

Edition - September- October 2015

S-CAP

SME CAPITAL MARKET WATCH

Single Point Registration for SMEs

**START
and
STAND
Challenges**



SARTH I

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



PREFACE



First time in the history of our country, we can see many states publicising and pushing agenda about doing business in their state. The respective Chief Ministers are luring businesses to their states and buzz is on “ease of doing business”. Earlier, few selective states were pushing the agenda, but now most of the states like Tamil Nadu, Uttar Pradesh, Punjab, West Bengal, Maharashtra, Gujarat, Madhya Pradesh, Bihar are in the race. Our respected Prime Minister too has been busy inviting MNCs to India and pushing “Make in India” concept. The reality is best known to the people concerned but this is something different.

The Tsunami of start-ups, the government’s push to start-ups... is this another silicon valley in the making? I have been meeting my peers and colleagues regularly and am surprised to observe the change in their mindset. Couple of them have already found an Idea to work on and have left their hot jobs to pursue value creation for them through their believed Idea. India is changing.

Global markets have been volatile so has been our domestic capital market. All eyes were at FOMC meeting conclusion on the interest rate hike and for the time being FOMC has postponed the decision till December this year. China has been struggling to restore the growth and devalued its currency to promote Chinese exports. I believe traditional wars have been taken over a shape of economical wars. On domestic interest rate front, although inflation is at ease but RBI still wants to make sure and mitigate the global melt down risk and hence avoiding interest rate cuts.

In this issue of S-Cap, besides the article on ease of doing business in India “One point registration for SMEs”, we have covered topics like new Avatar of “Institution Trading Platform”, Insider trading applicability on ESOPs and tried to make understand the readers, the concept of OFS and New Issuance through an IPO in “In the classroom”.

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

Regards,

- Deepak Sharma
Group Managing Director

Sarthiangels.com

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

- Single Point Registration for MSMEs
- Institutional Trading Platform (ITP) – New Guidelines
- Startup-Standup and its Challenges
- ESOPs & Insider Trading – Regulatory Changes

01⁻¹⁰

Guest Article

- Dheeraj Singh
- Snehal Kamdar

11⁻¹⁵

Deal Corner

Developments

- Market Developments
- Other Developments

16⁻¹⁷

18⁻¹⁹

In The Classroom

- Offer for Sale v/s IPO & FPO

21⁻²²

Miscellaneous

- Whats in Press
- Quotes

23

Markets

- SME Market Statistics
- Market Watch & Upcoming Event

24⁻²⁵

Events

- Upcoming Events
- Media Coverage

26

Single Point Registration for MSME

Introduction

In accordance with the provision of Micro, Small & Medium Enterprises Development (MSMED) Act, 2006 the Micro, Small and Medium Enterprises (MSME) are classified in two classes:

(a) Manufacturing Enterprises- The enterprises engaged in the manufacture or production of goods pertaining to any industry specified in the first schedule to the industries (Development

and regulation) Act, 1951) or employing plant and machinery in the process of value addition to the final product having a distinct name or character or use. The Manufacturing Enterprise are defined in terms of investment in Plant & Machinery.

(b) Service Enterprises: The enterprises engaged in providing or rendering of services and are defined in terms of investment in equipment.

Nature of activity of the Enterprise	Investment in plant and machinery excluding land and building for enterprises engaged in manufacturing or production, processing or preservation of goods	Investment in equipment excluding land and building for enterprises engaged in providing or rendering of services (loans up to Rs 1 Crore)
Micro	Not exceeding Rs.25.00 Lakhs	Not exceeding Rs.10.00 Lakhs
Small	More than Rs.25.00 lakhs but does not exceed Rs.500.00 lakhs	More than Rs.10.00 lakhs but does not exceed Rs.200.00 lakhs
Medium	More than Rs.500.00 lakhs but does not exceed Rs.1000.00 lakhs	More than Rs.200.00 lakhs but does not exceed Rs.500.00 lakhs

The Micro, Small and Medium term enterprises is one of the most vibrant sector of the India economy with a high potential of growth, it helps in providing employment opportunity with a lower capital in the rural areas the main role of MSME is not only to provide the employment opportunities but also industrialization of rural & backward areas, thereby reducing regional imbalances and assuring more equitable distribution of national income and wealth. It helps in socio—economic development of the country.

The Micro, Small and Medium Enterprises Development (MSMED) Act 2006

This Act was notified in 2006 to address policy issues and

affecting MSMEs as well as coverage and investment ceiling of the sector. The act seeks to development of the enterprise and also enhances their competitiveness. The ministry helps in envisions of a vibrant MSME sector by promoting growth and development of MSME sector it helps in providing support to existing enterprise and encouraging creation of new enterprise. The primary responsibility of promotion and development of MSME is of the State Governments, the role of MSME and its organization is to assist States in their efforts to encourage entrepreneurship, employment and livelihood opportunities and enhance the competitiveness of MSMEs in the changed economic scenario

There are 2 main sectors for MSME they are 1)

Registered sector 2) Unregistered Sector

Registered sector: Enterprises registered with District Industries Centres in the State/UTs, Khadi and Village Industries Commission/Khadi and Village Industries Board, Coir Board as on 31.03.2007 and factories under the coverage of section 2m(i) and 2m(ii) of the Factories Act 1948 used for Annual Survey of Industries having investment in plant and machinery up to Rs. 10 crore were considered to belong to registered sector.

Unregistered sector: All MSME engaged in the activities of manufacturing or in providing/rendering of services, not registered permanently or not filed Entrepreneurs Memorandum Part-II/ [EM-II] with State Directorates of Industries' District Industries Centers on or before 31.03.2007 are called unregistered MSME.

Registration

Earlier the registration process of MSME was considered to be time consuming and cumbersome, registration has remained a major problem for the small business sector. The manual procedure is ridden with challenges and is not considered investor friendly due to which many MSMEs have not registered themselves and are outside the scope of services offered by the Government. The major issues lie not with the registration process but the MSME Registration in each state is currently managed by the State's District Industry Centers which have a lot of conditions there are localized rules and requirements which could vary from district to district within the same state which may result in delays in receiving EM-II acknowledgment. Registration has remained a major problem for the small business sector. India has around 36 million MSME units, but out of them only 1.56 million units are registered. Percentage-wise, around 96 percent of them are still unregistered.

Single Point Registration

In order to promote the registration of MSME the ministry has come up with a milestone step of single point registration for MSME, the ministry has taken views of the Kamath committee which has suggested the following methods to minimize such delays. The process for obtaining MSME registration will be simplified by the introduction of the Udyog Aadhaar for MSME in India. Prior to the introduction of the Udyog Aadhaar, to obtain MSME or SSI Registration, two filings namely Entrepreneur Memorandum-I (EM-I) and Entrepreneur Memorandum-II (EM-II) had to be filed. With the introduction of Udyog Aadhaar, the process of obtaining SSI or MSME registration has been drastically simplified. MSME can register themselves by just filing a single form online by filing Udyog Aadhaar card, to enable small business units get registered on the basis of self certification of their existence, bank account, business activity details, employment and ownership information and other basic information. This would promote registration among MSMEs and would help them in getting various benefits. The registration process has been made investor friendly and easily accessible for small sectors, now they just need to file an online form and get

themselves registered it is a Single point Registration for MSME. The objective of introducing such a feature is to make the SSI or MSME registration process simple and available from anywhere. Currently this platform has been implemented by 14 states and nearly 60,000 applications have been filed online through the portal.

Udyog Aadhaar Form benefits

With an aim to encourage Online Filing of Entrepreneurs Memorandum (or simply said Online registration) as a Micro, Small and Medium Enterprises (MSME), the Ministry of MSME, Government of India, is developing 'Online Udyog Aadhaar Form', which will simplify the registration process of small enterprises.

- The Udyog Aadhaar form has been designed to capture details in an easy and convenient manner
- It will enable units/enterprises to seek information and apply online about various services being offered by ministries and Departments
- Earlier only medium enterprises were insisted to file EM2 as it was very cumbersome to file, the simplified Udyog Aadhaar will enable all enterprises to file and register themselves so that simply by using Udyog Aadhaar Unique identity code they can access other services.
- Industry association and Business Member Organization (BMO) can take a lead role and help existing enterprise to register and join formal economy
- Rating agencies which are empaneled for performance and credit rating would insist on Udyog Aadhaar registration
- Banks and NBFC also promote the enterprise to get the Udyog Aadhaar Registration
- Currently, this national portal has been adopted by 14 states/ UTs including Tamil Nadu, Karnataka, Odisha and 51023 EM-I and 13219 EM-II applications have been filed Online. Out of which 44556 EM-I and 10648 EM-II applications have been approved

(Source: <http://em.msme.gov.in>)

This Single point registration for MSME plays a vast role in encouraging the MSME to register and take advantage of fiscal and non-fiscal incentives offered by the Central and State government. This would contribute towards universalization of registration and increase in number of registration of MSMEs without wastage of time. Single Point Registration for MSME would also help maintain information database, diagnostic test, analyze and predict futuristic trends.

- Prashant Makhija



Institutional Trading Platform (ITP) - New Guidelines

In our earlier issue we have discussed about proposed Alternate Capital Raising Platform for Startups. On August 14, 2015 SEBI has issued new norms to facilitate listing of startups on Institutional Trading Platform (ITP).

The regulator is optimistic that start-ups which list on ITPs will eventually grow and move on to list on the main board. The new norms issued, substitutes existing Chapter XC of the Securities And Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 and it provides significant relaxations in the disclosure requirements, while SEBI has also relaxed its delisting, takeover and Alternative Investment Fund regulations for Companies Listed on ITP.

The extensive changes in SEBI regulations would allow such entities to get listed on the separate Institutional Trading Platform of the stock exchanges such as BSE and NSE and are aimed to encourage the Indian startups and entrepreneurs to remain within the country rather than moving abroad for funds. However, the new platform would be open to only institutional investors and HNIs, as SEBI feels that small retail investors need to be safeguarded against a higher level of risks associated with this platform.

Entities eligibility to list on ITP

- An entity which is intensive in the use of **technology, information technology, intellectual property, data**

analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition and **at least twenty five per cent of its pre-issue capital is held by qualified institutional buyer(s).**

- Any **other entity** in which **at least fifty per cent of the pre-issue capital is held by qualified institutional buyers.**
- **No person**, individually or collectively with persons acting in concert, **shall hold twenty five per cent** or more of the post-issue share capital.

Listing on ITP is now divided in two parts i.e. Listing without Public Issue and Listing pursuant to Public Issue.



Listing without Public Issue

- Entity shall obtain in-principal approval from the recognised stock exchange(s) on which it proposes to get its specified securities listed.
- Entity shall list its specified securities on the recognised stock exchange(s) within 30 days from the prescribed dates.
- Provisions relating to minimum public shareholding shall not apply.

Listing pursuant to Public Issue

- The minimum application size shall be Rs. 10 Lakh.
- The number of allottees shall be more than 200.
- The allocation in the net offer to public shall be 75% to Institutional Investors and 25% to Non-Institutional Investors. However, under-subscription in the non-institutional investor category shall be available for subscription under the institutional investors' category.
- The allotment to institutional investors may be on a discretionary basis whereas the allotment to non-institutional investors shall be on a proportionate basis and in case of discretionary allotment to institutional investors, no institutional investor shall be allotted more than ten per cent of the issue size
- The offer document shall disclose the broad objects of the issue.
- The basis of issue price may include disclosures, except projections, as deemed fit by the issuers.

Under the earlier regulation, so far 42 companies have been listed on the ITP platform of BSE & NSE

Lock-in

The entire pre-issue capital of the shareholders shall be locked-in for a period of 6 months from the date of allotment in case of listing pursuant to public issue or date of listing in case of listing without public issue.

Equity shares held by a venture capital fund or alternative investment fund of Category I or a foreign venture capital investor shall be locked in for a period of at least 1 year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

All specified securities allotted on a discretionary basis shall be locked-in in accordance with the requirements for lock-in by Anchor Investors on main board of the stock exchange, as specified under clause 10(j) in Part A of Schedule XI of Securities And Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009.



Trading Lot

- The minimum trading lot shall be Rs. 10 Lakh.

Exit of entities without making public issue

Entity listed on ITP without public issue may exit from the platform if:

- Its shareholders approve such exit by passing a special resolution through postal ballot where ninety per cent of the total votes and the majority of non-promoter votes have been cast in favor of such proposal; AND
- The recognised stock exchange where its shares are listed approve of such an exit.
- No entity promoted by promoters and directors (excluding independent director) of an entity delisted, shall be list on institutional trading platform for a period of five years from the date of such delisting



Migration to main board

An entity listed on ITP may at its option migrate to the main board of that recognised stock exchange after expiry of 3 years from the date of listing subject to compliance with the eligibility requirements of the stock exchange.

Conclusion

There are expectations that a large number of start-ups are already looking to tap this platform. SEBI Chairman Mr. U. K. Sinha had told PTI that such companies might lack a profitability track record, but many of them have huge potential to become highly profitable. About his expectations for response to this platform, he said, "Their feedback is very positive... I am hopeful that many of these companies, which were being approached by Singapore and New York exchanges earlier, would come and list here." This seems to suggest that these new listing norms are more in response to some start-ups' eagerness to list abroad.

- Nikhil Arya





Startup-Standup *and its* Challenges

The Prelude

A startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty. The goal of the startup is to figure out the right thing to build (as quickly as possible) which customers want and are willing to pay for. Startup is an organization that has the potential to grow very rapidly, ultimately becoming a “real company”.

As rightly said by Steve Blank, Startups, when they begin, have no process, no culture, and no repeatable business model. All they know is that they have the potential to address a huge market if they can figure their business model out, and then scale quickly enough to stay ahead of the competition.

Startup entrepreneur first conceives idea or the concept and then the idea is initially funded by family members and friends, to begin with. The risk taker when finds the visibility and scalability of business after half year, two or three, the requirement of capital comes into play. To take up business at a level of scale in terms of volume and reach, he needs fund for expansion.

These businesses being highly risky are funded by venture capital, angel investor and private equity players who assume a high risk appetite with quite plenty scale of growth.

Present Scenario in India

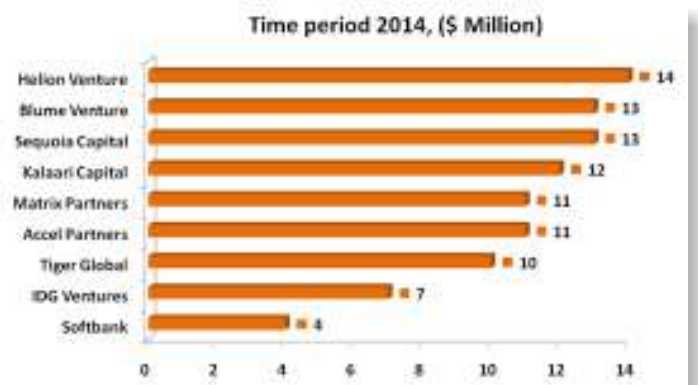
In past a decade or in recent years the Indian startup ecosystem has really taken off and come into its own driven by factors such as massive funding, consolidation activities, evolving technology and a burgeoning domestic market.

Between 2010 and 2014, the infusion of VC and PE increased from \$13 million to \$1,818 million. Angel investment too has multiplied almost 8 times from \$4.2 million to \$32.2 million. So, how did these startups raise their recent funds? How will this money help them grow? Let’s look at a few examples.

According to data compiled by YourStory, startups had raised \$1.7 billion in Q1 2015 alone. The number of deals in Q2 2015 has increase by 50% from the previous quarter. In the past two quarters, the ecosystem has attracted savvy investors of the world from Softbank to DST Global. The Indian ecosystem has matured and the promise of an Internet revolution is real not just multi-billion dollar valuations but also a billion dollar GMV is being built out of India.

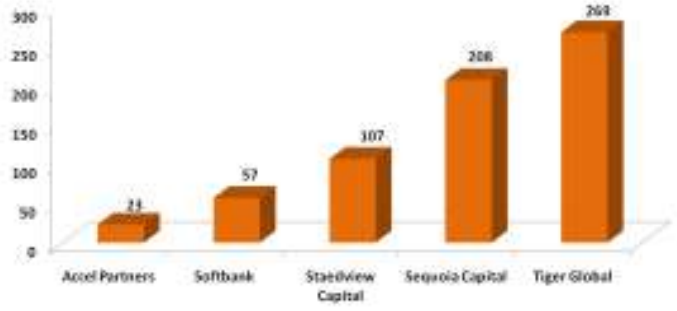
Active Investors in the Indian startup landscape

Based on data published by YourStory, in 2014, Helion Venture Partners was top of the investors list going by the total number of deals made, followed by Sequoia Capital, Blume Ventures, Kalaari Capital, and Accel Partners.



The market has witnessed a bit of a shakeup with Tiger Global taking the top spot in 2015 with cumulative investments of \$269 million (Ventura Intelligence) in 11 deals, followed by Sequoia Capital with \$208 million invested in 14 deals, and Steadview Capital with \$107 million with two deals

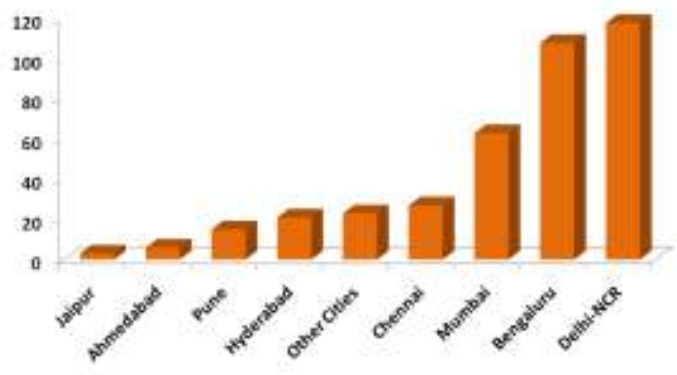
Top PE/VC investment in \$million (2015 Jan-Apr)



Top PE/VC investment in \$million (2014 Jan-Apr)



Top Cities With Number of Deals 2014



New Initiatives

A. 'Start-Up' & 'Stand-Up' India

Prime Minister Narendra Modi announced a new campaign "Start-up India, Stand up India" to promote bank financing for start-ups and offer incentives to boost entrepreneurship and job creation. Addressing the nation on the 69th Independence Day, he said, "We are looking at systems for enabling start-ups. We must be number one in start-ups... Start-up India; Stand up India." The initiative,

he said, will encourage entrepreneurship among the youth of India. Each of the 1.25 lakh bank branches should encourage at least one Dalit or tribal entrepreneur and at least one woman entrepreneur.



B. Skill Development Initiative for entrepreneurs

Prime Minister Narendra Modi launched ambitious projects that aim to train over 40 crore people in India in different skills by 2022. The initiatives include National Skill Development Mission, National Policy for Skill Development and Entrepreneurship 2015, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme and the Skill Loan scheme. The government's flagship scheme, PMKVY, will incentivise skill training by providing financial rewards to candidates who successfully complete approved skill training programmes.

The scheme aims to recognise and provide skill to 24 lakh youth who lack formal certification, such as workers in vast unorganised sector. Through an initiative known as 'Recognition of Prior Learning' (RPL), 10 lakh youth will be assessed and certified for the skills that they already possess. Under the Skill Loan scheme, loans ranging from Rs. 5,000-1.5 lakh will be made available to 34 lakh youth seeking to attend skill development programmes over the next five years.

Across India, special PMKVY mobilisation camps are being organised at 100 locations with Nehru Yuva Kendra Sangathan (NYKS). A national SMS campaign is being rolled out to build awareness of the program, reaching about 40 crore subscribers. Fresh PMKVY training was initiated in 1,000 centres across all States and Union Territories in India today, covering 50,000 youth in 100 job roles across 25 sectors.

C. Skill Development and Entrepreneurship Ministry

The Skill Development and Entrepreneurship Ministry has been given the administrative control of two institutes that are providing training and developing programs for entrepreneurs, among other. These two institutes, the National Institute for Entrepreneurship and Small Business Development (Noida), and Indian Institute for Entrepreneurship (Guwahati), were under the MSME Ministry.

Challenges for Indian Startups

A. Building a team

The common Indian mindset says that getting a job with a big brand improves career growth more than a startup. Also, job security plays a vital role in decision making. Working at larger organizations is more secure and socially valuable than working with startups. It is not

uncommon to see people working in startups being pressured from home to take up better jobs with larger organizations.

B. Mentorship

Doing a startup is perilous and often a lonely journey. You may have co-founders, but you may not necessarily possess the business acumen to succeed. Having a brilliant idea is different from making that idea a business success. For a startup, it is very important to have mentors who have been through a similar process of starting or have business experience. A great mentor is often what separates success from failure by providing valuable inputs. However, there is no formal mechanism to mentor startups in the country.

Every mentoring that happens is on an ad-hoc basis. A startup that has raised funds can count the investors for some form of mentoring, but honest, unbiased, good business mentors are far and few in between. For startups finding a good mentor is often an uphill task.



C. Funding

Capital and access to capital has been a perennial problem for startups. While, of late angel investors, venture capital and private equity have brought succor to some extent, a large number of startups still grapple to raise funds from institutional setup. Funding challenge is not merely limited to seed rounds, but also for vital Series A and B rounds. For a startup looking to scale, it is still very hard to raise rounds to scale as the number of investors that write larger cheques in India are very limited in number.

D. Selling is hard

It is hard to break into the Indian market with a consumer product. People are substantially price-sensitive, and competition is fierce. Therefore, selling premium products becomes a hard task.

Moreover, when a startup aims to do a B2B sale, the decision making process to buy the product is very slow and may take several months. For example, for selling software to banks and government, or larger organizations, you may send the quote, keep following up for months, and then end up



with a “no thanks.” This primarily happens because of poor decision making processes in companies and a “playing it safe” attitude. Hence, the risk factor remains.

E. Regulations

According to the latest tax policy, startup firms are mandated to pay income tax on the premium they have charged over their fair market, while selling shares to unregistered investors, including private equity and venture funds. Though this aims to stop money laundering, analysts say it will affect the investment scenario for startups. Moreover, to register your startup takes a minimum of two to six months.

Although the road to launch and get started with a startup company is difficult, things are progressing interestingly. Passionate and ambitious people are finding their inroads to their entrepreneurial inner calling and working their way around hurdles to create success for themselves.

The appetite from foreign investors for Indian tech startups has never been higher, a fact readily observed in the deal figures from Q1-Q2 2015. Concerns are now surfacing about stiff competition in crowded markets and the ability of startups to successfully scale into Tier 3 cities and beyond. Serious talks about the introduction of GST are welcomed, as GST will deliver a fresh kicker to the startup ecosystem. Hints that TRAI or other market regulators in India will seek to regulate all over-the-top (OTT) players could sound a death knell to India's startup ecosystem, if they materialize. Foreign investors continue to hope for further rationalization of the FVCI, FDI, and FEMA frameworks that affect their investments.

Government is the single largest enabler for the entrepreneurial ecosystem. Government's role in ease of doing business and helping companies start is vital to ensuring success. The latest World Bank Ease of Doing Business (out of 189 economies) ranks India at an abysmal 142 where starting a business rank for the country is even lower at 158.

Conclusion

In past decade we have witnessed the rise in number of startups and these have inveigled the funding from angel investor, private equity and venture capital. Government is the single largest enabler for the entrepreneurial ecosystem. Its role in ease of doing business and helping companies start is vital to ensuring success. Government has been very active and serious to facilitate startups through various initiatives and programs, skill development programs, financial inclusions are a few of them to highlight. India has a huge potential to grow. The time has come to lift the skilled and qualified youth through initiatives, schemes and encourage them towards entrepreneurship. This will create a good business opportunity, employment to large mass, support the prosperous self growth, increased productivity and ultimately this will thrive the economy at a large scale.

- Rajesh Kumar



ESOPs & Insider Trading - Regulatory Changes

SEBI (Prohibition of Insider Trading) Regulations, 2015 has come into force with effect from 15th May, 2015 after having been published in gazette on 15th January, 2015. It replaces the Regulations of 1992 which was amended in 2002.

In 1992, after market was opened up, that the SEBI introduced the formal rules on insider trading. Ten years down the line, the regulations had not undergone a full-blown structural review of any kind since its enactment, but independent and separate amendments to the regulations had resulted in gaping holes in them.

The first substantial amendment in the regulation came in 2002 to fix the discrepancies arising from cases like Rakesh Agrawal v. SEBI and Hindustan Lever Ltd. v. SEBI. Despite that, the language used in the regulation was working against the regulators, especially when it came to presenting evidence and proving that a trade had taken place for profit in possession of unpublished price sensitive information.

It was also a popular opinion in the industry that it was high time that the regulations are modified to keep up with the changing times. And here is where the 2015 regulation came in. Though the new Insider Trading Regulations is hailed, as much needed change, it has also received criticism for being too strict. A noteworthy feature of the 2015 Regulation is that, SEBI has introduced explanatory notes as a part of the Regulation that provides insight into the legislative reasoning of the intended law. Such notes are the first of its kind for a parent regulation.

Definition of Insider Trading, Connected person and UPSI are cornerstone to the entire regulation. Let us look at what they are.

- **Who is an Insider?**

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information

- **Who is a Connected Person?**

Every person in association with co. and in possession of UPSI e.g. Employees, consultants during the six months prior to the concerned act.

Persons who may not occupy any position in a company but are in regular touch with the Company and its officers e.g. Auditors, lawfirms, RTA Deemed Insiders (relatives, holding, subsidiary, associates, entities where director shold > 10% etc.)

- **What is unpublished price sensitive information (UPSI)?**

Information relating to company, or its securities, directly or indirectly that is not generally available, is likely to materially affect the price of the securities and includes financial results, dividend, mergers, change in capital structure, change in KMPs, Material events pursuant to Clause 36 of Listing Agreement etc.

- **Generally Available Information**

Generally Available Information will be the information that is accessible to the public on a non-discriminatory platform which would ordinarily be stock exchange platform.

Communication/Procurement of UPSI

Prohibition on communication of unpublished price sensitive

information (USPI) of Listed as well as to be listed has been provided except legitimate purposes, performance of duties or discharge of legal obligations and Prohibition of unlawfully procuring possession of unpublished price sensitive information

Exceptions:

- Takeover transaction· With Board approval, if the information is disseminated two days prior to effecting the proposed transaction

Valid Defense

In given cases, certain circumstances which can be demonstrated by an insider to prove his innocence are

- Inter-se, off market transactions between promoters who have made a conscious and informed trade
- Chinese walls
- Trading plans

Restriction on trading while in possession of price sensitive information

- In case of connected person, the burden of proving innocence shifted on connected person.
- For other persons, it continuous to lie with SEBI.

Who	Whom	What	When
<ul style="list-style-type: none"> • Promoters • Directors • KMPs 	Company	Holding of securities of the company as on date of the Regulations taking effect.	30 days of regulations taking effect
Upon appointment as:- <ul style="list-style-type: none"> • Promoters • Directors • KMPs 	Company	Holding of securities of the company as on date of appointment.	Within 7 days of appointment
<ul style="list-style-type: none"> • Promoters • Directors • Employee 	Company	Number of securities transacted, if the value of total transactions exceeds Rs. 10 Lacs in a calendar quarter	Within 2 Trading Days of Transaction
Listed Company	Stock Exchange	Intimate the continual disclosure transaction to stock exchange	Within 2 trading days of receipt of the Information

Code of Conduct and code of fair disclosure

The regulations mandate that all the listed companies and organization associated with the securities market including intermediaries, self-regulatory organizations, recognized stock exchanges and clearing house or corporations, public financial institutions and professional firms should frame and adopt a 'Code of Conduct' as specified in schedule B to the Regulations.

Moreover all other entities and agencies that would routinely be required to handle USPI in the course of their business operations, and over which SEBI may not have jurisdiction would also have to frame a code of conduct as prescribed in Schedule B and designate a compliance officer in-charge of implementation of the same.

- Trading, while in possession of USPI is presumed to be violative of the regulations. The reason of trade/application of proceeds irrelevant.

Trading Plan

- Insiders who are liable to possess USPI all round the year would have the option to formulate pre-determined trading plan which has been approved by the compliance.
- Trading plans would, however, to be disclosed on the stock exchanges and have to be strictly adhered to.
- Trading plans shall be available for bona fide transactions.
- Trading is not permitted between twentieth trading days of any financial period for which result has to be published and two trading days post publishing of results
- 6 months advance public disclosure of the trading plan which shall contain either details of values of trades or nos of securities, nature of trade, time interval or specific date is required and trading plan shall be for 12 months

Disclosure Obligations

- The chart below sets out the initial and continual disclosures to be made by certain categories of persons in a company whose securities are listed on a stock exchange along with the public disclosure requirements for the company:

In addition to this, regulation prescribes a 'Code of Fair Disclosures', which lays down practices and Procedures relating to fair disclosure about emergence of USPI that warrants public dissemination. As per Regulation 8, the board of directors of every listed company shall formulate and publish on it website, a code of fair disclosure as per prescribed format in schedule A.

Employee Stock Ownership Plan (ESOP)

The new rules on insider trading, which became effective from May this year, prohibit an employee from buying and selling a share within six months. This has raised doubts over buying/selling of shares pursuant to six months of ESOPs, known as contra trade. After being approached for clarification the Board came out with a guidance note on August 24, 2015 and cleared the air around ESOP.

SEBI came out with following clarifications:

- Exercise of ESOPs is not considered as 'trading' for the purpose of regulations, except provisions relating to disclosures.
- Such trades are allowed with the pre-clearance of a company-appointed compliance officer.
- Restrictions of contra trade will not apply to cases when a person acquires or sells the securities pursuant to corporate actions such as buy back, rights issue, bonus issues, etc, as these rights are available to all shareholders and not just the designated employees.
- An approved trading plan will not be subject to contra trade except for pledging securities.
- Prohibition on creation of pledge or invocation of pledge for enforcement of security while in possession of unpublished price sensitive information. However the pledgor or pledgee would have to demonstrate that the creation of pledge or invocation of pledge was bona fide and prove their innocence.



- For the purpose of calculation of threshold for disclosures relating to pledge under chapter III market value on the date of pledge/ revoke transaction should be considered.
- Company's board of directors would be the approving authority for cases where trades are done by the compliance officer or his immediate relatives, who are insiders.
- A spouse is presumed to be an immediate relative and now will need to prove the spouse was financially independent or did not consult for trading decisions.

Conclusion

The 2015 Regulations, the came into effect on May 15, 2015, have primarily been brought out by SEBI to clean up the market practices and maintain hygiene. The new insider trading regulations call for higher degree of compliance and monitoring in order to be equipped with suitable facts about any trade undertaken by a potential insider to prove that he was not motivated by UPSI to trade in the securities of a listed entity. These overreaching rules could possible render any highly placed finance person associated with listed companies an easy target for accusation of insider trading. At the end of the day only time will tell how the amended regulations work out for SEBI. requirements for the company.

- Pari Vaya

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

Monthly expenses of ₹ 30,000/- today, could be ₹ 200,000/- after 30 years*

RELIANCE
Mutual Fund



Reliance Retirement Fund
(An open ended notified tax savings cum pension scheme with no assured returns)

Lambi Innings ki Taiyari

- ▶ Aim for long term wealth creation with equity component
- ▶ Save tax up to ₹46,350/- U/S 80C (2) (xiv) Pension Fund#

CONTACT YOUR FINANCIAL ADVISOR or

Toll free 1800-300-11111 | SMS 'RETIRE' to 561617 | www.reliancecmf.com

Get Reliance Mutual fund App

*Expenses are calculated on an assumed inflation rate of approximate 7%.

Reliance Retirement Fund offers two schemes: Reliance Retirement Fund- Wealth Creation Scheme & Reliance Retirement Fund-Income Generation Scheme. Investments in the schemes are subject to a lock-in for 5 years from the date of allotment, subject to the terms & conditions with respect to withdrawals.
The Central Government specifies Reliance Retirement Fund as a pension fund for the purpose of clause (xiv) of subsection (2) of section 80C of the Income Tax Act, 1961 (43 of 1961) for the assessment year 2019-20 and subsequent assessment years. As per provision of Sec. 80C (2) (xiv) of the Income Tax Act 1961, any individual whose taxable income is less than ₹7 crore and has made investment of ₹.5 lakhs in notified pension fund set up by a Mutual Fund, can save tax up to ₹46,350/- including applicable cess. Tax saving will be proportionately reduced subject to the taxable income and investments. The tax benefits are as per the current income tax laws and rules and any other current applicable law. Investors are advised to consult their tax advisors before investing in such schemes.

Reliance Retirement Fund-Wealth Creation Scheme

This product is suitable for investors who are seeking:

• Long term growth and capital appreciation • Investing primarily in equity and equity related instruments and balance in fixed income securities so as to help the investor in achieving the retirement goal • High risk **[BROWN]**

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

Reliance Retirement Fund-Income Generation Scheme

This product is suitable for investors who are seeking:

• Income over long term with capital growth • Investing primarily in fixed income securities and balance in equity and equity related instruments so as to help the investor in achieving the retirement goal • Medium risk **[YELLOW]**

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

Reliance Retirement Fund-Wealth Creation Scheme

[BLUE] Investors understand that their principal will be at low risk

[YELLOW] Investors understand that their principal will be at medium risk

[BROWN] Investors understand that their principal will be at high risk

SEBI registration no.:

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



Yuan Devaluation and Currency Wars: *Myth vs Reality*

China made its biggest intervention in the currency market for more than two decades on two consecutive days - August

USD per 1 CNY

31 Jul 2015 00:00 UTC - 9 Sep 2015 02:04 UTC
CNY/USD close: 0.15717 low: 0.15503 high: 0.16112



Fig 1 : Yuan devaluation and thereafter

11 and August 12, 2015. The renminbi (Yuan) peg to the dollar was tweaked to engineer an approx. 3 percent decline in the value of the currency over those two days.

The intervention was initially perceived by the world at large as the beginning of a fresh round of currency war (an uncontrolled cycle of competitive devaluation) where major economies seek to maintain or shore up export shares and also export deflationary pressures.

However this fear seemed to be unfounded. It is clear that overblown headlines about the Yuan's plunge were woefully misleading. Had China really wanted to grab a bigger share of world exports, it is hard to imagine that its policymakers would have settled for such a modest readjustment. Immediately after the reset of the peg over two days, the Chinese central bank (People's Bank of China) began supporting the Yuan to prevent it from going into a free fall.

The sharp slide in the Chinese stock markets (which fell by

almost 10% in a day during this period) probably prompted the move to do some damage control and recover lost ground. After all, the Chinese have taken to trading in the stock markets with great gusto (some estimates suggest that more than 10 million trading accounts were being opened every month in the last year), and any sharp fall in the valuations of equity shares would have serious domestic repercussions. Further the Chinese ruling brass (politicians and bureaucrats alike) also have significant direct and indirect exposure to the stock markets which probably compelled them to act and stem the slide in the currency to support the stock market. Anecdotal evidence suggested that China had been selling its US treasury holdings (which are part of its forex reserves).

Confirmation of the support extended to the Yuan (partly through liquidation of dollar holdings) came when China released data on its forex reserves.

Chinese forex reserves fell by \$94 bn in the month of August (the highest monthly fall ever) to \$3.56 trillion by the end of August. Reserves have been on a decline over the past year - from a peak of about \$4 trillion in June 2014, as more and more money has left Chinese shores. For years, companies and investors have poured money into yuan assets in China, hoping to gain not only from investing in a rapidly growing economy, but also from a currency that was set for appreciation. Yuan has risen by over 30% in the last decade. These bets have been upended both by China's yuan devaluation and signs of a deepening economic slowdown.

China has now revised its 2014 growth rate to 7.3% from 7.4% due to a weaker than reported contribution from the service sector. This is a small change but it also suggests that China's attempts to meet its official target growth rate of about 7.5% last year was tougher than it seemed.

There are other reasons why the fears of a currency war was probably unfounded.



One, other major emerging market currencies like the Russian rouble, Brazilian Real, Indonesian Rupiah etc. had already suffered significant depreciation against the US dollar over the years. Some of these currencies have suffered depreciation of as much as 40-50%. Even other major currencies like the Japanese Yen etc. have also suffered similar depreciation against the US dollar. China's engineered devaluation of just 3% looks puny in comparison. The sheer size of the Chinese economy (second largest in the world) probably ensured that the Chinese yuan devaluation received a disproportionate share of attention compared to the devaluation suffered by other currencies.

Two, currency depreciation is now

far less effective in providing competitive boost to exporters, as was recognisably the case in the past. Large depreciations seem to have had little impact of exports in the modern era of global supply chains etc. As more goods are no longer solely produced in a single economy, the impact of devaluations has dampened. China is no exception as it seeks to shift towards higher end production which take advantage of global supply chains. The stupendous success of Apple Inc, which has followed the strategy of using the best suppliers wherever they may be located on the globe, highlights the importance of the global supply chain in the modern era.

Three, driving down the value of the Yuan could have crippled Chinese companies who have loaded up on dollar denominated debt. Also, a sharp

depreciation of the currency could also derail efforts of the Chinese regime to rival the US in global "soft power" stakes.

- Dheeraj Singh

dheeraj.singh@finanzlab.com

Dheeraj Singh runs "Finanzlab Advisors", a financial risk management consultancy

The fall of the Japanese yen

Source: Bloomberg

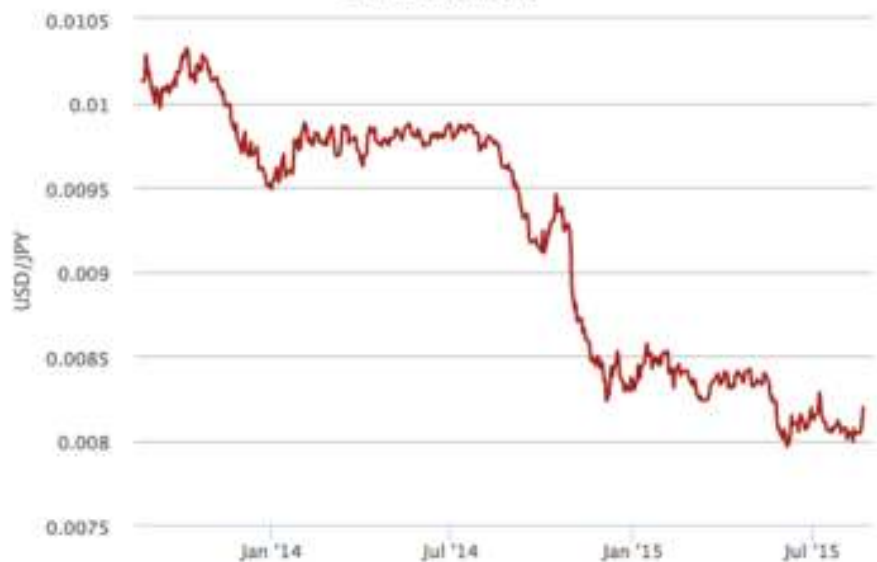


Fig 3 : Devaluation alone may not boost exports



Principles for Countering Bribery SME

Much of the world's business is carried out by small and medium enterprises, especially in emerging economies. The SMEs in many societies are frequently confronted with the problem of bribery. As smaller companies with limited resources SMEs face challenges in resisting and countering such pressures. Also, there are growing requirements made by large international companies for their suppliers to show evidence they have appropriate anti-bribery policies and systems in place.

Countering bribery is good business practice. It can help build reputation, especially with customers, and it can reduce risks. By building strong anti-bribery cultures SMEs can successfully challenge and resist bribery.

STEP 1 - AGREE YOUR PRINCIPLES

This first Step is making a firm commitment to counter bribery by setting out your business values to:

- Conduct business fairly, honestly and transparently;
- Not make or offer, bribes, whether directly or indirectly, to gain business advantages;
- Not accept bribes, whether directly or indirectly to give businesses advantages;
- Develop a Programme to implement and support these Principles.

THE CULTURE FOR COUNTERING BRIBERY IS SET FROM THE TOP

It is important that your Board, if you have one, partner, manager or owner, depending upon your size and structure, are firmly behind this commitment and are seen to be active in its implementation, as this involvement will set the business culture which comes from the top. By adopting an anti-bribery Programme, you are also taking steps to protect your business and your people.

The important point here is that the decision to adopt an anti-bribery Programme is recorded in writing. The importance of records is that they show your intentions, what you wanted to do and why. If ever you need to, you then have the means to protect your business against charges of bribery. As a small organisation you do not have to publish reports like large companies, so just keep a book or file in which you have recorded your decisions.

Your business first needs to look at its own situation through a quick assessment of risk.

STEP 2 DEVELOP YOUR PROGRAMME

A Programme for countering bribery will also add to your reputation and will give your business an advantage with large companies looking for suppliers. It will also help you to minimise risks to your business, such as legal penalties and fines. You now need to put your Programme into effect. Agree what to do to minimise the risk from bribery for your business. This will give you the scope of your Programme. You will need to spend some time on this step. Start with the following two actions:

DECIDE WHO SHOULD BE INVOLVED

This will depend upon the size of your organisation. If you have a Board, it might appoint someone to be responsible for implementing your Programme. If you are a smaller organisation with just a few people, it may be better for everyone to discuss and agree together how to run your Programme.

It is important that leadership comes from the top, but everyone should take responsibility.

DECIDE THE SCOPE OF YOUR PROGRAMME

Fundamental to countering bribery is understanding and recognising the various guises in which a bribe may come, and having in place processes for dealing with each. Consider how each form of bribery may impact your business and prioritise accordingly.

Bribes

In its simplest form, a bribe is an illegal transaction, where someone is abusing their position for personal benefit. It is usually a sum of money, but can be a benefit, given or received in order to gain an advantage. Benefits can be hospitality, gifts or a favour. Inducements may not even take the form of a direct bribe, but an indirect approach. They can influence judgment and place employees in a compromised position.

Gifts, Hospitality and Entertainment

Gift giving is an accepted practice in most countries but it can be open to abuse and may be used as part of a process of preparing for larger bribery, so it is important that you think about what you want your business to do about gifts. It is sensible to control both the giving and accepting of gifts so that there is a consistency in your approach. At what point does a gift start to create an obligation and influence judgment? Chocolates or a pen may be fine, but what if the pen is gold or the gift is a pearl necklace valued at Rs.1,00,000?

If a business partner invites you to a dinner or to a social event which their company is hosting for business purposes or simply to further good relations, that is entertainment and

acceptable providing it is not lavish. A meal in a local restaurant once in a while is fine. Dinner with expensive food and an overnight stay with spouses at a five star hotel is lavish.

Entertainment and gifts, if regularly accepted, can compromise and put you in a position where you are no longer free to use good judgment. Imagine having to tell a supplier that their standards are slipping or that you no longer want to buy from them, when you have just accepted from them tickets to a concert, which are very difficult to obtain. Again, you should decide on what is right for your business and how it should be approved.

Business Travel Expenses for Customers

There may be occasions when your business wants to invite customers to a particular business event or to visit a factory or see an installation of a system. Equally, you may be invited by a customer. In both cases it is better that each meet their own travel expenses, unless there is a contractual agreement such as to give training on a product, where the travel costs are part of the agreement.

Facilitation Payments

Facilitations payments, sometimes known as “grease” payments are generally illegal. These are small amounts demanded by providers of services to secure or 'facilitate' services to which you are entitled, such as connecting a telephone or obtaining a visa. Equally, they can be inducements that are offered by business people to customs, immigration and other officials to 'jump the queue' or 'speed up' the granting of services and permits. Either way they should not be offered or paid. If facilitation payments are demanded or paid under duress, then record them and let your manager know.

Favours

As a small business, you will probably know and be well known by your business associates, and good relationships will be a valuable part of your business life. For the most part giving or accepting a favour will be a straightforward expression of good will. Just keep in the back of your mind that favours incur obligations which in turn may put people into situations where their judgment is impaired and they may not act in the best interests of the business. Such favours may not always be straightforward, and could conceal dubious motives. For example, writing a letter of invitation to help someone get a visa to visit your country, could make you their sponsor and liable for whatever they do whilst in your country.

Contract Payment Terms

This seems very obvious, but you should be able to give clear commercial justification to all the payment terms in your agreements. The better everyone in your organisation understands the business policy on payment terms, the less likely you are to encounter ambiguous agreements. Commission fees should be balanced by measurable business value. Services supplied to your business by third parties should be clearly recorded and the terms understood. Payments need to be made in accordance with relevant tax

laws. Payments should be made in the countries where the business takes place, and not offshore. They should be by cheque or bank transfer and not in cash.

Political Contributions

Businesses may see the giving of donations to a political party as a way of contributing to the democracy of their country. Donations might be to party funds, or to help support an election campaign. They may be made to national parties or local initiatives. The granting of paid leave of absence to an employee (in addition to holiday allowance) to support a political group, perhaps in an election, may be regarded as a political contribution made by the business. If you decide to make a contribution, record it in writing and ensure the accounting is transparent.

You should not make contributions to a political party whilst in negotiations with a government over business, licenses, or any matter which affects your company.

Charitable Donations

Bribes may even be disguised as donations to charity. If your business wants to make a donation, you should set out some simple guidelines to follow. A genuine charity will generally be registered under the local country's laws. Be careful who the charity officials are. Be wary if you are asked to give a donation to a particular charity as part of a business agreement. If you are engaged in a business bid and a customer has a connection with the charity or sponsored organisation, then you should not promise or make a donation or sponsorship until the contract decision has been made. Money should always be given to a charitable organisation and not to an individual.

Sponsorship

A business sponsors an organisation such as a sporting club, when it pays for the right to use the name of that club for its business purposes. For example a business making sports equipment could benefit from linking its name to the stars in that particular sport. In this case money may well be paid to an individual, but make sure there is an agreement in place which outlines what your business is paying in fees and what you expect to receive in return.

Conflicts of Interest

A conflict arises where personal interest is put before that of the business. An example might be when one of your business team has a cousin who runs a decorating business and who will give you a good price to do some work on the office. Providing the personal interest is declared, the selection process is transparent, and the business side is handled by someone other than the family member, no conflict arises. Your business should set out clearly how it wants to handle conflicts of interest and potential situations so as to avoid conflicts before they take place.

STEP 3 IMPLEMENTATION

Whatever organisation you have decided upon, it is very important that direction is seen to come from the top, i.e. the Chairman of the Board, the General Manager or simply the

'Boss'. It is key to the success of the Programme that everyone is involved and individually responsible and it is not a case of 'do as I say'.

In adopting your Programme, you are undertaking to do business with integrity. This also impacts on others in your business orbit, i.e. employees, suppliers, contractors, and customers. It is no good agreeing not to pay or receive a bribe if your suppliers are doing it for you. It is therefore essential that everyone involved is aware of your the Principles and Programme. Employees or those working in the Business make sure everyone understands why you are doing this and the risks involved in not having an anti-bribery Programme. Everyone should understand that they have an individual responsibility to implement it. Every employee or person working in the business needs to be aware of and understand the Programme. The anti-bribery Programme can be set out in a simple, easy to understand document given to each of your people.

It is equally important that your people know they will not be penalised if they walk away from a business opportunity where it is dependent upon bribery.

Business Relationships

This is one of the most important parts of your Programme and possibly the most difficult to implement as it involves other organisations and is less within your control, i.e. agents, contractors, suppliers and customers. First of all make sure that those with whom your company has a business relationship are informed of your anti-bribery Programme. Business partners should understand that your anti-bribery Programme also applies to them when doing business with you and on your behalf. Reflect your Programme in the terms of your contracts and agreements, which should also allow for immediate termination if business partners pay or accept bribes. If you enter into a joint venture, make sure your Programme forms part of the business relationship.

STEP 4 RAISING CONCERNS AND SEEKING GUIDANCE

How you decide to deal with concerns and the giving of guidance will depend on your size and organisation. To help you, here are some points for consideration:

- Your Programme should be seen as an 'evolutionary process', i.e. one which is continually developing.
- People need to feel able to discuss issues without fear of reprisal;
- Business partners may also have issues to raise;
- This is the point at which problems can be identified and dealt with early, providing they are recognised in time;
- Confidentiality will probably be important when considering how to handle reports of incidents of bribery and discussion on conflicts of interest. Always find out the facts before taking action.

COMMUNICATION

Implementing your anti-bribery Programme is very positive

for your business, so make sure it is well communicated. In addition to the initial communication to employees and business partners, make sure to keep it current with people new to your business and your business partners. Post your anti-bribery Programme on your website if you have one.

INTERNAL CONTROLS AND MONITORING

Anti-bribery strategies are only as effective as those who implement them. Your business should consider what processes will best control your Programme and what checks and balances are needed to monitor them. A business of any size needs certain internal controls such as having more than one signature on the cheques, controlling expenses and signing off orders. Some points to take into consideration are:

- Financial controls (including internal accounting controls) are essential and when correctly implemented will pick up irregularities. Transparency and accuracy, including filing and retention of essential documents, are key;
- Contract terms, if well monitored, will highlight lack of transparency in payments or practice;
- Good management will identify irregularities with gifts, entertainment and expenses;
- Employee relations and company policies if well maintained will encourage openness and compliance;
- Example from the top sets the culture of the organisation;
- Regular review of the Programme is essential, perhaps have it as an agenda point on your Board or business meeting agenda;
- Accurate written records should be kept and available for inspection;
- Controls only work if processes are followed.

CONCLUSION

These guidelines are intended to help you implement your anti-bribery Programme which addresses your structure, business and risks. The suggestions made are to help you focus on the issues so that you may decide how best your business can address them. The key to developing an effective Programme for countering bribery lies in:

- Recognising the benefits to your business;
- Identifying the risks & agreeing a process to lower the risks
- Communicating your Programme to your employees & business partner
- keeping clear, accurate records, not only financial, but also of your decision to adopt your Programme and all your processes for countering bribery;
- Encouraging open discussion & Dealing effectively with incidents and concerns raised
- Continually reviewing your Programme for effectiveness.

- CS Snehal Kamdar



Deal Corner

Uber Raises \$1 Bn From Times Internet, Microsoft, Others

Times Internet, the digital arm of The Times of India Group and Microsoft have reportedly infused \$1 Bn in US based taxi-hailing service Uber Technologies which takes the total funding amount to \$5.3 Bn valuing the five year old company at \$51 Bn.

BNP Paribas Acquires Sharekhan

One of the largest banks in France along with a significant presence in the Indian financial services BNP Paribas, has acquired 100% stake in brokerage and financial services firm, Sharekhan at a deal reportedly valued between Rs 2000- 2400 Cr. This marks a consolidation in an industry where the top 8 players account for almost 2/3rd of the trading terminals in India. There were reports in May that Warburg Pincus and General Atlantic, emerged as the frontrunner to buy a majority stake in the brokerage and financial services firm.

Viacom Inc Acquires 50% Stake In Prism TV For Rs 940 Cr

US based entertainment giant Viacom Inc has acquired 50% of Prism TV which is an entity of Reliance Industries owned Network18 Group for a total consideration of Rs 940 Cr. The remaining 50% will continue to be owned by the Network18 Group which is also Viacom's Indian partner in the Viacom18

joint venture. In May last year, Reliance Industries Limited was set to acquire majority stake in Network18 Media & Investments Limited including its subsidiary TV18 Broadcast Limited and the consequent open offers for consideration of Rs 4000 Cr.

TVS Capital To Acquire Stake In Nykaa.com

TVS Capital Funds Ltd, the private equity and venture capital arm of TVS Group, is set to acquire minority stake in online beauty portal Nykaa run by FSN E-Commerce Ventures Pvt Ltd. The PE firm will also participate in the Rs 60 Cr Series C fund raising round of the company.

Flipkart Acquires Payment Services Firm FX Mart

Indian eCommerce giant Flipkart, has acquired payment services start up FX Mart Pvt Ltd. Singapore registered Flipkart Payments Pvt Ltd, has paid about R45.4 Cr for a majority stake in FX Mart. Founded by Amit Narang, FX Mart deals in Electronic Payments, Remittance, Foreign Exchange and Travel related businesses. It owns coveted prepaid licence issued by Reserve Bank of India (RBI). The deal will allow Flipkart to offer a digital wallet on its app and avoid paying a cut to external wallet providers.

Ratan Tata, Others Invest In Data Analytics Firm Infinite Analytics

Mumbai and Boston based big data analytics firm Infinite Analytics, has raised an undisclosed amount in bridge round

from Ratan Tata, the Chairman Emeritus of Tata Sons. The proceeds will be used to expand its predictive analytics technology to segments beyond retail and ecommerce. Co-founded in 2012 by MIT graduates Akash Bhatia and Purushotham Botla, Infinite Analytics is a cloud-based big data startup that uses the social graph of consumers to provide personalized recommendation. They have developed a tool that merges data from major social networks and from multiple sources collating information on customer demography, transactions, loyalty program and open data to create a 360-degree view of a user.



Tata Opportunities Fund Picks Up Stake In Uber

US based taxi-hailing service Uber Technologies, has raised an undisclosed amount from Tata Capital's flagship PE fund Tata Opportunities Fund. The proceeds will be used to globally invest across all markets and to experiment with new innovations. The deal size has remained undisclosed, however reports peg the fund to have invested between \$75 million-\$100 million in the global cab aggregator. In India, Uber competes with Softbank and DST Global backed Ola, which has raised around \$700 million and is in late stage talks to raise close to \$500 million. Ola is valued at close to \$4.5 billion.

Macquarie Infrastructure and Real Assets Fund Invests Rs 780 Cr In IndBarath Power Infra

Hyderabad based power generation firm IndBarath Power Infra Limited has raised Rs 780 Cr (\$122 Mn) from Macquarie Infrastructure and Real Assets (MIRA) Fund; 3i Group and PTC Financial Services exit profitably. Four years ago, 3i Infrastructure Fund had invested Rs 200 Cr in the company while PTC Financial Services had infused Rs 105 Cr. Last week, PTC India Financial announced that it has divested its entire stake in IndBarath Energy Utkal for around Rs 312 Cr.

JBF Industries To Raise \$150 Mn From KKR

PE major Kohlberg Kravis & Roberts (KKR) has signed a definitive agreement to invest \$150 Mn (Rs 962 Cr) in leading polyester manufacturer JBF Industries Limited to acquire a 20% stake in the company. Of the total funding amount, \$491 Cr will be invested in 16.37 Mn equity shares of \$10 each of JBF Industries at a premium of Rs 290/share by way of preferential allotment. The remaining amount will be invested in zero coupon convertible preference shares

(ZCPS) with 14.5% voting rights in JBF Global Pte. Ltd., Singapore, an unlisted subsidiary of JBF Industries. The funds will be used by JBF Industries to complete its petrochemical plant in Mangalore, Karnataka and also bring down the company's net debt of \$1.4 Bn.

Dodsal Group Sells Pizza Hut India Franchise

Dubai based Dodsal group has sold the south and west India franchise operation of Pizza Hut to a consortium of investors led by Samara Capital, for a consideration of about Rs 200 Cr. Dodsal Group diversified into food service business in 1997. In addition to 23 restaurants in Bangalore and 20 in Mumbai, Dodsal Enterprises Private Limited also runs Pizza Hut outlets in Gujarat, Pune, Nashik, Vizag, Hyderabad, Secunderabad, Vijayawada, Mysore, Manipal and Mangalore. In 2009, the promoters were close to selling between 30-40% stake to New Silk Route.

On Demand Beauty Service Provider MyGlamm To Raise Funds

Mumbai based on-demand home services for beauty and hair care, MyGlamm is planning to raise about Rs 99.70 Cr (\$15 Mn) in its second round of funding by the end of the year. Previously, it had raised about \$2 Mn from US-based PE player Tano Capital and now is planning to expand its footprint into top 10 cities. Founded by Darpan Sanghvi, MyGlamm provides professional hair & beauty treatments & services at home. The user can book services online or can even download its android and IOS app, to be launched next month. The company claims to have on board 2,500 stylists and beauticians who form part of its artist panel for services which range from haircuts to massages.

QSR Chain Roll Mafia Secures Funding

Roll Mafia, a QSR chain owned and operated by SLS Cuisines India Pvt Ltd, has raised about \$1 Cr in seed round led by Singapore-based Equentia Natural Resources. The proceeds will be used towards enhancing its technological offerings, improving marketing strategy, scaling its operations in Pune and expanding its core management team. The company is looking to open 50 more outlets in Mumbai, Chandigarh, Baroda, Bengaluru, Delhi and Gurgaon by March 2016.



Source: VC Circle, Deal Curry

MARKET DEVELOPMENTS

- OFS Technologies Limited filed Draft Prospectus with BSE SME Exchange to raise Rs. 4.25 cr by offering 17,00,000 Equity Shares of face value Rs. 10 per share for cash at a price of Rs. 25 per share. The company is engaged in the business of software development and Information Technology outsourcing. The Company proposes to utilize the funds towards funding 1. Strategic Acquisition(s) / Joint Venture 2. General Corporate Purpose 3. To meet Issue expenses.
- Bella Casa Fashion & Retail Ltd. filed Draft Prospectus with BSE SME Exchange to raise Rs. 3.43 cr by offering 24,50,000 Equity Shares of face value Rs. 10/- per share for cash at a price of Rs. 14/- per share. The Company is currently engaged in the manufacturing of Bed sheets, Quilts, home furnishing textile items, printed/dyed furnishing fabrics and garments. The company intends to utilize the proceeds of the Issue to meet the following objects: 1. To meet Working Capital Requirement 2. To Meet the Issue Expenses.
- Zeal Aqua Limited filed Draft Prospectus with BSE SME Exchange to raise Rs.13.85 cr by offering 11,35,000 Equity Shares of face value Rs. 10/- per share for cash at a price of Rs.122/- per share. The Company is currently engaged in the business of Farming of Shrimps in Agriculture Industry in the Gujarat.
- H. K. Trade International Limited filed Draft Prospectus with BSE SME Exchange to raise Rs. 2.29 cr by offering 12,72,000 Equity Shares of face value Rs. 10/- per share for cash at a price of Rs. 18/- per share. The Company is currently engaged in the business of manufacturing, converting and supplying of adhesive tapes and synthetic paper (teslin papers) from jumbo rolls of adhesive tapes and synthetic paper (teslin). The company intends to use the proceeds of IPO towards (1) Long Term Working Capital Requirements, (2) General Corporate Purposes, (3) Public Issue Expenses.
- Cawasji Behramji Catering Services Limited filed Draft Prospectus with BSE SME Exchange to raise Rs.1.86 cr by offering 13,30,000 Equity Shares of face value Rs. 10/- per share for cash at a price of Rs. 14/- per share. The Company currently engaged in the business of providing food catering & housekeeping services, both in India and abroad.
- Universal Autofoundry Limited has filed Draft Prospectus with BSE SME Exchange to raise Rs 3.24 cr by offering 21,60,000 Equity Shares of face value Rs. 10 per share for cash at a price of Rs. 15 per share. The company is engaged in the manufacturing of Iron Castings. The company intends to utilize the proceeds of the Issue to meet the following objects: 1. Expansion of Manufacturing Facilities 2. General Corporate Purpose 3. To Meet the Issue Expenses.
- Goel Scientific Glass Works Limited has filed Draft Prospectus with BSE SME Exchange to raise Rs 5.18 cr by offering 12,96,000 Equity Shares of face value Rs. 10 per share for cash at a price of Rs. 40 per share. The Company is currently engaged in the business of designing, manufacturing, marketing and retailing industrial glassware, laboratory glassware and glass home decor. The company intends to utilize the proceeds of the Issue to meet working capital requirements and to meet the Issue Expenses.
- Navigant Corporate Advisors Limited filed Draft Prospectus with BSE SME Exchange to raise 85.00 Lakhs by offering 8,50,000 Equity Shares of face value Rs. 10/- per share for cash at a price of Rs. 10/- per share. The Company is engaged in the business of Corporate Advisory i.e. Financial Advisory and Consultancy Services, Capital Market Services, Corporate Finance Services, Investment Advisory Services and Investment and Treasury Operations.
- Currently 108 companies are listed on SME platform of BSE & NSE while 42 companies are listed on ITP platforms of BSE & NSE

Forthcoming IPOs

Name of the Company	Exchange	Issue Size (Rs. crore)	Issue Price (Rs. Per Share)
P. B. Films Limited	BSE	5.00	10
Sri Krishna Constructions	BSE	11.34	45
Emkay Taps & Cutting Tools	BSE	15.55	330
Vishal Bearings	BSE	3.24	25
Loyal Equipments	BSE	3.24	18
OFS Technologies Limited	BSE	4.25	25
Bella Casa Fashion & Retail Ltd.	BSE	3.43	14
Zeal Aqua Limited	BSE	13.85	122
H. K. Trade International Limited	BSE	2.29	18
Cawasji Behramji Catering Services Limited	BSE	1.86	14
Universal Autofoundry Limited	BSE	3.24	15
Goel Scientific Glass Works Limited	BSE	5.18	40
Navigant Corporate Advisors Limited	BSE	0.85	10



RBI stresses on timely approvals for MSMEs

To ensure time-bound regulatory clearances for the MSME (micro small and medium enterprises) sector in Odisha, the Reserve Bank of India (RBI) has pitched for inclusion of the single window mechanism under the ambit of Public Service Guarantee Act of the state government. "Single Window System for regulatory clearances for MSME is already in place which needs to be activated. It may be covered under Public Service Guarantee Act of the state government which may help time-bound clearances for the start-up of the projects", the RBI, Bhubaneswar office suggested in report on "The State of MSME sector in Odisha: Issues, Challenges and Way Forward".

India Aspiration Fund to boost prospects of MSME start-ups

CRISIL has analysed 1,050 start-up micro, small, and medium enterprises (MSMEs) that were rated on the basis of their 2013-14 (financial year April 1 to March 31) financials. For arriving at start-ups, CRISIL has considered MSMEs that started business operations after 2010. The MSMEs featured in the sample are primarily non-e-commerce enterprises that are in the manufacturing and services space. The analysis reveals that seven sectors - engineering; construction; agri products; textile; printing & packaging; transport & logistics; and outsourcing & support services - account for 68 per cent of these, and 41 per cent are operational in the engineering, construction, and agri products sectors.

Several of these sectors form part of the government's 25 sectors under the 'Make in India' programme. Additionally, the Government of India has recently announced a Rs 10,000-crore India Aspiration Fund to provide equity capital for MSMEs-based start-ups. The average net worth of the CRISIL-rated MSME start-ups in the sample was Rs 35 lakh as on March 31, 2014. CRISIL believes that the new fund provides start-ups with the opportunity to raise capital and to grow, and thus contribute to strengthening the economy.

Secretary, Ministry of MSME inaugurates IP Facilitation Centre at Lucknow

To encourage and nurture innovative activities in the MSME sector, an IPR Facilitation Centre for MSMEs was inaugurated at Lucknow on yesterday.. The Centre was inaugurated by Dr. Anup K. Pujari, Secretary (MSME) in the presence of Shri Alok B. Shriram, President, PHDCCI and Shri Vishwanath, Chairman, Committee on MSME, PHDCCI. This centre will be located in the Office of PHDCCI in Gomti Nagar.

Speaking on the occasion, Dr. Pujari emphasised the role of

innovation in a competitive world. He mentioned that unless we take care to protect our intellectual properties like Copyright, Trademark and Geographical Indicator (GI), our competitors may exploit such IPs and cause injury to our business. He mentioned that Government of India defrays part of the cost of registering such IPs. This Facilitation Centre would spread awareness among MSMEs located in the state of Uttar Pradesh and would be help to fill the void. He appreciated the step taken by PHDCCI in establishing this Facilitation Centre.

On the occasion, the Minister of State for Skill Development Uttar Pradesh, Dr. Abhishek Mishra exhorted the entrepreneurs to strive for excellence and promised all help from the Government of Uttar Pradesh in the matter. There was also a question answer session which Dr. Pujari and Dr. Mishra responding to the questions and concerns raised by the MSME entrepreneurs present.

Bandhan Bank to fund SMEs, create jobs: Finance Minister Arun Jaitley

Newly-launched Bandhan Bank will fund lakhs of small and medium entrepreneurs, create jobs and act as a response to agrarian poverty, Finance Minister Arun Jaitley said. "A great institution is being born in West Bengal," he said while inaugurating Bandhan Bank here.

Bandhan Bank launched its operations with 501 branches in the country. The company, which started operations as a micro finance institution, got final approval from RBI in June to launch commercial banking operations Jaitley said Bandhan Bank Chairman and Managing Director Chandra Shekhar Ghosh has said that the priority area of the bank will be small and medium enterprises (SMEs).

"It is a landmark initiative in the service of country and state. It is these entrepreneurs in SMEs, many of them in unorganised sector, who today form the backbone of Indian economy. "Small entrepreneurs, from shopkeepers to hawkers, they are generating almost 11-12 crore jobs in this country. The large organised industry is able to generate only a small fraction of that," Jaitley said.

He said if private sector initiatives like Bandhan Bank join this effort of funding at the grass-root level, then the small enterprises can grow on their own feet.

"All over the eastern parts of the country, in states like West Bengal, if we are able to create small entrepreneurs in lakhs we can then see it as a response to agrarian poverty that is building up," Jaitley said.

The objective is to extend over Rs 1 lakh crore worth funds to SMEs across the country, Jaitley said, adding that SMEs usually repay what they borrow and the banks' NPAs are not because of lending to this sector.

"If funding of unfunded sector continues, it is they who generate jobs and it is they who take very little assistance from the state and go back and return what they borrow. The problem of NPA, certainly this segment is not responsible for them," he said.

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.



Offer for Sale v/s IPO & FPO

In terms of SEBI ICDR Regulations for a public limited company it is mandatory to have atleast 25% of public shareholding. A company can achieve this by either issuing fresh shares to the public i.e through Initial Public Offering (IPO)/Further Public Offer (FPO) or through Offer for Sale (OFS) wherein promoter's shares are offered to public through stock exchange.

For e.g Consider XYZ company opting for listing and has 100 no. of shares. As per the regulation he needs to fulfil the requirement of having 25% public shareholding. To achieve this he can opt for any one of the following option:

- i. IPO- where promoter issues say around 40 no. of shares for public shareholding. Post issue the public will hold 35 shares i.e 25% of 140. In this case the total no. of shares post IPO will be 140.
- ii. OFS - where promoter shall offer 25% from its existing shareholding to the public. Post OFS the total no. of shares of the company will remain 100.

Follow-on/Further Public Offer is a process by which a company, which is already listed on an exchange, issues new shares to the investors or the existing shareholders. FPO is used by companies to diversify their equity base and further fund raising. A company uses FPO after it has gone through the process of an IPO and decides to make more of its shares available to the public or to raise capital to expand or pay off debt.



OFS mechanism facilitates the promoters of an already listed company to sell or dilute their existing shareholdings through an exchange based bidding platform. Offer for sale (OFS) is a shorter and less complex way to sell stake than initial and follow-on public offers.

In December, the government raised Rs 1,725 crore by selling 5% stake in Steel Authority of India. In 2014, some private sector companies which took the OFS route were Bharti Infratel, L&T Finance Holdings, Orient Green Power Company, Schneider Electric Infrastructure and Dalmia Bharat Sugar and Industries.

This option basically helps promoters of listed companies dilute stake through an exchange platform. The promoters are the sellers. The bidders can include market participants such as individuals, companies, qualified institutional buyers and foreign institutional investors. The facility is available on both the exchanges Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). Non-promoters holding at least 10% share capital can also sell shares through this route. In this case, promoters can act as bidders. The minimum offer size is Rs 25 crore. It can be less if the aim of the issue is meeting the public shareholding norm (25% for private companies and 10% for government ones).

Purpose of OFS

It was allowed to help promoters comply with minimum shareholding requirements. The OFS route is used by promoters to sell their shares to the public. The cash raised goes straight to the promoters. There is no fresh issue of capital that can go to fund the company's expansion projects or other needs. According to SEBI rules, apart from promoters, non-promoter entities holding more than 10 per cent of the shareholding can also offload stake through an OFS.

The option of OFS benefits the issuers by reducing the time taken to raise funds as they otherwise have to follow a long procedure that includes issuing a draft prospectus and an application process involving a lot of formalities.

Benefits of OFS

For OFS there is no need to fill the application form as the system is platform-based. Also, shares are

allotted on a T+1 basis, that is, one day after the order is placed. In case of no allotment, the money is refunded the same day. The process is more transparent than that for initial public offers (IPO) as the system runs on a real-time basis. An investor can put multiple bids above the floor price set by the company, unlike in IPOs, where the bid price cannot be more than one. Investor can also modify/cancel the bid anytime during OFS market hours.



With Sebi allowing 10% quota for retail investors in OFS issues, the retail investors has an opportunity to buy shares of good

companies. Also, Sebi recently gave retail investors the option to apply at the cut-off price, bringing more clarity on allotment. The cut-off price is the discovered price. According to Sebi, the seller may offer retail investors discount on the cut-off price.

Limits & Reservations

Sebi has mandated reservation for certain categories of investors. For retail investors, the figure is 10%. This is applicable for retail investors bidding for less than Rs 2 lakh. In case of mutual funds and insurance companies, it is 25%. The unsubscribed portion of one category can be allotted to other bidders. Retail investors have the option to bid in the retail category as well as the general category. However, if the

cumulative bid value exceeds Rs 2 lakh, the retail category bids are declared ineligible.

Securities Transaction Tax (STT) and other charges, which the investors normally pay when they buy shares of a company in the cash market.

On the OFS day, normal trading in the shares of the company will continue even when the bidding process is on. The investors have the option to either buy the shares of the company in the normal market or place their bids for the shares on sale in the OFS. The investors can place only orders under the OFS facility as market orders are not allowed.

Advantages over IPO/FPO

Cost effective:

Unlike IPOs/FPOs, Promoters under OFS are not required to file Draft Red Herring Prospectus (DRHP).
No Need to get the application forms printed.
Save big advertisement expenses.

Time saving:

Sale of shares in a single trading day during the normal trading hours i.e. between 9:15 a.m. and 3:30 p.m.

Transparency:

OFS process is quite transparent as it is done on real-time basis with a system based bidding platform and involves least amount of paperwork.

Multiple Orders:

Under OFS, there is no restriction on number of bids from a single buyer. This facility is not available in FPOs/IPOs.



What's in Press?

New policy on the anvil for MSME sector: Jayalalithaa

CHENNAI: Tamil Nadu Chief Minister Jayalalithaa today said a new policy will be formulated for the growth of Micro, Small and Medium Enterprises (MSMEs) in the State, and announced an international study to increase the competitiveness of the sector.

She also announced that a multi-storied industrial complex will be set up here at a cost of Rs 100 crore.

"A new industrial policy will be formulated for the MSMEs so as to make Tamil Nadu Asia's capital of MSMEs," she said in a suo motu statement in the Assembly.

The new policy will meet the challenges faced by the MSMEs

and pave the way for easily attaining the goals set out in Vision 2023 for Tamil Nadu, she said.

"An international study will be undertaken to increase the global competitiveness of the MSME sector which has already witnessed high growth," she said.

The study will evaluate the present competitiveness of the MSMEs vis-a-vis such global competitors. It would help the State's MSMEs to see higher growth, she said.

Announcing a multi-storied industrial complex at a cost of Rs 100 crore at the Guindy Industrial Estate here, she said the initiative was necessary due to scarcity of land for expansion and to meet the needs of the industries.

Economic Times, 31 August 2015

Quotes

"Government should focus on easing regulatory norms for starting a business in the country rather than 'trying to invest' in the booming startup ecosystem where venture capital is available in plenty"

R Chandrasekhar
President, NASSCOM



"India is witnessing a start-up revolution and to harness the potential of India's innovators and entrepreneurs a vibrant financial ecosystem is essential. The India Aspiration Fund is intended to play a vital role in this financial ecosystem,"

Arun Jaitley
Finance Minister



SrNo.	Company	Closing	% Return	52 Week Low	52 Week High	SrNo.	Company	Closing	% Return	52 Week Low	52 Week High
1	Aanchallspat Limited	7.40	-63.00%	6.33	22.90	55	Mangalam Seeds	55.20	10.40%	53.00	57.75
2	Ace Tours	4.80	-70.00%	4.70	64.00	56	M D Inducto	42.80	58.52%	27.85	43.10
3	ADCC Infocad Ltd	59.00	47.50%	43.50	81.50	57	Max Alert	12.00	-40.00%	12.00	187.10
4	AGI Infra	107.50	99.07%	54.05	108.75	58	Mishka Exim Ltd	18.00	80.00%	13.50	21.00
5	Agrimony Commodities	6.18	-38.20%	6.10	11.03	59	Money Masters	6.84	-54.40%	6.84	11.86
6	Alacrity Securities	4.33	-71.13%	3.29	8.34	60	Naysaa Securities Ltd	12.00	-20.00%	11.90	17.90
7	Amsons Apparels Ltd	10.10	1.00%	3.55	14.72	61	Newever Trade	1.94	-80.60%	1.81	41.00
8	Amrapali Capital	30.50	-69.50%	24.10	55.00	62	Oasis Tradelink	88.75	195.83%	28.05	89.65
9	AmrapaliFincap	120.00	0.00%	120.00	122.30	63	OceanaaBiotek	10.60	6.00%	9.50	13.00
10	Anishalpex	17.00	70.00%	6.49	21.00	64	O. P. Chains Ltd	14.50	31.82%	11.25	17.22
11	Anubhav Infrastructure Ltd	11.05	-26.33%	10.85	15.10	65	OnesourceTechmedia	3.80	-72.86%	3.33	8.70
12	Aryaman Capital Markets	13.80	15.00%	12.05	15.00	66	Oyeeee Media	49.25	23.13%	45.00	49.25
13	Akme Star Housing Finance	34.00	13.33%	30.50	37.50	67	Pecos Hotels	50.00	0.00%	50.00	56.00
14	Athena Construction	12.39	23.90%	11.23	39.90	68	PolymacThermoformers	22.00	-37.14%	17.50	189.55
15	AtishayInfotech Ltd	44.50	178.13%	17.00	51.00	69	Powerhouse Fitness & Realty Ltd	28.00	-6.67%	24.50	54.00
16	Bansal Roofing	29.50	-1.67%	28.00	34.45	70	RaghuvanshAgrofarm Ltd	40.90	271.82%	11.55	40.90
17	BC Power	23.60	31.11%	18.50	52.30	71	RCl Industries & Technologies	54.55	36.38%	39.05	125.35
18	BCB finance	27.00	8.00%	25.00	31.00	72	RCL Retail	20.25	102.50%	9.36	38.95
19	BhanderInfracon	118.10	-1.58%	107.60	124.00	73	RJ Biotech	31.00	55.00%	23.00	43.90
20	Bothra Metals	34.25	37.00%	21.00	44.95	74	R&B Denims	10.50	5.00%	9.00	14.50
21	Captain Pipes Limited	37.00	-7.50%	31.00	43.20	76	Samruddhi Realty	35.00	191.67%	25.00	50.00
22	Captain Polyplast	46.00	53.33%	36.00	64.00	77	SatkarFinlease	40.00	122.22%	19.00	107.00
23	Carewell Industries	4.00	-73.33%	4.00	13.00	78	Shri Krishna Prasadam	14.30	43.00%	5.40	31.00
24	Channel Nine	29.00	16.00%	21.85	52.50	79	Siddhi Vinayak Shipping	44.00	76.00%	25.00	49.50
25	Chemtech Industrial	14.20	-5.33%	13.50	54.60	80	Sirohia& Sons ltd	12.50	4.17%	8.00	17.50
26	Comfort Commotrade	10.10	1.00%	10.00	21.40	81	SPS Finquest	82.00	9.33%	76.00	86.00
27	DhabriyaPolywood Ltd	44.00	193.33%	16.05	50.50	82	SRG Securities Finance	17.00	-15.00%	17.00	34.90
28	Dhanuka Commercial	7.10	-29.00%	4.71	17.60	83	SSPN Finance	8.92	-55.40%	8.10	20.10
29	Eco Friendly	48.15	92.60%	20.95	56.50	84	Starlit Power Systems Ltd	15.85	-11.94%	12.00	21.50
30	eDynamics Solution	7.02	-71.92%	6.43	47.65	85	Stellar Capital	3.96	-80.20%	3.60	10.16
31	Encash Entertainment	33.80	-15.50%	33.80	127.95	86	Subh Tex India	17.35	73.50%	17.35	19.20
32	Esteem Bio	40.95	63.80%	18.20	52.50	87	Sunstar Realty Development	31.25	56.25%	19.02	42.60
33	Filtra Consultants	38.25	-8.93%	39.00	47.10	88	Suyog Telematics	117.10	368.40%	25.50	148.15
34	Funny Software	9.95	-28.93%	9.95	13.50	89	Tarini International	13.00	-68.29%	11.00	36.00
35	Gala Prints	24.15	0.62%	22.95	26.10	90	Tentiwal Wires	7.96	-38.77%	7.96	14.50
36	GCM Capital Advisors	73.90	269.50%	55.80	141.60	91	Tiger Logistics	315.40	377.88%	77.00	330.00
37	GCM Comm	5.75	-71.25%	4.80	20.00	92	Ultracab India Ltd	162.00	350.00%	39.90	162.00
38	GCM Securities	5.34	-73.30%	18.00	90.25	93	Unishire Urban Infra	9.90	-1.00%	6.70	17.10
39	HPC Biosciences	36.00	2.86%	28.90	75.75	94	Universal Autofoundry	16.00	6.67%	15.60	16.80
40	India Finsec	5.17	-48.30%	5.17	11.52	95	VCU Data Management	25.00	0.00%	21.50	64.00
41	Jet Infraventure Ltd	131.50	5.20%	126.50	133.90	96	Vibrant Global Capital Limited	19.50	2.63%	17.00	25.25
42	Jiya Eco	22.25	17.11%	19.05	34.95	97	Vishal Fabrics	103.00	128.89%	47.00	103.00
43	JLA Infraville Shoppers Ltd	14.05	40.50%	10.50	29.80	98	VKJ Infradevelopers	36.80	47.20%	23.85	160.40
44	Jointeca Education	17.25	15.00%	16.00	21.00	99	VMV Holdings	10.25	2.50%	9.74	10.85
45	Junction Fabrics and Apparels Ltd	16.50	3.13%	16.50	20.00	100	Women's Next	50.00	-23.08%	48.00	72.45
46	Karnavati Finance Ltd	9.80	-2.00%	9.80	11.60	101	Yogya Enterprises	19.80	32.00%	11.62	22.20
47	Karnimata Cold Storage	18.50	-7.50%	18.50	22.30	102	Mitcon	71.95	17.95%	40.00	101.00
48	Kavita Fabrics	7.85	-80.38%	9.50	12.60	103	Thejo	210	-47.76%	164.00	215.00
49	KushalTradelink	33.00	-5.71%	4.41	33.00	104	Momai	90	15.38%	78.00	115.00
50	Lakhotia Polyesters	11.80	-66.29%	10.50	14.57	105	Emkaytools	330	0.00%	322.50	340.00
51	Looks Health	31.50	-21.25%	27.80	151.00	106	Opal Luxury	112	-13.85%	105.00	126.50
52	Loyal Equipments	18.00	0.00%	18.00	22.50	107	Sanco	25	38.89%	15.25	25.00
53	MahabirMetallex	10.50	5.00%	9.79	13.00	108	Supreme Impex	67.2	12.00%	60.00	70.20
54	Majestic Research	34.30	163.85%	14.00	47.90						

Note: Absolute returns since IPO.
#Closing prices as on Sep04, 2015

Indices	Current	% Return YTD
BSE SME IPO	856.22	521.44%
TSE Mothers	732.28	76.44%
Chinext Price Index	2080.97	195.03%
FTSE AIM All Share Index	733.01	2.38%
TSX Venture Composite	552.61	-55.43%
Hong Kong GEM Index	440.09	15.36%

#Closing prices as on Sep04, 2015

Market Watch

Particulars	Bothra Metals & Alloys	Tiger Logistics	RJ Biotech	RCI Industries & Technologies	B C Power	Starlit Power	JLA Infraville	Mahabir Metallex	Sunstar Realty
A. Valuation / Market Cap	(Rs. Crore)								
Pre Issue Net Worth	20.82	16.34	11.64	25.63	10.29	7.97	3.20	7.01	5.54
Issue Size	12.21	7.52	5.00	11.52	10.37	2.95	2.00	3.90	10.62
Market Capitalization*	65.73	64.87	29.82	112.62	57.15	10.46	12.98	12.83	869.33
B. Price Pattern									
Issue Price	25.00	66.00	20.00	40.00	18.00	18.00	10.00	10.00	20.00
CMP (Face Value Rs. 10)*	34.25	315.40	31	54.55	23.60	15.85	14.05	10.50	31.25

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*	817.46	14.95	34.32	526.68	25.25	156.36	7.10	7.42	27.60	36.72
B. Price Pattern	(Rs. per Share)									
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)*	29.00	12.00	35.00	36.00	44.00	92.30	4.80	1.94	31.50	46.00

Particulars	Pecos Hotels & Pubs	SatkarFinlease	VKJ Infradevelopers	Subh Tex	Akme Star	Comfort Commotrade	Sanco Industries	Thejo Engineering	Mitcon Consultancy	Opal Luxury
A. Valuation / Market Cap	Rs in Crore									
Pre Issue Net Worth	1.00	21.16	5.40	16.43	10.13	4.43	16.43	25.8	54.42	11.82
Issue Size	2.30	13.51	12.75	3.50	4.80	6.00	4.32	19.00	25.01	12.00
Market Capitalization*	6.55	99.03	80.32	21.12	21.96	10.32	21.43	72.03	87.06	37.62
B. Price Pattern	Rs per share									
Issue Price	50.00	18.00	15.00	10.00	30.00	10.00	18.00	402.00	61.00	120.00
CMP (Face Value Rs. 10)*	50.00	40.00	36.80	36.80	34.00	10.10	277	210.00	71.95	112.00

*Closing prices as on 04th Sep, 2015

* Source: BSE SME, NSE Emerge websites

Upcoming Events

2nd Annual Flagship Event MAHARASHTRA INDUSTRY SUMMIT

Theme: Make in Maharashtra - Reformation Plans for Industrial Growth

7th October, 2015

Mumbai

Conference on VENTURE CAPITAL AND PRIVATE EQUITY OPPORTUNITIES FOR SMEs

28th October, 2015

Mumbai

Annual Flagship National Conference STARTUP AND YOUNG ENTREPRENEURS SUMMIT

October, 2015

Mumbai

Annual National Awards INDIA SME EXCELLENCE AWARDS

October, 2015

Mumbai

4th Annual Flagship Activity GUJARAT INDUSTRY AND SME SUMMIT

November, 2015

Ahmedabad

INDIA INDUSTRIAL PARKS SUMMIT Integration of Industrial Parks to Accomplish Make in India

Projecting Investment Opportunities in Industrial Parks | SEZ | Private and Commercial Premises

November, 2015

Mumbai

Regional Conference Aurangabad Region Industry & SME Summit

November, 2015

Aurangabad

Pecos Hotels & Pubs Ltd got listed on BSE SME platform on August 11, 2015. The IPO was lead managed by Sarthi Capital Advisors Pvt Ltd



Sarthi Team at its offsite on 8th-9th August 2015 in Mumbai





S A R T H I
Bridging the Gap

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

CONTACT US

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

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

Ahmedabad

C/o Wealth First Portfolio Managers (Pvt) Ltd
Capitol House 10, Paras-II, Nr. Prahladnagar
Garden, Ahmedabad - 380015
Landline: 079 40240000
Fax: 079 40240081

DISCLAIMER

This document has been prepared by Sarathi 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 here 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.