutual Fund Platforms • Exchange-traded Funds
Technology Services: Internet-based Trading • Co-location Services • Mobile-based Trading
• Real-time Risk Management • Smart Order Routing.

BHANDERI INFRACON LIMITED

Bhanderi Infracon Limited (BIL) was incorporated in the year 2004 and is based out of Ahmedabad, Gujarat. BIL is engaged in development of Residential Flats and Bungalows under Partnership firms, namely: Tulsi Enterprises and Dharnidhar Developers respectively. The Company had also initiated the Joint Development Agreement with M/s Neelkanth Corporation to construct common road, electrification, drainage and all other necessary infrastructure on the said land.

Business Process for Real Estate Development :



Projects:

Highlights of Projects completed by BIL:

- Development of approx. 207 units (approx. 15,000 Sq. Mt. built up area) at Odhav, Ahmedabad, Gujarat
- Plotting of approx. 79 units (approx. 48,000 Sq. Mt.) in Odhav, Ahmedabad, Gujarat and Plotting of approx. 214 units (approx. 72,000 Sq. Mt.) in Nikol - Kathwada,, Ahmedabad, Gujarat

Highlights of Ongoing Projects of BIL:

- Mahavir Residency: The project undertaken by Tulsi Enterprises located at Mansa around 15 Km. from Gandhinagar, Gujarat. The Project plan is of building around 300 Residential Flats.
- Dharnidhar Homes: The project of building around 110 luxurious bungalows has been undertaken by Dharnidhar Developers which is located at Nadiad, Gujarat.

Key Growth Drivers:

- Significant experience and strong presence in Gujarat: BIL has gained significant experience and have an established track record and reputation for efficient project management, execution and timely completion of projects in the real estate sector.
- Joint Development Model: The strength of the Company lies in identifying, developing and forging partnerships to develop various projects
- Good Reputation and Brand Image: The brand "Bhanderi Group" commands a good reputation in real estate sector in Gujarat, which helps establish customer confidence, influences buying decisions and has enabled to achieve premium prices for projects.

Key Challenges:

- High Working Capital Requirements: BIL requires high working capital for smooth day to day operations of business and any discontinuance or inability to acquire adequate working capital timely and on favorable terms at a future date, may have an adverse effect on operations, profitability and growth prospects
- Statutory & Regulatory approvals: The Company requires certain statutory and regulatory approvals and licenses in the ordinary course of business. If it is unable to obtain, renew or maintain any of such statutory or regulatory permits or approvals, it may have a material adverse effect on the business.
- Joint Development Partners' Obligation: BIL enters into joint development agreements with third parties to acquire construction and/or land development rights. Such joint development partners may not perform their obligations satisfactorily

STOCK INFO

Sector	Realty
BSE code	538576
No of shares (Mn)	20.00
CMP (Rs.)	121.75
Face Value (Rs.)	10
Mcap @ Rs. 121.75(Rs. Cr)	24.71
Book Value (Rs.)	41.87
52 Week High / Low	107.60 / 124.00

PRE-ISSUE SHAREHOLDING (%)

	Pre-Issue	Post -Issue
Promoters	100.00	73.98
Public	-	26.02
Total	100.00	100.00

RELATIVE VALUATION

Though the peers considered are from the same sector but are not similar to the size and scale of operations of Bhanderi Infracon, it has the best operating margin and profit margin. Also, BIL has less debt on its balance sheet and has a better Debt/Equity ratio as compared to its peers. With the Union Budget favoring the real estate and infrastructure sector, the Company has a huge chance to tap the market and boost its revenue base in the future.

RELATIVE VALUATION (Rs. In Lacs)

Peers	Bhanderi	Arihant	RPP Infra
Sales	126.75	4,836.33	23,291.84
EBITDA%	30.0%	24.8%	16.3%
PAT%	25.6%	5.8%	4.9%
ROE%	5.0%	4.3%	9.4%
ROCE%	5.8%	13.7%	22.7%
ROA	1.4%	1.7%	4.1%
Debt/Equity	0.2	0.2	0.7
EPS	2.2	0.7	5.0
Book Value	43	16	53
M Cap	24.71	156.41	196.4
CMP	121.75	38	86.9



ATISHAY INFOTECH LIMITED

Atishay Infotech Limited (AIL) was established in 2000 and is based out of Mumbai. The Company offers wide range of Information Technology Database Management and E-Governance Services including Large Scale Data Entry and Scanning Solutions, Digitization Services, Document Conversion, Data Base Management of highest quality to our clients who are mainly PSU and Government Entities. AIL operates from registered office located at Mumbai, Maharashtra and corporate office located at Bhopal, Madhya Pradesh. It currently provides services in the states of Maharashtra, Rajasthan, Uttar Pradesh, Bihar & Madhya Pradesh.

Business Strategies

- Growing existing client relationships: AIL intends to leverage domain expertise, understanding of industry and close relationship with the existing clients to expand the scope of current services as well as provide services in new areas and businesses.
- Introduction of New Product Line: AIL will leverage its domain knowledge and industry expertise to develop “off-the-shelf” service offerings that cater to a broad customer base and address common industry issues.
- Increasing Geographical Presences: In future, the company intends to enter and capture new markets in the remaining states of India and increase its geographical presence and thereby increase its customer base.
- Entering into Hospitality Sector: Moving forward, AIL intends to enter in to hospitality sector by opening a Hotel with 47 rooms in three different categories with Conference Room, Restaurant & Bar, Swimming Pool and Business Centre facilities.

Key Strengths:

- Strong Management Team: The top management brings with them extensive experience in the field of IT & E-Governance Services.
- Strong Customer Base: AIL's customers are mainly PSUs & Government Corporations. Due to AIL's client satisfaction approach and long term relationship, it has been successful in renewing contract in Maharashtra since 2004 for EPIC services.
- Proven Track Record: AIL has been involved in EPIC project of Government of Maharashtra since 2004 and for all 288 Constituencies and in the state of Madhya Pradesh for 4 Constituencies for printing EPIC in Urdu Language. The Company is involved in the implementation of Aadhaar scheme since 2010-11
- Quality/ Security Assurance: AIL is ISO/IEC 27001:2005 certified company and was also awarded with Certificate of Provisional Accreditation by National Board of Quality Promotion.

Key Challenges:

- The business and profitability will suffer if AIL fails to anticipate and develop new products and services and enhance existing products and services in order to keep pace with rapid changes in technology and the industries in which it operates.
- Intense competition in the market for IT products and services could affect the company's cost advantages, which could reduce AIL's share of business from clients and may adversely impact its revenues and profitability.
- AIL requires certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect its operations.

STOCK INFO

Sector	IT
Issue Size (Rs. Cr.)	3.71
No of shares on offer (Lakhs)	23.20
Price (Rs.)	16.00
Face Value (Rs.)	10.00
Mcap @ Rs. 16 (Rs. Cr)	14.06

Objects of the Issue (Lakhs)

Working Capital Requirement	333.70
Issue Expenses	37.50

Pre-Issue Shareholding (%)

Promoters	99.96
Bodies Corporate	0.04
Others	-

RELATIVE VALUATION

The peers taken for consideration are not of the same scale and size of Atishay, even though it has higher EBITDA and PAT margin. It has less debt on its balance sheet eventually lowering the Debt/Equity ratio. The IT sector is growing at a CAGR of ~17% and with the government emphasizing more on governance issues, the company has huge potentials to grow in future and tap new markets. Atishay has no inventories in its financials and hence saves the cost for storing inventories.

RELATIVE VALUATION (Rs. In Lacs)

Peers	Atishay	Vikrangee*	Tera s/w
Sales	1,484	196,539	10,156
EBITDA%	29.1%	28.7%	23.5%
PAT%	15.5%	10.0%	2.0%
ROCE%	23.4%	43.1%	16.2%
RONW%	16.5%	24.7%	2.4%
ROA	11.4%	11.5%	1.1%
Debt/Equity	0.1	0.5	0.5
EPS	3.6	4.0	0.2
Book Value	22	16	7
Current Ratio	1.22	1.55	1.60

Note - *Vikrangee Financials are Restated Financials



Market Developments

● **Aanchal Ispat Limited** engaged in manufacturing of Mild Steel TMT Re-bars, Structural Re-bars, Round and other Sectional products filed a draft prospectus for a public issue of Rs. 16 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for expansion and modernizing by upgradation and automation of their TMT Bar manufacturing facilities, to meet additional working capital requirements and to meet public issue expenses.

● **Akme Star Housing Finance Limited** engaged in providing housing loans, construction loans, loan against home properties and to carry out housing finance activities and other related and allied services and to provide home loans finance to weaker sections of the society filed a draft prospectus for a public issue of Rs. 4.80 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for augmentation of capital base and meeting fund requirements for increasing operation scales, for general corporate purposes and to meet public issue expenses.

● **Mahabir Metallex Limited** which is into the business of trading and distribution of steel products like TMT Bars, Rolled Products, Billets, Colour Coated Sheets, Steel strips/ Cold Rolled Strips, Round Angle Channels & Bars, Ingots and Steel Pipes and Tubes has filed a draft prospectus for a public issue of Rs.3.90 crore. The equity shares are proposed to be listed on BSE SME platform. The company intends to use the issue proceeds for long term working capital requirements and for meeting issue expenses.

● **Amsons Apparels Limited** engaged in the business of trading of fabrics has filed a draft prospectus for a public issue of Rs.3.25 crore. The equity shares are proposed to be listed on BSE SME platform. The company intends to use the issue proceeds to part-finance incremental working capital requirements, for general corporate purposes and issue expenses.

● **Jet Infraventure Limited** which is into development of real estate with a focus on residential projects has filed a draft prospectus for a public issue of Rs. 4.50 crore. The equity shares are proposed to be listed on BSE SME platform. The company intends to use the issue proceeds for working capital requirements, repay certain unsecured loans, for general

corporate purposes and to meet the expenses of the issue.

● **Vibrant Global Capital Limited** a NBFC engaged in the business of Investments and trading in listed / unlisted securities and financial products, providing long term loans and advances and advancing short term loans has filed a draft prospectus for a public issue of Rs.11.48 crore. The equity shares are proposed to be listed on BSE SME platform. The company intends to use the issue proceeds for increasing their operational scale with respect to NBFC activities, for partial repayment of loans and to meet the expenses of the issue.

● **ADCC Infocad**, a software service provider specialist in GIS & Engineering services solutions Company servicing clients across corporate and government segments has filed a draft prospectus for a public issue of Rs.9.60 crore. The equity shares are proposed to be listed on BSE SME platform. The company intends to use the issue proceeds to fund our purchase of New Technical Equipments, to part finance the long term working capital requirement, for International Marketing & Branding Expenses, for general corporate purpose and to meet the issue expenses.

● **Dhabriya Polywood Limited** engaged in the business of manufacturing and selling of PVC profiles and fabrication of uPVC Doors and Windows, Partitions, False Ceiling, Paneling, Fencing, Prefabricated Structures, Prefabricated Walls & Buildings and allied products filed a draft prospectus for a public issue of Rs. 3.30 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for funding expansions plans, setting up polywood application centres, for general corporate purposes and to meet the expenses of the issue.

● **Monarch Apparels Limited** engaged in the business of designing, manufacturing and marketing men's apparels under the brand 'Monarch' filed a draft prospectus for a public issue of Rs. 5.01 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for long term working capital requirements, for general corporate purposes and to meet the expenses of the issue.

● **Atishay Infotech Limited** engaged in the business of offering wide range of Information Technology Database Management and E-Governance Services including Large Scale Data Entry and Scanning Solutions, Digitization Services,

Document Conversion, Data Base Management of highest quality to clients who are mainly PSU and Government Entities filed a draft prospectus for a public issue of Rs. 3.71 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for working capital requirements and to meet the expenses of the issue.

● **Majestic Research Services & Solutions Limited** engaged in the business of providing actionable insights to clients and assist them in making better strategic decisions in their respective lines of business filed a draft prospectus for a public issue of Rs. 1.43 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for procurement of new technology, for working capital requirements and to meet the expenses of the issue.

● **Ultracab (India) Limited** engaged in the manufacture and export of wires and cables in India filed a draft prospectus for a public issue of Rs. 7.97 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for working capital requirements, for general corporate purposes and to meet the expenses of the issue.

FORTHCOMING IPOs

Name of the Company	Exchange	Issue Size (Rs. crore)	Issue Price (Rs. Per Share)
Aanchal Ispat Limited	BSE	16.00	20.00
Akme Star Housing Finance Limited	BSE	4.80	30.00
Mahabir Metallex Limited	BSE	3.90	10.00
Amsons Apparels Limited	BSE	3.25	10.00
Jet Infraventure Limited	BSE	4.50	125.00
Vibrant Global Capital Limited	BSE	11.48	19.00
ADCC Infocad Limited	BSE	9.60	40.00
Dhabriya Polywood	BSE	3.30	15.00
Monarch Apparels	BSE	5.01	11.00
Atishay Infotech	BSE	3.71	16.00
Majestic Research Services & Solutions	BSE	1.43	12.75
Ultracab (India)	BSE	7.97	36.00
Aryaman Capital Markets	BSE	4.31	12.00
Amsons Apparels	BSE	3.25	10.00
JLA Infraville Shoppers	BSE	2.00	10.00
Naysaa Securities	BSE	1.50	15.00
Western Agro-tech Innovative	BSE	3.30	10.00
Powerhouse Fitness & Realty	BSE	7.20	30.00
Shareway Securities	BSE	4.99	14.00
Ekdant India	BSE	4.03	10.00
Anubhav Infrastructure	BSE	9.00	15.00
Prabhat Telecoms (India)	BSE	26.60	80.00

5 Companies that have been listed on SME Exchanges:

Company Name	Date of Issue Open	Date of Issue Close	Subscription		
			Retail	Non-Retail	Total
Vishal Fabrics Limited	31st Jul 2014	5th Aug 2014	0.77	1.32	1.20
Carewell Industries Limited	25th Jul 2014	30th Jul 2014	0.81	1.82	1.30
Bhandari Infracon Limited	22nd Jul 2014	25th Jul 2014	0.32	1.98	1.14
Encash Entertainment Limited	9th Sep, 2014	15th Sep, 2014	2.31	0.91	1.58
Sirohia & Sons Limited	8th Sep, 2014	10th Sep, 2014	1.50	1.51	1.52

● **Aryaman Capital Markets Limited** engaged in the business of carrying out the various fund based and secondary market activities of its group company, Aryaman Financial Services Ltd. filed a draft prospectus for a public issue of Rs. 4.31 crore. Equity shares are proposed to be listed on the SME Platform of the BSE. The company intends to use issue proceeds for investments and acquisition of listed/ unlisted securities and financial products, repayment of loans, for general corporate purposes and to meet the expenses of the issue.

● **Pritika Autocast Limited** engaged in the business of manufacturing of Machined Castings and Forging for Tractor/ Automobile Manufacturers in India filed an Information Memorandum. Equity shares are proposed to be listed on the Institutional Trading Platform of the BSE SME.

● **Softlabs Global IT Limited** engaged in the business of providing Information technology (Application Development & QA Services), Communication and Business Consulting services worldwide filed an Information Memorandum. Equity shares are proposed to be listed on the Institutional Trading Platform of the BSE SME.

● **Currently 74 companies** are listed on SME platforms of BSE and NSE while 13 companies are listed on ITP Platforms of BSE and NSE.

Invest regularly to achieve your dreams.

NIDEC-MS Systematic Investment Plan (SIP) is a simple, convenient and disciplined plan that helps you meet your financial goals by investing a fixed sum regularly. It works a minimum of ₹500 monthly, irrespective of market conditions. (But, involving the risk of investing a large sum at a high price. SIP adopts Rupee Cost Averaging wherein more units are purchased when prices are low and fewer when prices are high. So, don't let an unpredictable market compromise your dreams anymore.)

NIDEC SIP
Systematic Investment Plan

NIDEC FUND INVESTMENTS ARE SUBJECT TO MARKET RISK, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.



OTHER DEVELOPMENTS

ODISHA LAUNCHES MSME FUND FOR SMALL, MEDIUM UNIT DEVELOPMENT

To promote micro, small and medium industries in the state, the Odisha government has launched a Venture Capital Fund worth Rs 100 crore.

An MoU was signed for the purpose between Odisha government's MSME department and GVFL, Ahmedabad, in presence of Chief Secretary Gokul Chandra Pati. Pati said the 'Odisha MSME Fund' would provide marketing and infrastructural developmental support to MSMEs in Odisha. Registration work would complete within six months.

While Odisha government as sponsor of the Fund would invest around Rs 50 crore, balance Rs 50 crore would be raised from banks, insurance companies, financial institutions, Centre and others.

GOVT PROPOSES SINGLE LABOUR LAW FOR MSME SECTOR

There is a proposal for a single labour law for the entire micro, small and medium (MSME) sector to enhance its competitiveness and improve work culture.

The ministry of labour is preparing single law by merging all other existing labour laws regulating the sector in consultation with the MSME ministry. According to official sources, MSMEs contribute eight per cent of the country's GDP, 45 per

cent of the manufactured output and 40 per cent of its exports. However, the MSME sector is labour-intensive and highly disorganised, and different labour laws prevalent in different states have made the sector more scattered and difficult to regulate.

While this decision has already been taken, views have been sought from states as stakeholders. Some of the issues under active consideration are registration of MSME, simplification of penal provisions in the labour laws for the small scale sector, clubbing of laws in groups and removing multiple of provisions in different laws. Another proposal is to move from a regulatory system to an incentive-based system for implementation of labour laws.

STATES URGED TO ALLOCATE VACANT PLOTS

The ministry of micro, small and medium enterprises (MSME) has urged the states to formulate an appropriate policy to allocate plots that are lying in various industrial parks and estates.

During a recently held interactive day-long conference of state ministers and secretaries to the industries and MSME ministries, Kalraj Mishra, the Union minister for MSME revealed that more than 40,000 industrial plots are vacant in the country, of which more than 20,000 plots are vacant in special economic zones.

INDIAN SCHOOL OF BUSINESS TO LAUNCH BIG LEAP CLUB FOR NORTH INDIA-BASED SMES

The Indian School of Business (ISB) today announced the setting up of a 'Big Leap Club' meant exclusively for SMEs spread in and around Punjab, Haryana and Himachal Pradesh to help them get access to the best industry practices.

"The objective of the Big Leap Club is to help small and medium enterprises (SMEs) get access to the latest and best practices across the world, interact with ISB and international faculty, network with leading industry experts and leaders from large Indian corporates and MNCs," said an ISB release issued here.

It will also help them get an opportunity to enroll for ISB's executive education programmes in a planned manner to help them accelerate their growth

UCCI SEEKS FORMATION OF TASK FORCE TO ADDRESS MSME PROBLEMS IN ODISHA

Stressing on the potential of MSMEs in job creation and skill development in Odisha, Utkal Chamber of Commerce and Industry (UCCI) sought formation of a Task Force for redressal of problems faced by the sector and chalk out a plan for start-up units.

Pointing out that the MSME sector was "languishing" both in the field of start ups and existing units in Odisha, UCCI President Ramesh Mahapatra said in a letter to Chief Minister Naveen Patnaik, "To overcome such difficulties in MSME sector, we would request you to kindly form a Task Force under the chairmanship of Chief Secretary to draw out a proper plan both for start-up Units and also redressal of difficulties of the existing units."

TMI GROUP'S JOBSDIALOG TO FIND THE RIGHT FIT FOR MSMEs

Taking on the present government's employment generation initiative, Hyderabad-based integrated HR services firm TMI Group launched its mobile-based recruitment solution for Micro, Small and Medium Enterprises (MSMEs) aimed at reducing the hiring cost and fill in the skill-gap in the MSME sector.

The JobsDialog platform launched by union cabinet minister for MSME Kalraj Mishra will work on a missed-call model to register unemployed youth for placement in the sector. The initiative was launched in partnership with the National Skill Development Corporation (NSDC).





CELEBRATING OVER 18 YEARS OF WEALTH CREATION.



RELIANCE GROWTH FUND
(An open ended Equity Growth Scheme)



RELIANCE VISION FUND
(An open ended Equity Growth Scheme)

Call 1800 300 1111 www.reliancemutual.com
SMS 'INVEST' to 561617

Since inception till date i.e. from Oct 08, 1995 till June 30, 2014, both the schemes have completed 18 years and 9 months. <Wealth creation from our perspective>-. SMS charges apply

PRODUCT LABEL	NOTE: RISK IS REPRESENTED AS:
<p>Reliance Growth Fund & Reliance Vision Fund are suitable for investors who are seeking:-</p> <ul style="list-style-type: none"> Long term capital growth Investment in equity and equity related instruments through a research based approach. <p>High Risk ■ (Brown)</p> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>■ (BLUE) Investors understand that their principal will be at low risk</p> <p>■ (YELLOW) Investors understand that their principal will be at medium risk</p> <p>■ (BROWN) Investors understand that their principal will be at high risk</p>

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



Mr. Abhay Kumar Chandalia, has more than 18 years of experience in finance and management world, is a renowned Company Secretary and Chartered Accountant involved in management consultancy business for the last 4 years under the name of Whiteinc Group, Share Samadhan and White Collars Enterprising Pvt. Ltd.



Networking is the process of cultivating beneficial long term relationships with other people for achievement of professional and social goals. Utilising our network takes effort, self-promotion and willingness to give in order to get back. Your social capital is the most important asset in your portfolio. Social capital is the ability to cultivate an authentic network of personal and professional relationship.

MY DEFINITION OF NETWORK:

- N - New opportunities
- E - Enthusiastic like a child
- T - Talent
- W - Worldwide
- O - Optimistic
- R - Recreational
- K - Knowledge Sharing



YOU CAN INCREASE YOUR NETWORK BY:

1. Joining professional organisations
2. Joining social organisation
3. Attending events and seminars
4. Attending industrial conferences/associations
5. Being in touch with your school/college friends, alumni, professors.

You also need to increase your network outside your peer group. Though you might not be comfortable at the beginning. But this is how you will break your inhibitions. There is also natural way to meet people outside your peer group. For instance, if you share some common interest or hobby, you can connect well, even though there may be difference of the industry or business you belong to.

“DO ONE GOOD WORK EVERY DAY YOU LIVE”

Networking should be a regular part of your life. It is a continuous process. You can break this process into smaller steps. Like you can plan that you will meet one new people every day / week or strengthen existing groups and do favour for any person in your network. For entrepreneurship, skill, business development and networking becomes the lifeline. You cannot develop your business unless you develop your network. If we talk about job



seekers 40-50 % jobs are filled through references of employees out of their network. It is through networking that you will hear about the hidden jobs. Networking is one of the most critical aspect of both managing your career and searching for new work. It is said that “the majority of business opportunities come through networking with the right people at the right time”



WHY DO WE NEED NETWORK?

“The richest people in the world build network, everyone else looks for work”

Network helps us share our mutual interest, attain our personal or professional goals and enhancement of knowledge through sharing of knowledge. Networking also empowers the person, as he feels to be motivated by being in the company of people having positive influence on him/her. It also gives him social status, makes him centre of attraction.

SOME CRUCIAL NETWORKING PRINCIPLES:

1. Life is a networking event - Life is an event which gives opportunity to develop a relationship with a potential to shift our lives to the next level.
2. Be interested in people - Show interest in the people, everyone has a story to share. Networking would be more effective when we have genuine curiosity about people and life.
3. Be clear on who you serve - We need to be clear about our target audience. We need to accept that, everyone doesn't want what we have to offer.
4. Be clear on what you serve - We need to be clear and confident about our strengths. Clarity regarding our strength enables us to cut off the relationships that compels us to compromise on our strengths.



ROLE OF SOCIAL MEDIA ON NETWORKING:

Conventionally networking was done through meetings, seminars, get-together etc. But with the advent of technology, social media has emerged as the most prominent medium of networking. Social media is the social

interaction among people in which they create, share and exchange their views in virtual communities. Professional networking has been made quiet easier by social media. But it also carries some risk. It can be a threat to one's privacy. Facebook, Twitter, LinkedIn has become household name and these platforms of social media is used extensively for expanding business network.



WHAT IS NET WORTH?

The literal meaning of net worth is - the sum total of all the assets of an individual excluding its debt and liabilities. However what we mean by Net worth through network is the sum total of people you have in your life and you spend time with. We have different kinds of network. We have our family network, peer network, community network, and business network and so on. Thus net worth does not mean only financial assets, but also the human assets or social capital that we earn through mutual understanding for our mutual benefit. The more we expand our network, better we make value addition to our net worth.



MY DEFINITION OF NET WORTH:

- N - Noticeable
- E - Excellence
- T - Team Builder
- W - Wealth
- O - Opera of business avenues
- R - Relationship
- T - Trust
- H - Honesty

--Abhay Chandalia

What's in Press?

Government to introduce MSME policy soon, says Union minister Kalraj Mishra

Micro Small and Medium Enterprises Minister Kalraj Mishra today said the government would soon introduce a new policy for MSME sector for which his ministry is working and holding discussions with MSME related associations.

"We are working on the new policy for MSME to address the issue and problems faced by the sector," Mishra told a meeting of trade and industry fraternity here.

He said the Ministry was holding meetings with MSME related organisations and bodies to make the comprehensive policy, and also invited suggestions from the businessmen from the state.

The minister was addressing the meeting 'Prospects, Future and Opportunities for MSMEs in Rajasthan' organised by the Federation of Rajasthan Trade and Industry (FORTI) in which the Minister was apprised about the problems of the sector.

FORTI President Suresh Agrawal said that requirement of registration with different departments for setting up MSME causes inconvenience and takes time hence a nodal officer should be appointed under single window policy to simplify the procedure.

He said there was a need to redefine MSME in context of today.

Chief Patron of FORTI Surjaram Meel said NOC from pollution control authorities should not be mandatory for all units except 'Red Category' industries in order to promote industrialisation.

Senior Vice Presidents Arun Agrawal and Kamal Kandoi and other members were present in the meeting.

Source: Economic Times

Quotes

"We are mulling over increasing the funding limits under CGFT/ CGTMSE scheme for borrowers. We are endeavouring to re-define the MSME sector in which funding limits in this scheme were decided way back in year 2006 and today it is year 2014; so funding limits need to be changed and increased"



Kalraj Mishra
Micro, Small and Medium Enterprises Minister



"The Government has introduced an amendment to the Apprenticeship Act. If each of the 44 million MSME organisations engages one apprentice each year for the next eight years, the target of 500 million would easily be achieved. The MSME sector could be looked at as Maximum Skillers Major Employers"

Sarbananda Sonowal
Minister of state for Skill Development and Entrepreneurship

"A separate financial architecture for SMEs is necessary for the country. The small financial institutions are lending to SMEs at 36-45 per cent because they are borrowing at that rate. If banks lend to them at 10-12 per cent then they will lend at 14-15 per cent"



S Gurumurthy
Columnist and Chartered Accountant



"Microsoft is making Azure available in the open licensing catalogue for India. We saw that many SMEs wanted our Azure platform but they also wanted to work with their local IT partner for the same"

Meetul Patel
Microsoft India General Manager (Small and Midmarket Solutions & Partners)



MARKET WATCH

Particulars	Bothra Metals & Alloys	Tiger Logistics	RJ Biotech	RCI Industries & Technologies	B C Power	e-Dynamics Solutions	RCL Retail	Bronze Infra	Eco-friendly	Sunstar Realty
A. Valuation / Market Cap	(Rs. Crore)									
Pre Issue Net Worth	20.82	16.34	11.64	25.63	10.29	8.55	5.60	5.02	8.606	5.54
Issue Size	12.21	7.52	5.00	11.52	10.37	15.60	5.80	8.56	7.515	10.62
Market Capitalization*	39.81	39.67	41.18	43.71	21.76	71.36	23.82	39.22	1025.02	474.82
B. Price Pattern	(Rs. per Share)									
Issue Price	25.00	66.00	20.00	40.00	18.00	25.00	10.00	15.00	25.00	20.00
CMP (Face Value Rs. 10)*	21.50	93.80	43.50	40.10	18.50	32.90	19.35	22.70	413.90	201.00

Particulars	Channel Nine	Max Alert	Samruddhi Realty	HPC Biosciences	SI VI Shipping	GCM Capital Advisors	Ace Tours Worldwide	Newever Trade	Looks Health	Captain Polyplast
A. Valuation / Market Cap	(Rs. Crore)									
Pre Issue Net Worth	5.56	7.10	4.39	4.80	3.09	25.30	8.71	17.53	0.75	7.36
Issue Size	11.67	8.00	2.60	15.75	6.86	9.00	8.00	6.30	7.20	5.94
Market Capitalization*	781.75	106.90	44.92	837.10	20.71	163.56	44.60	77.82	40.20	51.05
B. Price Pattern	(Rs. per Share)z									
Issue Price	25.00	20.00	12.00	35.00	25.00	20.00	16.00	10.00	40.00	30.00
CMP (Face Value Rs. 10)*	503.50	116.20	44.50	524.50	36.00	96.55	35.20	32.50	67.00	57.00

Particulars	Esteem Bio	Satka Finlease	VKJ Infradevelopers	Subh Tex	Ashapura Intimates	Comfort Commtrade	Sanco Industries	Veto Switch Gear	Thejo Engineering	Mitcon Consultancy	Opal Luxury
A. Valuation / Market Cap	(Rs. Crore)										
Pre Issue Net Worth	8.56	21.16	5.40	16.43	10.98	4.43	16.43	32.70	25.8	54.42	11.82
Issue Size	11.25	13.51	12.75	3.50	21.00	6.00	4.32	25.00	19.00	25.01	12.00
Market Capitalization*	641.47	135.59	180.28	22.22	292.01	11.12	15.81	100.80	36.05	72.24	38.83
B. Price Pattern	(Rs. per Share)										
Issue Price	25.00	18.00	15.00	10.00	40.00	10.00	18.00	50.00	402.00	61.00	120.00
CMP (Face Value Rs. 10)*	430.00	71.20	101.00	20.20	150.00	11.10	18.45	60.50	210.00	59.70	115.60

* Closing prices as on 29th September, 2014

* Source: BSE India Limited, NSE Emerge

UPCOMING EVENTS

Name of Event	Place	Date	Organizer
Seminar on Export Finance - Opportunities For SMEs	Mumbai	7th October 2014	SME Chamber of India
Quarterly Networking and Business Promotion Meeting Women Entrepreneurs Club	Mumbai	10th October 2014	SME Chamber of India
Seminar on Corporate Supply And Government & PSUs Procurement - Opportunities For SMEs	Mumbai	15th October 2014	SME Chamber of India
Monthly Networking and Business Promotion Meeting SME Business Club	Ahmedabad	17th October 2014	SME Chamber of India
National level Conference Business Professionals & Service Providers Summit Theme: Building Business Partnership for better growth	Mumbai	31st October 2014	SME Chamber of India
Monthly Networking and Business Promotion Meeting SME Business Club	Bangalore	October 2014	SME Chamber of India
Monthly Networking and Business Promotion Meeting SME Business Club	Jaipur	October 2014	SME Chamber of India
Conference on Private Equity And Venture Capital - Opportunities For SMES	Mumbai	October 2014	SME Chamber of India
National Conference on Integration Of Family Managed Business And Entrepreneurs Meet	Mumbai	October 2014	SME Chamber of India
SME Delegation to visit PackExpo	Chicago, USA	2nd - 5th November 2014	SME Chamber of India
Seminar on Financial Restructuring for MSMEs – Lifeline for Success & 2nd SMEs Excellence Award - 2014	New Delhi	19 November 2014	Assocham

Sr No	Company	Closing#	%Returns*	52 Week Low	52 Week High
1.	Ace Tours	35.20	120.00%	19.50	64.00
2.	Agrimony Commodities	10.35	3.50%	8.00	15.75
3.	Alacrity Securities	6.50	-56.67%	6.10	11.35
4.	Amrapali Capital	32.00	-68.00%	30.50	103.00
5.	Anisha Impex	11.00	10.00%	11.00	29.70
6.	Anshus Clothing	3.50	-87.04%	3.50	14.73
7.	Ashapura	150.00	275.00%	79.05	156.00
8.	Bansal Roofing	33.50	11.67%	30.00	34.00
9.	BC Power	18.50	2.78%	17.15	22.80
10.	BCB finance	25.00	0.00%	25.00	25.35
11.	Bhanderi Infracon	121.75	-2.60%	107.60	121.00
12.	Bothra Metals	21.50	-14.00%	18.00	34.20
13.	Bronze Infra	22.70	51.33%	5.80	63.50
14.	Captain Polyplast	57.00	90.00%	27.49	63.00
15.	Carewell Industries	7.00	-53.33%	6.70	14.40
16.	Channel Nine	503.50	1914.00%	46.75	631.00
17.	Chemtech	29.44	96.27%	13.50	29.44
18.	Comfort Comtrade	11.10	11.00%	11.10	35.00
19.	Dhanuka Commercial	5.45	-45.50%	4.71	9.95
20.	Eco Frendly	413.90	1555.60%	35.99	446.00
21.	eDynamics	32.90	229.00%	32.90	221.55
22.	Esteem Bio	430.00	1620.00%	80.85	645.00
23.	GCM Capital Advisors	96.55	382.75%	33.55	116.5
24.	GCM Comm	15.00	-25.00%	7.55	19.45
25.	GCM Securities	725.00	3525.00%	119.00	725.00
26.	HPC Biosciences	524.50	1398.57%	110.25	652.00
27.	India Finsec	9.05	-9.50%	9.05	19.40
28.	Jointeca Education	21.00	40.00%	10.95	21.50
29.	Jupiter Infomedia	18.00	-10.00%	13.23	19.50
30.	Karnimata Cold Storage	22.10	10.50%	20.25	30.00
31.	Kavita Fabrics	10.95	-72.63%	10.40	14.82
32.	Kushal Tradelink	29.50	-15.71%	18.60	53.25
33.	Lakhotia Polyesters	11.20	-68.00%	11.10	14.57
34.	Looks Health	67.00	67.50%	58.90	437.00
35.	Max Alert	116.20	481.00%	90.00	198.50
36.	Money Masters	10.78	-28.13%	7.33	16.20

Sr No	Company	Closing#	%Returns*	52 Week Low	52 Week High
37.	Newever Trade	32.50	225.00%	12.20	50.80
38.	Oasis Tradelink	33.50	11.67%	27.85	35.90
39.	Oceanaa Biotek	11.85	18.50%	9.30	12.00
40.	Onesource Techmedia	7.00	-50.00%	3.95	8.70
41.	Polymac Thermoformers	199.50	470.00%	34.75	210.00
42.	R&B Denims	4.15	-58.50%	1.73	4.70
43.	RCI Industries	40.10	0.25%	22.55	48.45
44.	RCL Retail	19.35	93.50%	13.50	49.85
45.	RJ Biotech	43.50	117.50%	24.30	48.75
46.	Samruddhi Realty	44.50	270.83%	25.41	49.00
47.	Sangam Advisors	10.65	-51.59%	10.30	14.33
48.	Satkar Finlease	71.20	295.56%	19.90	154.35
49.	Shri Krishna Prasadam	25.70	157.00%	11.90	25.75
50.	SI VI Shipping	36.00	44.00%	26.10	43.35
51.	Silverpoint Infra	7.75	-48.33%	5.70	11.25
52.	SPS Finquest	76.00	1.33%	71.00	81.00
53.	SRG Housing	56.00	180.00%	16.60	78.54
54.	SRG Securities Finance	27.75	38.75%	18.25	31.00
55.	Stellar Capital	6.70	-66.50%	6.65	21.10
56.	Subhtex	20.20	102.00%	12.00	29.10
57.	Sunstar Realty	201.00	905.00%	51.20	218.00
58.	Suyog Telematics	30.65	22.60%	24.50	31.50
59.	Tarini International	24.00	-41.46%	23.00	42.00
60.	Tentiwal Wires	13.00	0.00%	7.00	15.00
61.	Tiger Logistics	93.80	42.12%	57.00	94.00
62.	Unishire Urban Infra	7.39	-26.10%	7.39	21.90
63.	VCU Data	43.00	72.00%	23.10	54.50
64.	Vishal Fabrics	50.50	12.22%	44.05	55.60
65.	VKJ Infradevelopers	101.00	573.33%	25.55	220.00
66.	Women's Next	72.45	11.46%	64.60	81.00
67.	Mitcon	59.70	-2.13%	37.95	60.00
68.	Opal	115.60	-11.08%	112.60	128.45
69.	Sanco	18.45	2.50%	16.55	29.70
70.	Thejo	210.00	-47.76%	200.00	210.00
71.	Veto	60.50	21.00%	50.75	75.00

*Absolute returns since IPO. # Closing prices as on 29th September, 2014
*Source: BSE India Limited, NSE Emerge

	Closing#	% Returns YTD
BSE IPO	902.34	554.91%
TSE MOTHERS	952.13	129.41%
CHINEXT PRICE INDEX	1,526.18	116.38%
FTSE AIM All Share Index	750.97	4.88%
TSX Venture Composite	919.42	-25.84%
Hong Kong GEM Index	508.25	33.22%

Closing Values as on 29th September, 2014

Sarathi Capital alongwith NSE and *Indian Industries Association* organized a workshop on MSME fund raising through NSE Emerge Platform at Kanpur on August 22, 2014

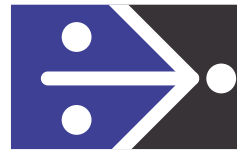


Mr. Aanand Lakhotiaa, Director, Sarathi Capital addressing the audience at the workshop

A similar event was organized at Agra on *September 11, 2014* by Sarathi Capital along with NSE and National Chamber of Industries & Commerce U.P.



Sitting on the dias (L-R) – Mr. Atul Gupta, President, NCIC-Agra, Mr, Pradip Kumar, Director – Western U.P, MSME, Mr. Deepak Sharma, Group MD, Sarathi and Ms. Rana Usman, Senior AVP, NSE



S A R T H I
Bridging the Gap

Sarthi Capital Advisors Private Limited
SEBI Registered Category I Merchant Banker
SEBI Registration No. :INM000012011

Mumbai

159/11, Amar Brass Compound
Vidya Nagari Marg,
Kalina, Santacruz (E),
Mumbai - 400098
Landline:022-26528671-72
Fax: 022-26528673

New Delhi

Anthem House,
E-360, 1st Floor,
Nirman Vihar, New Delhi – 110092
Landline: 011-22449817, 011-22449815
Fax: 011-22439816

CONTACT US

Please write to us with your feedback,
Suggestion or query at smelisting@sarthiwm.in
www.sarthiwm.in

DISCLAIMER

This document has been prepared by Sarthi Capital Advisors (P) Ltd as a part of research only. In rendering this information, we assume and relied upon without independent verification, the accuracy and completeness of all information that was publicly available to us the information has been obtained from the sources we believe to be reliable as to the accuracy or completeness. This document should not be construed as an offer to sell or solicitation to by the securities and the information contained hear in is meant exclusively for the recipient and its not for circulation, publication or reproduction in any manner what so ever. This information is given in good faith and we make no representations or warranties, express or implied as to the accuracy or completeness of the information and the expectation of income and capital appreciation and shall have no liability to you or your representatives resulting from use of this information. We shall not be liable for any direct or indirect losses, loss of profits, hardships, inconveniences arising from the use their of and accept no responsibility for statements made and information provided and you would be relying on this document at your own risk.