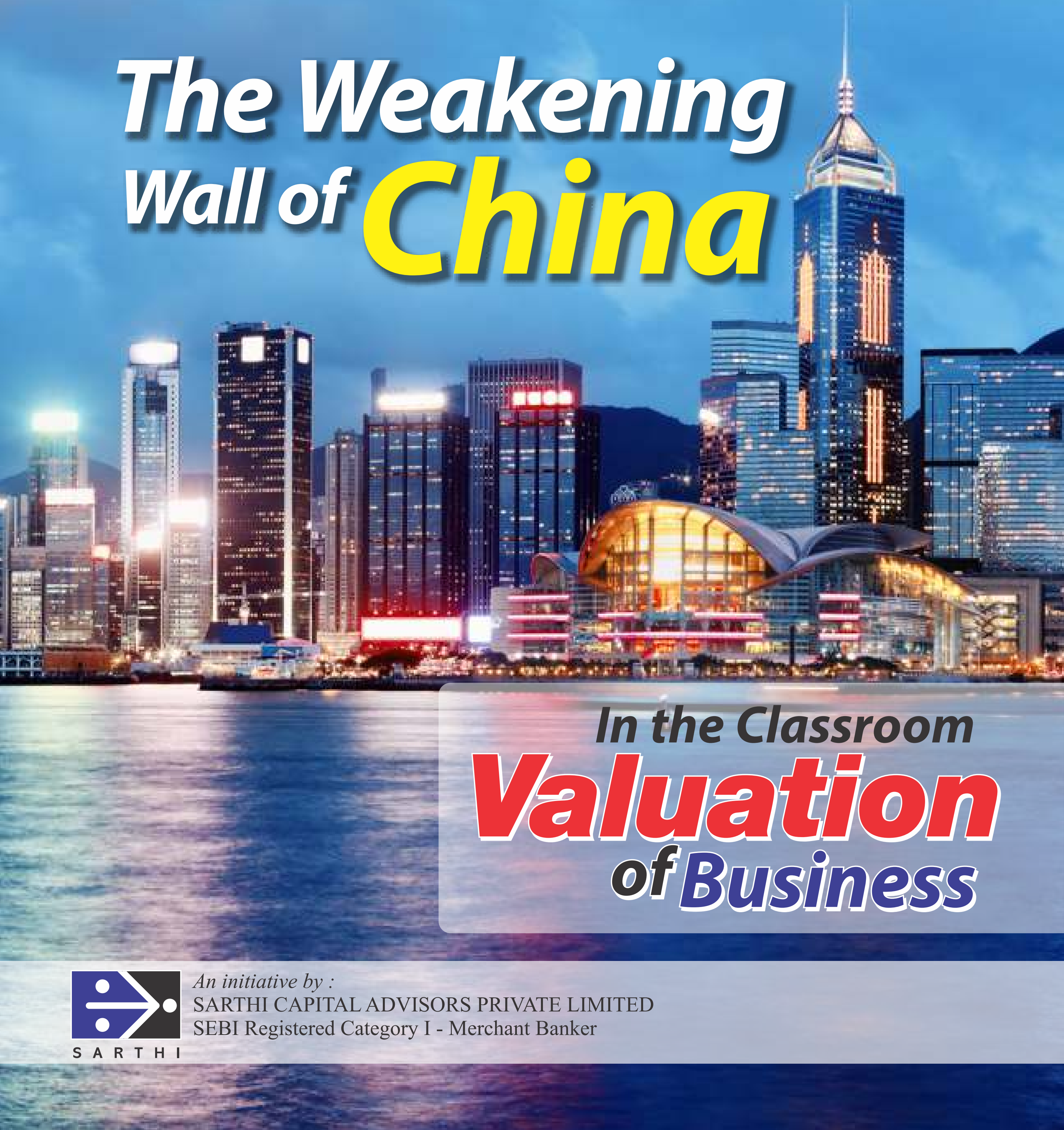
Edition - November-December 2015

S-CAP

SME Capital Market Watch

The Weakening Wall of China



In the Classroom
Valuation of Business

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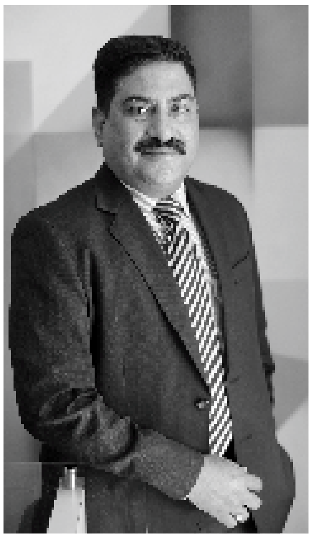
PREFACE



On political front, Bihar polls has been the biggest event and defeat of NDA, which has definitely made NDA think tanks to introspect and to push the growth agenda in the country.

Seventh Pay commission award on one side is expected to push the pick-up in real GDP growth, and increasing government employee wages should stimulate consumption and on the other side has a direct impact on the country's fiscal consolidation roadmap and further delay the targeted rate of fiscal deficit of 3% of GDP. The government will have to shore up revenue collections to ensure fiscal targets are met not through capital expenditure cuts - as had happened in the past and also through cut in expenses and subsidies.

As per one of the Swiss private wealth manager, Julius Baer estimates that wealthy individuals in India will be worth $2.3 trillion by 2020 from $1.425 trillion in 2016. In a report, which monitors the cost of living in luxury and wealth creation in Asia, Julius Bear said 25% of global wealth is estimated in the continent of which India is a strategic part. China continues to be the country with the highest amount of wealth. Wealthy individuals are projected to be worth $8.25 trillion in 2020 from $5.10 trillion in by 2016. However, the wealth of high networth individuals in India is going to rise at a faster clip, by 94% between 2014 and 2020 as opposed to China which will grow at 74%.

GST, the highlight of this winter session of the Parliament, will be a game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of tax on the cost of goods and services. It will impact the Tax Structure, Tax Incidence, Tax Computation, Tax Payment, Compliance, Credit Utilization and Reporting leading to a complete overhaul of the current indirect tax system. GST will have a far reaching impact on almost all the aspects of the business operations in the country, for instance, pricing of products and services; supply chain optimization; IT, accounting and tax compliance systems.

In this issue of S-Cap, we have tried to explain the reasons for weakening of China economy, New shorter period for allotment post IPO, business valuations besides other regular columns.

I wish, a very prosperous Samwat 2072 and may this year bring happiness, good health and prosperity to all.

Regards,

- Deepak Sharma

Group Managing Director

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& many more...

Launch of AcePro Advisors - Portfolio Management Services
Sarthi Group
The Weakening Wall of China
SEBI Notifies
Shorter Period for Listing
Deal Corner
MARKET DEVELOPMENTS
Other Developments
Valuation of Business
SEBI Regulations to replace Listing Agreement

Contents

SEBI Regulations to replace Listing Agreement

The listing agreements have undergone various changes till now SEBI has issued various circulars till April, 2015 amending different clauses in the listing agreement now SEBI has decided to give away with the old set of Listing agreement and replaced the old one with the new set of regulations known as the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter called as' Listing Regulations')** they have been notified by SEBI on 2ndSeptember, 2015 and will become effective on the 90th day from that date. In other words, the new listing regulations shall become effective from 1st December, 2015 .At the same time, the listing agreement is not being totally scrapped as still the issuers will have to enter into a short (approx two pages) agreement with the concerned stock exchanges as per the format that will be prescribed by SEBI.

"A listed entity which has previously entered into agreement with a stock exchange to list its securities shall execute a fresh listing agreement with such exchange within six months of the date of notification of SEBI (Listing Obligations and Disclosure Requirements) Regulations i.e. 2nd September, 2015."

Sailent features of Regulations are given as under-

The format would be applicable for

a) *Specified securities listed on main board or SME Exchange or institutional trading platform*

b) *Non-Convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares*

c) *Indian depository receipts*

d) *Securitised debt instruments*

e) *Units issued by mutual funds*

f) *Any other securities as may be specified by the Board. At the same time, separate chapters have been dedicated to different class of securities providing for specific provisions applicable to those securities.*

Sebi's provisions for listed entities have been aligned with those of the Companies Act, 2013.

The new Listing agreement provides for various disclosures some of the important points are explained herewith:-

Disclosure and Transparency: The listed entity shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, in the following manner:

I) Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure.

ii) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by users.

iii) Minutes of the meeting shall be maintained explicitly recording dissenting opinions, if any.

Responsibilities Of The Board Of Directors:

The board of directors of the listed entity shall have the following responsibilities:

i) Disclosure of Information

1. Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

2. The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

ii) key functions of board of directors

1. Reviewing and guiding corporate strategy, major plans of

action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing board of director's evaluation framework.

iii) Other responsibilities

1. The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
2. The board of directors shall set a corporate culture and the Sebi Regulations to Replace Listing Agreement- Increased Disclosures and Enhanced Accountability- A measure to protect stakeholders' Interest 42 October 2015 Article values by which executives throughout a group shall behave.
3. Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
4. The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
5. Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
6. The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The board of directors shall exercise objective independent judgement on corporate affairs.
8. The board of directors shall consider assigning sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
9. The board of directors shall ensure that its encouragement does not result in over-optimism that could lead to significant risks or exposes the listed entity to excessive risk.
10. The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
11. When committees of the board of directors are constituted, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
12. Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
13. In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
14. The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

General Obligation of Compliance.

Compliance Officer and His Obligations.

1. A listed entity shall appoint a qualified company secretary as the compliance officer.
2. The compliance officer of the listed entity shall be responsible for-
   a. Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
   b. Co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
   c. Ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
   d. Monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors

These regulations shall not be governed by the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Appoitment Of Share Transfer Agent

1. The listed entity shall appoint a share transfer agent or manage the share transfer facility in-house: Provided that, in the case of in-house share transfer facility, as and when the total number of holders of securities of the listed entity exceeds one lakh, the listed entity shall either register with the Board as a Category II share transfer agent or appoint Registrar to an issue and share transfer agent registered with the Board.
2. The listed entity shall ensure that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar to 12 an issue and share transfer agent registered with the Board.
3. The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, within one month of end of each half of the financial year, certifying compliance with the requirements of sub- regulation (2).
4. In case of any change or appointment of a new share transfer agent, the listed entity shall enter into a tripartite agreement between the existing share transfer agent, the new share transfer agent and the listed entity, in the manner as specified by the Board from time to time:

   Provided that in case the existing share transfer facility is managed in-house, the agreement referred above shall be entered into between the listed entity and the new share transfer agent.
5. The listed entity shall intimate such appointment, referred to in sub-regulation (4), to the stock exchange(s) within seven days of entering into the agreement.
6. The agreement referred to in sub-regulation (4) shall be placed in the subsequent meeting of the board of directors:

These regulations shall not be applicable to the units issued by mutual funds that are listed on recognised stock exchange(s).

The New Listing Agreement Shall Also Provide For Shareholders Rights Which Shall Include

i. Right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.

ii. Opportunity to participate effectively and vote in general shareholder meetings.

iii. Being informed of the rules, including voting procedures that govern general shareholder meetings.

iv. Opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.

v. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors.

vi. Exercise of ownership rights by all shareholders, including institutional investors.

vii. Adequate mechanism to address the grievances of the shareholders.

viii. Protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

"The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website"

Specified Securities and Shareholding Pattern

1. The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time within the following timelines –
   a. One day prior to listing of its securities on the stock exchange(s);
   b. On a quarterly basis, within twenty one days from the end of each quarter; and,
   c. Within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital: Provided that in case of listed entities which have listed their specified securities on SME Exchange, the above statements shall be submitted on a half yearly basis within twenty one days from the end of each half year
2. The listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.
3. The listed entity shall comply with circulars or directions issued by the Board from time to time with respect to maintenance of shareholding in dematerialized form.

Annual Report

1. The listed entity shall submit the annual report to the stock exchange within twenty one working days of it being approved and adopted in the annual general meeting as per the provisions of the Companies Act, 2013.
2. The annual report shall contain the following:
   i. Audited financial statements i.e. balance sheets, profit and loss accounts etc;
   ii. Consolidated financial statements audited by its statutory auditors;

iii. Cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3 or Indian Accounting Standard 7, as applicable, specified in Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or as specified by the Institute of Chartered Accountants of India, whichever is applicable;

iv. Directors report;

v. Management discussion and analysis report - either as a part of directors report or addition thereto

vi. for the top hundred listed entities based on market capitalization (calculated as on March 31 of every financial year), business responsibility report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time: Provided that listed entities other than top 100 listed companies based on market capitalization and listed entities which have listed their specified securities on SME Exchange, may include these business responsibility reports on a voluntary basis in the format as specified.

3. The annual report shall contain any other disclosures specified in Companies Act, 2013 along with other requirements as specified in Schedule V of these regulations.

Under Chapter IV “OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES” provides that provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognised stock exchange(s) either on the main board or on SME Exchange or on institutional trading platform

Composition of Board of Directors

1. The composition of board of directors of the listed entity shall be as follows:

   a. Board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors;

   b. where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors: Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors. Explanation.- For the purpose of this clause, the expression “related to any promoter" shall have the following meaning: (i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it; (ii) if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

2. The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.

3. The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances

4. The board of directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.

5. a. The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.

   b. The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

6. a. The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general meeting.

   b. The requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

   c. The approval of shareholders mentioned in clause (a), shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.

   d. Independent directors shall not be entitled to any stock option.

7. The minimum information to be placed before the board of directors is specified in Part A of Schedule II.

8. The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II.

9. a. The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures.

   b. The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.

10. The performance evaluation of independent directors shall be done by the entire board of directors: Provided that in the above evaluation the directors who are subject to evaluation shall not participate:

    The Regulations have specified that in case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in Chapter 2 shall prevail. In other words, it will not be enough to comply with the letter but it will be necessary to comply in spirit as well.

    Under Chapter IV the provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognised stock exchange(s) either on the main board or on SME Exchange or on institutional trading platform however the compliance with the corporate governance provisions as specified below

Regulation 17 - The composition of board of directors

(18) Audit Committee

(19) Nomination and remuneration committee.

(20) Stakeholders Relationship Committee

(21) Risk Management Committee

(22) Vigil mechanism.

(23) Related party transactions

(24)Corporate governance requirements with respect to subsidiary of listed entity

(25) Obligations with respect to independent directors.

(26) Obligations with respect to directors and senior management.

(27) Other corporate governance requirements.

And Clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V shall apply to the e extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.

It shall not apply in respect of

a. The listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year: Provided that where the provisions of the regulations specified in this regulation becomes applicable to a listed entity at a later date, such listed entity shall comply with the requirements those regulations within six months from the date on which the provisions became applicable to the listed entity.

b. The listed entity which has listed its specified securities on the SME Exchange: Provided that for other listed entities which are not companies, but body corporate or are subject to regulations under other statues

   However the corporate governance provision as specified above shall apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities and provision of Companies act shall apply wherever applicable

Disclosure of Events or Information.

Regulation 30 Provides for Disclosures to me made by listed entity of any events or information which, in the opinion of the board of directors of the listed company, is material.

1. Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.

2. Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.

3. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).

4. i. The listed entity shall consider the following criteria for determination of materiality of events/ information:

   a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or 27

   b. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; (c)In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.

   ii. The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

5. The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

6. The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay: Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

7. The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
8. The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation , and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.
9. The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.
10. The listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information: Provided that the stock exchange(s) shall disseminate information and 28 clarification as soon as reasonably practicable
11. The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
12. In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

Website

1. The listed entity shall maintain a functional website containing the basic information about the listed entity.
2. The listed entity shall disseminate the following information on its website:
   a. Details of its business
   b. Terms and conditions of appointment of independent directors
   c. Composition of various committees of board of directors
   d. Code of conduct of board of directors and senior management personnel
   e. Details of establishment of vigil mechanism/ Whistle Blower policy
   f. Criteria of making payments to non-executive directors , if the same has not been disclosed in annual report
   g. policy on dealing with related party transactions
   h. policy for determining 'material' subsidiaries
   i. details of familiarization programmes imparted to independent directors including the following details:-

I. number of programmes attended by independent directors (during the year and on a cumulative basis till date),

ii. number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and

iii. other relevant details

   j. the email address for grievance redressal and other relevant details;
   k. contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
   l. financial information including:

I. notice of meeting of the board of directors where financial results shall be discussed;

ii. financial results, on conclusion of the meeting of the board of directors where the financial results were approved;

iii. complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;

   m. shareholding pattern;
   n. details of agreements entered into with the media companies and/or their associates, etc;
   o. schedule of analyst or institutional investor meet and presentations made 41 by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;
   p. new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change; (q)items in sub-regulation (1) of regulation 47 .

3. a. The listed entity shall ensure that the contents of the website are correct.

b. The listed entity shall update any change in the content of its website within two working days from the date of such change in content.

Conclusion

Given above are some of the important highlights of the New listing agreement which has come in force from December 1, 2015.The alignment of the Listing Regulations with the Companies Act 2013 is a step in the right direction by SEBI and will go a long way in removing the ambiguity and confusion with respect to the Listing Regulations. Further, consolidation of different provisions of the listing agreements with respect to different securities is also a positive step and will ensure ease for companies who intend to list themselves on various stock exchanges.

-Prashant Makhija

The Securities & Exchange Board of India (Sebi) has reduced the listing timeline to 6 days from 12 days, shortening the wait for investors in initial public offers (IPOs) as part of several measures aimed at streamlining the system and reducing costs. It will be applicable to issues opening on or after January 1, 2016

SEBI had been aiming to boostfund raising from the market and reduce the timeline for listing of shares for a long time. In January 2015 the Securities and Exchange Board of India (SEBI) had introduced a discussion paper on 'Revisiting the capital raising process proposed e-IPO norms and welcoming public comments on the same. SEBI wanted to simplify the IPO process, lower their costs and help companies to reach more retail investors in small towns.

Objective of discussion paper was to further reduce the overall post issue timelines from T+12 days, to reduce the cost of public issuances and to broad –base the retail investors reach across the country for submitting applications. Discussion paper also laid out the proposed process,implementation of Mobile app for making bids in future and schedule of activities.

In furtherance to that SEBI released a press note on June 23, 2015 outlining key highlights of te decisions taken by the board.One of which was Streamlining process of public issues stating that:

1. ASBA (Application Supported by Blocked Amount), which refers to an application mechanism for subscribing to IPO with the bid amount blocked in a bank account rather than that being debited, will be applicable to all kinds of investor categories and all IPOs.
2. Registrar and Share Transfer Agents (RTAs) and Depository Participants (DPs) shall also be allowed to accept application forms (both physical as well as online) and make bids on the stock exchange platform
3. The shorter time period would come into effect from January 1, 2016. This was to help intermediaries and banks to modify their existing systems and train their staff and also enable the investors to adapt to the new system.

SEBI issued a circular dated November 10, 2015 providing detailed guidelines for stock exchanges and other market intermediaries.

Key highlights of the circular are:

- All intermediaries should co-ordinate with one another to ensure completion of listing of shares and commencement of trading by T+6.
- All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment, i.e.- just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms, thus obviating the need of writing cheques.

- Registrars, share transfer agents and depository participants can now accept application forms for public issues in both physical and digital form. This had been restricted to banks, syndicate members and brokers until now.
- Stock exchanges have been directed to provide alerts to investors by email and SMS to investors on application status.
- Commissi on payable to intermediaries has to be disclosed in the offer document.

Indicative Timeline Schedule for Various Activities

Due Date	Activity
Issue opening date to issue closing date (where T is issue closing date)	• Submission of application form by investor to SCSB/ syndicate member/ stock broker/ DP/ RTA • Acknowledgement by intermediaries as proof of acceptance • All the intermediaries to to capture and upload relevant details in electronic bidding system of SE. • SCSB bank may begin blocking of funds for applications submitted to them. • Validation of DP ID/ CL ID will be done by the Exchange with the depositories data by the EoD.
T	Issue Closes
T+1	• Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded. • Exchanges to send electronic bid details (which contain among other things, application number and amount) to registrar, which in turn has forward it to the concerned banks for validation and reconciliation. • Intermediaries (syndicate members, brokers, registrar and DPs) to send a schedule in prescribed format for banks to begin blocking of funds. • Designated bank branches shall not receive the schedule and applications after T+1 day.
T+2	• The issuer (company), merchant banker and registrar shall submit relevant documents to the stock exchanges for the purpose of listing permission. This would however, exclude, listing application, allotment details, demat credit and refund details. • Banks shall send confirmation of funds blocked under ASBA to the registrar by end of day. • Registrar will reconcile the data received from exchanges, reject multiple applications received from the same PAN (permanent account number) and prepare a list of technical rejections based on its technical rejection test.
T+3	Finalisation of technical rejection and minutes of the meeting between issuer, lead manager, registrar The registrar shall finalize the basis of allotment and submits it to the stock exchange for approval. On receipt of approval from the exchange, the registrar shall prepare a fund transfer schedule and along with the issuer initiates corporate action to carry out lock-in for pre-issue capital held with the depository. • Simultaneously the registrar along with the merchant banker shall issue fund transfer instructions to the banks.
T+4	• Depositories shall confirm the receipt of pre-issue capital to the registrar. • Banks shall credit the funds into the public issue account of the issuer and confirm the credit of funds. • Issuer to make the allotment of shares and along with the registrar initiates corporate action for credit of shares to successful allottees. • The issuer and registrar would file allotment details with the stock exchanges and also ensure that all formalities with the exception of demat credit are completed. • Registrar shall send bank wise data of allottees, amount due on shares allotted and balance amount to be unblocked to banks.
T+5	• The registrar to receive confirmation of demat credit from depositories. The registrar along with issuer shall then file confirmation of demat credit, lock-in and issuance of instructions to unblock ASBA funds with the stock exchanges. • The issuer shall then apply to the stock exchanges for permission to list and trade its securities. • On receipt of permission to list and trade from exchanges, the issuer along with the merchant banker and registrar has to issue an advertisement on allotment and date of commencement of trading in all newspapers which carried the advertisements related to issue opening/ closing. • Stock exchange(s) to issue commencement of trading notice.
T+6	• Trading commences

Six days for listing means six working days and excludes Sundays and bank holidays.

In this regard, necessary amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 have already been notified.

- Pari Vaya

The Weakening Wall of China

Mohit Sachdev

Any business or economic cycle has a natural phase of a slowdown.The law of large numbers applies to companies as well as nations: the bigger an economy gets, the harder it is to keep growing at a fast rate. Thus at a natural level, the Chinese growth rates (of the past three decades), which averaged 10% a year, would wane, was inevitable.

While high growth rates of China'seconomy made it a global superpowers, the resultant economic indicators are making economists and market observers 'nervous'. To understand this,requires a peek in the history of this economic growth.

1. **Super-Growth economy:** Growth is achieved through changes in labour, capital and productivity in the long run. When all three go up, growth rates are high as was the case in China.

   a) China saw a rapid industrialization and urbanization during the last 2 decade of previous century. This was achieved through combination of converting the existing population to labour, forming massive industrial zones for productivity and giving them capital equipment. This led to a huge export boom driven by cheap labour and improved productivity.

   b) In parallel, China invested huge amounts in infrastructure and real estate. These investments have been very productive in the early years. Urbanization also drove the need for real estate. A well networked infrastructure of good ports, rail and road system etc. also helped in increased productivity.

   c) The Chinese economy thus grew on two pillars of exports and physical assets (real estate and infrastructure) for more than two decades. This early success attracted more capital in these 2 areas which also got funded through debt.

   d) With the low hanging fruits in manufacturing/export wrangled out and obvious infrastructure already built, things begin to overshoot. Oversupply/ overinvestment became an issue sometime in the middle of last decade.

   e) This was further accentuated with slower world growth post 2008. A growing economy resulting in over-heating and subsequently plateauing for a slow-down are all universal phases. China, instead of realigning to slowing world growth announced policy actions to further extend the economic boom.

2. **Post 2008 Scenario:** As US, Europe and the World at large tackled the sub-prime crisis, asset bubbles and slow growth, China probably started slowing sometime in late 2007. To counter this, Chinese government announced one of the largest investment programs the world has seen.

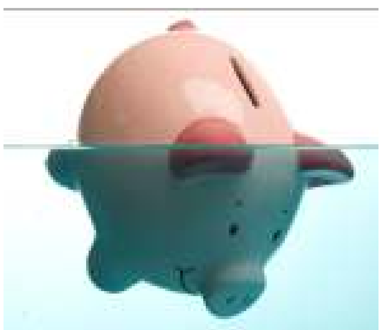
   a) With the stimulus package, local governments invested further in real estate and infrastructure development to new heights. These were huge stimulus to the economy as cheap capital in he from of borrowing was being used to create real assets. However, return from the assets got overlooked in the short run.

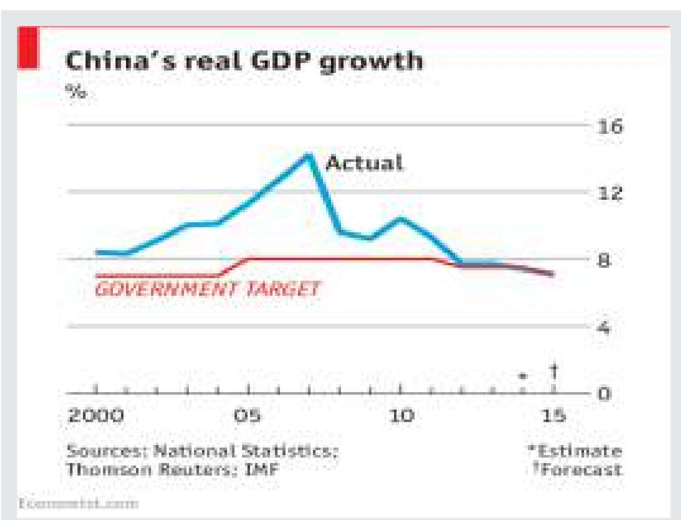
b) To understand the above, one need to understand that China has maintained a 'closed' capital account. Thus Chinese banks have huge deposits out of money flowing into the country (via export etc.). Debt financing became an easy option as interest rates on deposits are maintained at lower than inflation rate. Moreover, State has ownership of Banks and hence loans are made largely through relationships or under the direct order of the state.

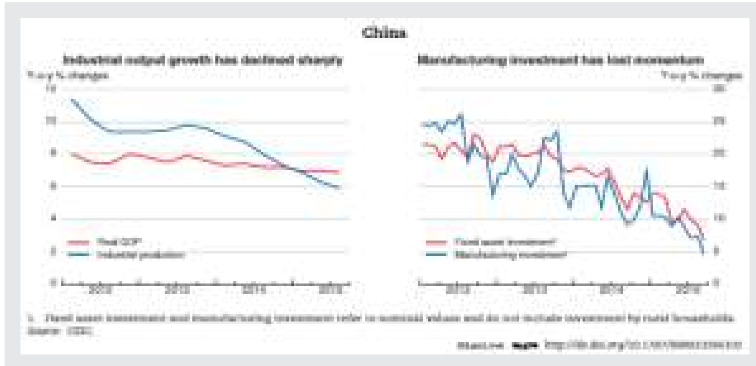
c) With huge misallocation of capital in infrastructure and real estate prices escalating beyond reach, social unrest started to emerge by 2011. The central government started to clamp down on bank lending. However, local government and private/state-owned enterprises found new ways to keep borrowing; and banks found new ways to keep lending, directly or indirectly, through China's rapidly developing shadow banks (local government finance vehicles, trusts, credit guarantee companies, etc.). This resulted in piling up of debt.

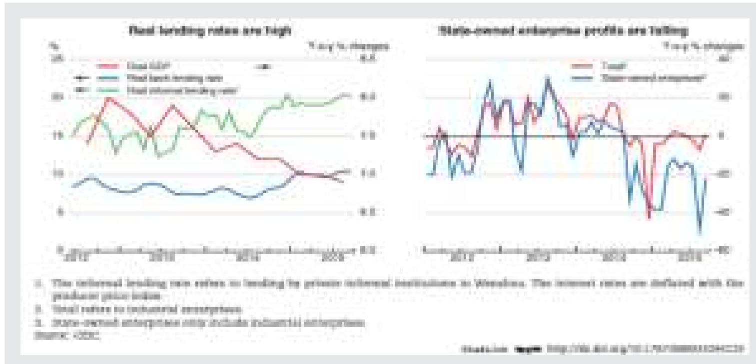
d) China's debt has grown from US$7trn to US$28trn during the period 2007-15. The ratio of Debt to GDP is estimated around 250-300%. To relate to global numbers, China's has a debt of around 33% of global GDP.

e) In the recent past, the government is trying to shift the focus of growth from asset creation to consumption led growth.









In nutshell, Chinese economy is today staring at:

a) China's working-age population peaked in 2012.

b) Investment looks to have topped out (at 49% of GDP, a level few countries have ever seen).

c) Finally, China's technological gap with rich countries is narrower than in the past, implying that productivity growth will be lower, too.

d) Total debt (including government, household and corporate) has climbed to about 250 - 300% of GDP.

e) China's inventory of unsold homes sits at a record high. The real-estate sector, which previously accounted for some 15% of economic growth, could face outright contraction.

f) New property starts fell by nearly a fifth in the first two months of 2015, compared with the same period a year earlier.

Steps taken for future:

a) The current administration is focussing the economy away from manufacturing to create a higher share of services.

b) The fall in commodity prices had reduced the import bill which is further building the strong trade surplus,

c) The Communist Party of China unveiled a draft of the 2016–2020 Five Year Plan at the party's fifth plenum that was held from 26 to 29 October.

d) Authorities have committed to upgrade the country's manufacturing sector in order to improve China's value chain, have ended the one-child policy and have focussed on increasing the contribution of domestic consumption.

All these steps are structural shifts in the components of economy and their growth. However such shifts will take time and will also be a drag on any rebound of growth on account of earlier components of economy. Disposal of housing inventories will take time, even though Real estate investment is bottoming out. Overhang of huge debt need not precipitate in an acute crisis, since China has an advantage of 'closed financial system', but the country may need even longer time to clean up its bad debts.Consumption is set to remain robust. Food and services prices are rising, but the absence of price pressures in other areas will keep consumer price inflation low.

In the current year, China is clocking a growth rate of around 7%, but it may decline gradually to 6.2% by 2017.

The need of the hour areprudent policies, both Fiscal and Monetary, targeting the re-balancing of the economy, which will lead to long term, inclusive and sustainable growth.Public spending should move to upgrading skills, value chain and increasing share of services. Reforms for social security net and pension need to be stepped up.

Chairman of Federal Reserve, Mr. ALAN GREENSPAN once joked, "If you understood what I said, I must have misspoken".

Who knows if China's GDP is really growing at 7%? Government in the know-how of the issues has to perform the balancing act of increasing share of other components of economic growth and not just the engines of real estate and

infrastructure and that is going to take time.

For us the lesson in learning is that improved productivity of HUMAN CAPITAL and an OPTIMAL CAPITAL STRUCTURE (equity with right amount of debt) still remains the story of success for a growing organisation.

Author is a Director &CEO of Sarthi Advisors Pvt Ltd.

The author has relied on data, articles and views published on the internet from time to time by magazines, agencies and experts, for the above article.

Portfolio Management Services (PMS)

Portfolio management services have evolved over last one decade to become one of the top investment vehicles in Indian capital markets. At present there are several domestic and foreign players in this space which continues to grow rapidly. The assets under management (AUM) of portfolio management services (PMS) have seen an uptick with the market's rise. The AUM for discretionary PMS rose to Rs 67,300 crore as on end-April 2015 from Rs 45,584 crore a year before, show data from the Securities and Exchange Board of India (Sebi).

PMS is a tailor-made professional service offered to cater to the investments objective of different investor classes. The investment solutions provided by PMS cater to a niche segment of clients. PMS allow investors to customise portfolios, depending on risk appetite and returns expectation. The clients can be individuals or institutional entities with high networth. Simply put, a portfolio management service provides professional management of client's investments to create wealth.

The portfolio manager creates the portfolio of stocks (or fixed income instruments/debentures) for the investor. The minimum investment amount is Rs 25 lakh which can be paid in either cheque/bank transfer or stocks worth this much. The portfolio of stocks bought for the investor are then kept in a demat account opened in the investor's name only, and can be transferred back to him in case he decides to close his PMS account. This is one of the main differentiating features between a PMS and mutual fund where an investor exiting will see his MF units being liquidated and he would only receive the monetary value of those liquidation proceeds. Also, PMS as a platform can be used to implement more flexible, concentrated and customised strategies, unlike MFs where there are clear guidelines from the regulator. While there is a limit on exposure to individual stocks in a mutual fund, a PMS portfolio can make a far more aggressive allocation to any particular stock if he so decides.

With the market experiencing volatility, PMS could be a better option than direct investment for savvy high net worth individuals (HNIs). Thus PMS provides a hassle-free, transparent and customised platform for investor participation in equity markets. For those investors who are actively tracking the markets and like to understand how their money is being managed, PMS offers a great platform.

Launch of Acepro Advisors

AcePro is the asset management initiative by Sarthi Group, Sarthi has been in existence for over 6 years and founded by financial services veterans, who have strong presence in Investment Banking, Merchant Banking, corporate advisory, Angel funding and wealth management

Acepro Advisors, a Portfolio Management Services (PMS) provider has been launched with an endeavor to provide customer multi-strategy investment plan to suit their customized needs. Acepro Advisors Pvt. Ltd. is a licensed portfolio manager regulated by the Securities and Exchange Board of India (SEBI). The team has more than 2 decades of experience in capital markets. The objective is long-term wealth creation for clients by investing in the right opportunities at right time. Apart from well researched and excellent fund management Acepro has also availed external advisory from some of the best fund managers.

- AcePro intends to offer over a period of time, thematic strategies themes ranging from large cap, small & mid cap, flexi cap, focused series etc. to suit the specific need of our investors
- AcePro offers a multi-manager platform with more choice of portfolios to suit your needs and risk appetite
- Funds are managed by experienced Fund Managers along with strong external advisory panel who use sound investment strategies to invest your money smartly

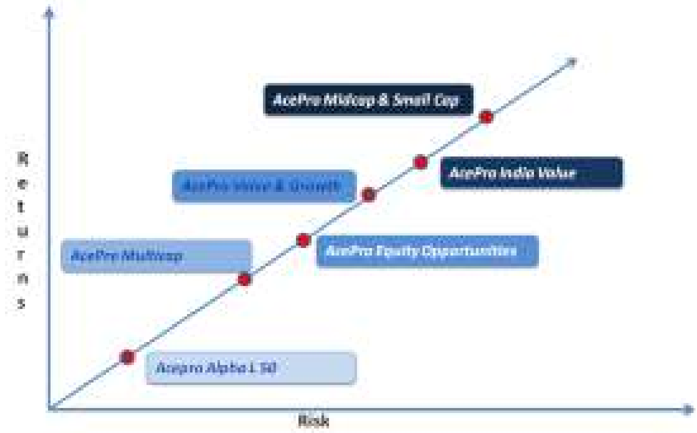
- AcePro products combine the benefits of professional money management with the flexibility, control and potential tax advantages of owning individual stocks or other securities
- AcePro takes care of all the administrative aspects of your portfolio with a monthly or semi-annual reporting on the overall status of the portfolio and performance
- The Fund Managers and research team keep a constant watch on your money. This team knows exactly how your money is performing through continuous monitoring
- With total portfolio transparency, in-depth market information for better decision making and direct access to the portfolio management team, makes it hassle free way to invest in markets

Advantage of Investing with Acepro Advisors

- Uniqueness – Unique platform to have multiple choice of investment strategy
- Proven track record of strategies
- Cost Efficient
- Professional Management
- Well-researched & unbiased
- Goal oriented
- Complete online access to your account
- Disciplined adherence to investment philosophy / process
- Team bandwidth and experience
- Strong relationships and industry interfaces
- Comprehensive understanding of Indian businesses and industries

Products Offered

Acepro offers various strategies ranging from large cap, small & mid cap, multi cap, etc. to suit specific needs investors based on their risk appetite. One can choose multiple strategies and can even realign their strategies once in a quarter.



About Sarthi Group

Sarthi Group is a multi year award winner in financial services, founded by senior professionals from financial services.Sarthi Group offers a complete range of Customized Financial Solutions to Individuals and Corporate under one roof. We seek to be a major catalyst and driver in creating a robust and vibrant entrepreneurial eco system in India through our various initiatives in Investment Banking, Merchant Banking, Advisory Services, wealth management and Angel Funding Network.

KKR inks $105mn deal to buy 70% stake in Avendus Capital

Global investment powerhouse KKR has signed a definitive agreement to acquire over 70% stake in homegrown investment bank Avendus Capital, valuing the Mumbai-based firm at $175 million. The deal will help Avendus, which emerged as India's top deal advisory firm last fiscal, to scale up its services in wealth management and private equity, besides expanding into NBFC offering credit solutions.

KKR will initially buy a 60% stake and has a road map to increase it to 70% in the next 12 months. Middle East investor Eastgate Capital, Spain-based Harish Fabiani and several HNIs are exiting as part of the transaction pegged at around $105 million. KKR will invest $70 million as fresh capital in Avendus "We are excited to back the three Avendus founders to build a scaled-up world class merchant bank catering to India's growing mid-market entrepreneurial ecosystem," said Sanjay Nayar, member & CEO, KKR India.

Tenon acquires 51% stake in Singapore-based Frontline Security

Facility management and security services provider Tenon Group has acquired a 51 % stake in Singapore-based security service company Frontline Security Pte Ltd for Rs 19 crore (£1.9 million or $2.8 million) in an all equity deal, the company said in a statement. Tenon will invest more capital to acquire additional 25 % stake to achieve 76 % of the total paid up capital in three years. “This acquisition aligns with our strategy to be a global leader in the security and facility management domain by providing credible services with leading technology. The acquired firm is positioned to capture growth opportunities created by the rapidly evolving security industry,” said Major Manjit Rajain, group chairman, Tenon Group.

Adani Group to buy L&T's Kattupalli Port

Adani Ports and Special Economic Zone (APSEZ), an arm of the Ahmedabad-based Adani Group, has agreed to acquire a strategic stake in Kattupalli Port in Tamil Nadu from L&T Shipbuilding Ltd (LTSB) a subsidiary of Larsen & Toubro Ltd, for an undisclosed amount, as per a stock market disclosure. APSEZ, though its subsidiary AdaniKattupalli Port Pvt Ltd, has entered into an arrangement with LTSB to take over the operations of the port, which started commercial operations in January 2013. The proposed acquisition is, however, subject to receiving approvals from the Tamil Nadu and central governments, and the port being demerged from LTSB.

Virtusa to buy majority stake in Polaris for $178M

NASDAQ-listed US IT consulting firm Virtusa Corporation has agreed to buy a majority stake in Polaris Consulting & Services Ltd from its promoter Arun Jain and others including key stakeholder Citigroup for Rs

1,173 crore ($178 million). Citigroup became the shareholder of Polaris through merger of its BPO arm OrbiTech with the Indian firm in 2002. Polaris was reportedly on the block for years. The Chennai-based firm focuses on digital transformation particularly in the financial services industry. Organised into six client-centric units and multiple solution-centric units across the world, Polaris employs over 7,600 people.

Mother's Recipe buys Elmac Agro Manufacturing for $3.8M

Pune-based packaged foods brand Mother's Recipe has acquired Kolkata-based ELMAC (Elmac Agro Manufacturing) for Rs 25 crore as part of its expansion strategy. This alliance, valued at 1.9 times the sales turnover which was Rs 200 crore in FY15, will help Mother's Recipe capture a larger market share in the domestic packaged food industry in the East, said Sanjay Desai, Executive Director of Desai Brothers, which owns Mother's Recipe.

The company is eyeing a growth of 30 per cent in the current fiscal and in the next three years it is targeting a sales turnover of over Rs 70 crore under ELMAC brand from the region," he added. Over a period of time, Mother s Recipe is looking at growing their volumes from Kolkata and the eastern region, which currently contributes about 20 per cent of their domestic sales, Desai said.

Blue Star buys 51% stake in W J Towell's Oman arm

Engineering conglomerate Blue Star Ltd today announced that it has acquired 51 per cent stake in Oman Electro Mechanical Contracting Co LLC (OEMC), a 100 per cent subsidiary of W J Towell& Co LLC. The joint venture entity called Blue Star Oman Electro-Mechanical Company LLC (Blue Star Oman) will offer Mechanical, Electrical & Plumbing (MEP) contracting services in Oman, a statement said. The current MEP market in Oman is around USD 350 million and the Blue Star Oman aims to acquire in excess of 10 per cent market share in the next couple of years with a focus on residential, commercial, industrial and infrastructure projects. Blue Star Oman also plans to expand into the after-sales service business in Oman, the release said.

Astral Poly completes acquisition of Resinova Chemie

Astral Poly Technik Ltd has completed the acquisition of the balance 24 per cent equity stake in specialty chemicals manufacturer ResinovaChemie Ltd from its founder Vijay Parikh. The company, which manufactures chlorinated polyvinyl chloride (CPVC) plumbing systems, paid about Rs 73 crore (about $11 million) for the purchase, according to a stock market disclosure. In a parallel development, it made an allotment of 1.38 million equity shares on preferential basis to Parikh, who had founded Kanpur-based ResinovaChemie in 1995, at a share price of Rs 425.93 apiece, aggregating Rs 59 crore (approximately $9 million).

Astral Poly had acquired 76 per cent equity stake in ResinovaChemie for Rs 212.8 crore (around $34 million then) in November last year, valuing Resinova at Rs 280 crore (nearly $44.7 million). Taking this as the benchmark, the value of the balance 24 per cent would have been around Rs 67.2 crore (a little over $10 million). Astral Poly now has paid a tad more than this.

HCL Technologies buys US CRM services firm PowerObjects for $46M

HCL Technologies Ltd, India's fourth-largest software services firm, has acquired Minneapolis-based customer relationship management (CRM) services provider PowerObjects for $46 million (about Rs 300 crore), as per a stock market disclosure. The deal – HCL's third acquisition this month – will bolster the company's global applications business. “This acquisition enables HCL to take advantage of the rapidly growing global CRM industry, as Microsoft Dynamics is one of the fastest growing CRM products in the market,” the Indian company said in the statement.

Sonata Software to acquire US-based IBIS for $14M

IT consulting and software services company Sonata Software Ltd has entered into an agreement to acquire US-based supply chain software and services provider Interactive Business Information Systems Inc (IBIS) for about $14 million (Rs 91 crore), as per a stock market disclosure. The company will pay an upfront payment of $8.6 million in cash and $5.4 million earn-outs payable by the end of 2017.

The acquisition will augment the global presence for Bangalore-based Sonata Software, which receives a large chunk of its revenues from reselling software in India and is a major reseller of Microsoft software.

Cipla to sell 25% stake in Hong Kong-based biosimilars JV Biomab

Mumbai-based drugmakerCipla Ltd has agreed to divest its entire 25 per cent equity stake in Hong Kong-based biosmilar drug company Biomab Holding Ltd (BHL) to its JV partner Biomab Brilliant Ltd for $25.7 million (about Rs 168 crore), according to a stock market disclosure. Following the completion of the stake sale, BHL will be completely owned by Biomab Brilliant. The deal is, however, subject to conditions precedent and receipt of applicable regulatory and other approvals. The move

to sell stake in BHL is part of Indian drugmaker's efforts to focus on biological segment under its arm CiplaBioTec.

The deal, one of the biggest overseas buys by an Indian drugmaker, has been routed through its UK arm Cipla EU that has signed definitive agreements with the two companies for the acquisitions, subject to certain closing conditions.

Max to buy 51% stake in BK Modi-controlled Saket City Hospital

Max Healthcare Institute Ltd, an equal joint venture between Max India Ltd and South Africa-based Life Healthcare, has decided to acquire 51 per cent equity stake in Delhi-based Saket City Hospital Pvt Ltd from Singapore-based BK Modi Group company Smart Health City Pte Ltd, it said on Wednesday. Financial details of the transaction, however, are not disclosed.

Following the completion of the deal, which is subject to regulatory approvals and other conditions, Saket City Hospital will be re-branded as Max Smart Super Speciality Hospital.

Gammon to sell 75% stake in T&D unit to Bilav Software

Mumbai-headquartered engineering and construction company Gammon India Ltd has agreed to divest 75 per cent equity stake in Transrail Lighting Ltd, which houses its tower and conductor manufacturing business, to financial information services provider Bilav Software Pvt Ltd, as per a stock market disclosure.

The two companies have signed an investment cum shareholders agreement. As per the pact, Bilav Software will pick 75 per cent equity stake in Transrail Lighting from Gammon for an undisclosed amount and will separately infuse Rs 47 crore in two tranches in the firm by subscribing to optionally convertible debentures. The two companies have signed an investment cum shareholders agreement. As per the pact, Bilav Software will pick 75 per cent equity stake in Transrail Lighting from Gammon for an undisclosed amount and will separately infuse Rs 47 crore in two tranches in the firm by subscribing to optionally convertible debentures. FTIL sells 5.46% stake in IEX to Milltec Machinery unit

Mumbai-based Financial Technologies (India) Ltd has sold a 5.46 per cent stake in Indian Energy Exchange Ltd (IEX) to a subsidiary of agri-processing equipment maker Milltec Machinery Pvt Ltd. Milltec is also a portfolio company of PE firm Multiples, an existing investor in IEX.

According to a stock market disclosure, FTIL has sold the stake to Agri Power and Engineering Solutions Pvt Ltd by transferring 16,55,557 equity shares. Although the value of the transaction was not disclosed, given the valuation in its recent share sales, the deal would be worth Rs 117.4 crore ($18 million).

Talwalkars buys 49.5% stake in Sri Lanka's Power World Gyms

Mumbai-based fitness chain company Talwalkars Better Value Fitness Ltd has entered the Sri Lankan market by acquiring a 49.5 per cent stake in Power World Gyms Ltd (PWG) for an undisclosed amount in cash. PWG operates seven gyms in and around Colombo under the brand 'Power World' and manages three in-house gyms for Sri Lankan companies. It claims to have about 8,100 members. Sri Lanka's fitness industry is highly fragmented as only a few organised players cater to an estimated 1,00,000 gym members in the island nation.

Crompton Greaves to sell Canadian power transformer business for $15M

Electrical equipment maker Crompton Greaves Ltd said on Tuesday it has agreed to sell its power transformer business in Canada to PTI Holdings Corp for about C$20 million ($15.18 million, or Rs 99 crore). The deal is subject to regulatory approvals, the GautamThapar-promoted Avantha Group company said in a stock market disclosure. In September, the group's paper arm Ballarpur Industries Ltd agreed to offload its entire stake in loss-making Malaysian unit Sabah Forest Industries Sdn to PandawaSakti (Sabah) SdnBhd, Malaysia, for an enterprise value of $500 million.

- Tejnaksh Healthcare run an Institute of Urology, an ISO certified the international level Urology hospital. It came up with the issue of Rs 2.43 cr on BSE SME exchange on Sep 2015 at issue price of Rs 80 per share. The issue was subscribed 1.37 times, of which retail was 0.73 times. The objects of the issue were to meet the expansion and development of hospital of the company, general corporate expenses and issue expenses of Rs 1.50 cr, Rs 0.60 cr and Rs 0.33 cr respectively.
- Incorporated in 2009, Cawasji Behramji Catering Services Ltd is engaged in the business of providing food catering & housekeeping services, both in India and abroad. The company came up with the issue of Rs 1.86 cr on BSE SME exchange on Sep 2015 at issue price of Rs 14 per share. The issue was subscribed by 1.95 times, by retail investor was 0.73 times.
- Patdiam Jewellery Ltd is engaged in the business of designing, manufacturing and marketing various jewelry's made out of gold, platinum with studded diamond, precious and semi-precious stone. The company came up with the issue of Rs 5.0 cr on BSE SME exchange on Sep 2015 at issue price of Rs 38 per share. Company raised the funds to meet working capital requirement and issue expenses. The issue was subscribed by 1.99 times of which retail investor was 1.38 times and other than retails was subscribed by 2.71 times.
- Bella Casa Fashion & Retail Limited is Jaipur based company engaged in the business of manufacturing of Bed sheets, Quilts, home furnishing textile items, printed/dyed furnishing fabrics and garments. The company came up with the issue of Rs 3.43 cr on BSE SME exchange on Sep 2015 at issue price of Rs 14 per share. Company raised the funds to meet working capital requirement and issue expenses. The issue was subscribed by 1.65 times by the retail investors.
- Vishal bearing raised Rs 3.24 cr by listing its share on BSE SME exchange at issue price of Rs 25 per share. Vishal Bearings Ltd is Rajkot, Gujarat based manufacturer of bearing rollers. Company manufactures taper bearing rollers, cylindrical bearing rollers, spherical bearing rollers and supply it to reputed bearing manufacturer and OEM across India. Company raised the funds to meet working capital requirement and issue expenses. The issue was subscribed by 2.52 times of which retail investor was 2.51 times and non retails were subscribed by 2.55 times.
- Vaksons Automobiles is authorised dealer for Force Motors Ltd. Company sell and service Light Commercial Vehicles (LCV), Multi-Utility Vehicles (MUV), Small Commercial Vehicles (SCV Vehicles). Company raised Rs 6.24 cr by listing its share on BSE SME exchange at issue price of Rs 26 per share. The object of the issue was to meet finance for setting up of vehicle service centre at Sonepat, long term working capital requirements, invest in subsidiary company - Vaksons Metaplast Pvt. Ltd, issue related expenses, and general corporate expenses.

Forthcoming IPOs

Name of the Company	Exchange	Issue Size (Rs. crore)	Issue Price (Rs. Per Share)
Worth Infra Industries Limited	BSE	4.61	20
Narayani Steels Ltd	BSE	11.52	32
Ganga Pharmaceuticals Limited	BSE	1.54	15
Malaika Appliances Ltd	BSE	2.88	24
Ajmera Pharmasure Ltd	BSE	12.8	85
Relicab Cable Manufacturing Ltd.	BSE	4.01	20
DIGGI Multitrade Limited	BSE	2.60	10
Sylph Education Solutions Limited	BSE	4.80	12
Ghushine Fintrrade Ocean Ltd	BSE	2.60	10

Swachh Bharat: SMEs engaged in cleaning equipment manufacturing see 30% rise

Prime Minister NarendraModi'sSwachh Bharat mission has indeed made a mark, at least going by the boom in the business of cleaning gears.

Small and medium enterprises (SME) engaged in manufacturing of cleaning equipment such as scrubbers, wipers, twist mops and street brooms have seen an uptick of up to 30 % in business since October 2, 2014 when the Swachh Bharat Abhiyan, or clean India mission, was launched. "SMEs faced a problem in entering modern retail because of the terms set by retailers. But, due to Swachh Bharat Abhiyan, awareness has spread across India and particularly in rural parts of the country," said Abhineet Gupta, di rector of Fantasy Creation, which manufactures cleaning equipment under the brand name Funclean and also sells products through e-tailers such as Flipkart and Amazon. Gupta sai his company's growth rate has leaped up to 15 % from 5-10 % the previous year. ..

Industry estimates peg size of the cleaning equipment and chemicals business at Rs 16,500 crore. The sector is driven largely by small and medium enterprises.

India's CPI inflation accelerates

October CPI inflation accelerated to 5% (YoY) from Sep's 4.4% on higher food prices and fading base effects. Headline readings are off the sub-4% trough in Jul-Aug, with base effects and pipeline food pressures to keep inflation above 5% in 4Q15 and first quarter next year.

Food price inflation quickened to 5.3% (YoY) from Sep's 4.3% and accounted for more than four-fifth of the jump in headline inflation (contribution basis). Retail data had seen prices of staples/ cereals stabilise but were more than offset by a sharp rise in pulses alongside firm vegetables. Pulses jumped 42% in Oct double the average 21.6% pace in the past six months. This component single-handedly accounted for half of the increase in the headline CPI. Below-normal rains and shifts in sowing patterns have pushed up pulses/ lentils costs sharply in the past quarter, necessitating a step-up in imports and administrative measures to quell prices. Vegetable prices meanwhile rose 2.4% in Oct, from a flat print month before.

Amongst non-food components, inflation was broadly steady. Global crude prices remained low, which weighed on the related sub-components, especially transport and communication. The latter declined 0.4% (YoY) down from average 0.2% in Apr-Sep15. Contribution by other service sector segments also flatlined, while core CPI stabilised around mid-5%. The other aspect that is in focus is the varying pace of rural and urban inflation. Oct rural inflation rose 5.5%, outpacing urban at 4.3%, with the sub-components also revealing a stronger run-rate in the former, apart from food. This divide will add to the central bank's calls for the government to ease structural bottlenecks and improve rural infrastructure to calm rural price pressures.

Industrial production growth falls for a 4-month low

Industrial production growth fell to four-month low of 3.6% in September due to subdued performance by manufacturing and non-durable consumer goods segments.Industrial output growth, measured in terms of the Index of Industrial Production (IIP), was also revised slightly downwards to 6.2% for August from provisional estimate of 6.4% released earlier.

The factory output had grown by 2.6% in September last year.Industrial output was at 4% in April-September 2015 against 2.9% in the year-ago period, according to the data released by the Central Statistics Office (CSO). The manufacturing sector, which constitutes over 75% of the index, grew by 2.6% in September, 2015, against 2.7% expansion in the same month last year.

The output of consumer non-durable goods contracted 4.6% in the month under review against a growth of 1.3% in September 2014. The mining sector growth was at 3% in September 2015 against 0.1% in the same month last fiscal. Capital goods output, a barometer of investment, grew at 10.5% against a growth of 12.3% in the same month last year. Power generation grew at 11.4% in September against 3.9%, in the same month a year ago.

In terms of industries, 11 out of 22 groups in the manufacturing sector showed positive growth in September. Overall consumer goods output grew by 0.6% in September 2015 against a contraction of 4% in the same month a year ago.Consumer durables output grew at 8.4% in September 2015 against a contraction of 11.1% in the same month a year ago. Basic goods output grew by 4% in September compared to 5% growth a year ago, whereas intermediate goods output grew by 2.1% in the month under review as compared to 2% growth in the same period last year.

During April-September period, manufacturing sector grew at 4.2% as compared to 2.2% growth in same period a year ago. Capital goods output grew by 7.9% as compared to 6% in the year-ago period. Power generation grew 4.5% during April-September 2015, against 10.4% in same period a year ago. Mining sector grew at 1.5% during the period.

Overall consumer goods output grew by 2.4% compared to a decline in production by 2.4% in April-September 2014. Consumer durables sectors grew by 7.6% compared to a contraction of 12.5% in corresponding period. The output of consumer non-durable goods declined by 0.9% against a growth of 1.9% in April-September 2014.

Tamil Nadu ranks top on investment proposals filed by MSMEs: ASSOCHAM

Tamil Nadu has ranked top in attracting the investment proposals filed by the micro, small and medium enterprises, industry body Assocham has said. "Tamil Nadu garnered highest share of over 32 % in the total number of over 3.62 lakh entrepreneurs memorandum filed the MSMEs across India in 2013-14", the chamber said in its study - States Emergence: A comparative analysis of growth and development.

Gujarat, Uttar Pradesh, Karnataka, Maharashtra followed Tamil Nadu in attracting investment proposals at 16.2 %, 12.5 %, 7.2 % and 5.5 %, respectively. In terms of memorandum received from MSMEs, Tamil Nadu has registered over 100 % growth to 178.5 % from 41,800 applications in 2009-2010 to 1.16 lakh in 2013-14. Annually, the memorandum filed by entrepreneurs grew by 29 %, it said.

Deflationary pressure eased, Inflation rate at (-) 3.81% in October

Deflationary pressure eased a bit with inflation rate moving up slightly to (-)3.81% in October as pulses, vegetables and onion turning costlier.This is 12 month in a row when the inflation at wholesale level remained in the negative territory. It has been in the negative zone since November last year.The Wholesale Price Index-based inflation was (-)4.54% in September. In October last year, it was 1.66%.

Pulses and Onion among the food items category turned costlier with inflation at 52.98% and 85.66% respectively during October. The rate of price rise in case of vegetables was at 2.56% as against (-)19.37% in the same month last year, as per official data released today.

Besides pulses and onion, the food items which became dearer during the month were milk (1.75%) and wheat (4.68%). However, inflation rate in case of potato was in the negative zone, (-)58.95%. Inflation rate in fuel and power segment was (-)16.32%, while that in manufactured products was (-)1.67% in September. Inflation for August has been revised to (-)5.06%, from the provisional estimate of (-)4.95%.

The Reserve Bank would take into account WPI number for October while deciding on policy rate in its December 1 monetary policy review. RBI mostly tracks the Consumer Price Index-based retail inflation for its monetary policy decisions. Rising for the third straight month, retail inflation has climbed to 5% in October, as against 4.62% in the same month a year ago due to costlier pulses and other food items. RBI Governor Raghuram Rajan earlier this month had said that the central bank is comfortable with the current rate of interest till further room is available. In September, RBI had reduced interest rates by more than expected 0.50% and said it expects CPI inflation to reach 5.8% in January 2016.

Source: *Economic Times , DNA news*

Valuation of Business

In this section let us discuss a very dynamic and interesting topic “Valuation of Business “and try to unfold the mystery about the valuation.Every asset, financial as well as real, has a value at any given point of time. The key to successfully investing in and managing these assets lies in understanding not only what the value is but also the sources of the value. Any asset can be valued, but some assets are easier to value than others and the details of valuation will vary from case to case.

Thus, the valuation of a share of a real estate property will require different information and follow a different format than the valuation of a publicly traded stock. What is surprising; however, are not the differences in valuation techniques across assets, but the degree of similarity in basic principles. There is undeniably uncertainty associated with valuation. Often that uncertainty comes from the nature of the asset being valued and other parameters like market condition, condition of economy, government policies, and business cycle.

A business owner may believe that the business connection to the community it serves is worth a lot. An investor may think that the business value is entirely defined by its historic income.In addition, economic conditions affect what people believe a business is worth. Valuation is fully dependent on the nature of business, assumptions and logics taken for to arrive at a particular value. Value arrived from the various methods may differ with respect to the parameters considered in the process used in different methods.

Why we need to value the business

There are many circumstances where valuations of business/assets are being done to supplement the motive of valuation, circumstances as given below.

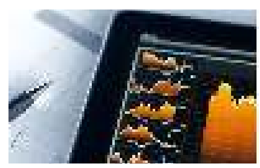
- Merger & Acquisition
- Raising of capital
- Initial public offering
- Employee stock options
- Entry and exit by investor

Methods and Techniques of Valuation

There are many methods that can be used for the valuation of business or a particular asset, in the current financial world various methods are used by various analyst to perform valuation and very one has its own sets of logic and assumptions to support the method.

So let as discuss the methods that are commonly used for the valuation, as per International Financial Reporting Standards (IFRS -13), following are the methods that can be used for valuation:

- **Market Approach:** Uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities (e.g. a business)
- **Cost Approach:** Reflects the amount that would be required currently to replace the service capacity of an asset (current replacement cost).
- **Income Approach:** Converts future amounts (cash flows or income and expenses) to a single current (discounted) amount, reflecting current market expectations about those future amounts.



Apart from above methods there are methods like relative price multiple, contingent claim method and precedent transaction analysis etc.

Market Approach Method(Comparable)

The market approach to business valuation is rooted in the economic principle of competition, that in a free market the supply and demand forces will drive the price of business assets to certain equilibrium. Buyers would not pay more for the business, and the sellers will not accept less, than the price of a comparable business enterprise. The buyers and sellers are assumed to be equally well informed and acting in their own interests to conclude a transaction. It is similar in many respects to the "comparable sales" method that is commonly used in real estate appraisal.

The market price of the stocks of publicly traded companies engaged in the same or a similar line of business, whose shares are actively traded in a free and open market, can be a valid indicator of value when the transactions in which stocks are traded are sufficiently similar to permit meaningful comparison.

The Market Approach involves valuation methods that use transactional data to help determine a company's value. These methods might involve private company transactions, public company transactions, as well as public company valuation measures using current stock market data. The theory behind this approach is that valuation measures of similar companies that have been sold in arms-length transactions should represent a good proxy for the specific company being valued.

Steps Involved in Comparable

1. **Select the Universe of Comparable Companies:** The selection of a universe of comparable companies for the target is the foundation for performing trading comps. While this exercise can be fairly simple and intuitive for companies in certain sectors.
2. **Locate the Necessary Financial Information:** Once the initial comparable universe is determined, locates the financial information necessary to analyze the selected comparable companies and calculate key financial statistics, ratios, and trading multiples.
3. **Spread Key Statistics, Ratios, and Trading Multiples:** Variety of ratios and other metrics measuring profitability, growth, returns, and credit strength are also calculated at this stage like P/E, P/Sales, EV/EBITDA, EV/Sales and others. Selected financial statistics are then used to calculate trading multiples for the comparables.
4. **Determine Valuation:** The trading multiples of the comparable companiesserve as the basis for deriving a valuation range for the target. The bankertypically begins by using the means and medians for the relevant trading multiples say EV/EBITDA as the basis for extrapolating an initial range. Thehigh and low multiples for the comparables universe provide further guidancein terms of a potential ceiling or floor. The key to arriving at the tightest, mostappropriate range, however, is to rely upon the multiples of the closest comparables.

Merits of Market Approach Method

1. It reflects market behavior, ability to report the value as trading in the current market scenario.
2. It's an easy method and widely used as well as understood.
3. Courts and other competitive authority accords highest weight to this approach of valuation.
4. Least adjustment is required in this method, as data is publicly available and is being reported in accordance with various standards set by respective authorities.

Demerits of Market Approach Method

1. Difficult to get sufficient data for small company as comparables will be very limited.
2. Sales are always taken historical that may not reflect the future visions.
3. Accuracy of the method depends upon the appraiser's ability to recognize differences, and to make the proper adjustments for those differences.

Cost Approach Method

The Cost Approach, also known as the Asset-based Approach, involves methods of determining a company's value by analyzing the market value of a company's assets. This valuation approach often serves as a valuation floor since most companies have greater value as a going concern than they would if liquidated, i.e., the present value of future cash flows generated by the assets usually far exceed the liquidation value of those assets. This difference between the asset value and going concern value is commonly referred to as "goodwill". An exception to this might be a low-margin business in a competitive industry that owns its real estate, which has appreciated over time due to its development value. In this case, the asset value may exceed the going concern value of the business.

The approach uses the books of the company to identify the fair value of the assets, both tangible and intangible, and the liabilities to determine a net value for the company.

The Asset Approach is broadly considered to yield the minimum benchmark of value for an operating enterprise as it computes the value of business on the basis of its assets. Under Asset Approach, Fair Value could be arrived at through various methods and the following are the three commonly used ones depending on the exact facts such as start-up company, liquidation situation and the like:

- Under Book Value Method, assets & liabilities are valued at book values.
- Net Asset Value represents net equity of the business after assets and liabilities have been adjusted to their fair values.
- Liquidation Value of the business represents the net cash flows from liquidating the Company's assets in a quick and orderly sale and paying off its liabilities.

Merits of Cost Approach Method

1. Data required to perform the valuation are usually easily available.
2. Allows for adjustments (up and down) in estimating fair market value.
3. Suitable for firms with heavy tangible investments (e.g. equipment, land).
4. Helpful when the firm's future is in question or where the firm has a brief or volatile earnings record.

Demerits of Cost Approach Method

1. Can understate the value of intangible assets such as copyrights or goodwill.
2. Does not take into account future changes (up or down) in sales or income.
3. Balance sheet may not accurately reflect all assets.

Income Approach Method

The Income Approach involves valuation methods that convert future anticipated economic benefits (e.g. cash flow) into a single present amount. Depending on the valuation method used, "Income" might be represented by after-tax profit, pre-tax profit, EBIT (earnings before interest and taxes), EBITDA (EBIT plus depreciation and amortization), or other cash flow measures.The income approach seeks to identify the future economic benefits to be generated by an entity and to compare them with a required rate of return. Methods used in discounted cash flow(DCF) models are free cash flow, dividend discount model and others.

Steps Involved in DCF

1. **Estimation of Future Cash Flows:** The first order of business is to forecast the expected cash flow for the company based on assumptions regarding the company's revenue growth rate, net operating profit margin, income tax rate, fixed investment requirement, and incremental working capital requirement.
2. **Estimate the Discount Rate:** Estimate the company's weighted average cost of capital (WACC), which is the discount rate that's used in the valuation process.

3. **Calculate the Value of the Corporation:** All the future cash flow is discounted by WACC and residual value of business is than calculated and added to the sum of present value of future cash flows.
4. **Calculation of Enterprise value:** Enterprise value is then calculated by adding debt and deducting cash to the present sum of future cash flows.

Merits of DCF Method

1. It can be applied for valuing business as a whole and also for valuing individual business components of a company or firm.

2. It is simple to understand and apply and also if needed it can be modified to deal with complex circumstances also.
3. This method incorporate changes in capital structure as well as these changes can be incorporated at any point of time.
4. This is only the method that incorporates future earnings of the company on going concern basis.

Demerits of DCF Method

1. DCF works best when there is a high degree of confidence about future cash flows. But things can get tricky when a company's operations lack what analysts call "visibility"
2. DCF Valuation is extremely sensitive to assumptions related to perpetual growth rate and discount rate. Any minor tweaking here and there, and the DCF Valuation will fluctuate wildly and the fair value so generated won't be accurate.
3. DCF Valuation is an ever-changing target that demands constant vigilance and modification. If any expectations about the company change, the fair value will change accordingly.

Conclusion

We have gone through the various method of valuation, each methods comes with its own pros and cons. Before applying the approaches an analyst must in depth understand the size of the business, its nature, cyclicality of the industry, various comparables available amoung the population, future visibility regarding the business of the company and then he should take the decision as to which method would give an appropriate value to the business. Any bias in assumptions could change the valuation significantly. To sum up Asset approach is used in the company which has employed large part of its capital in fixed assets, comparables are helpful if there are justifiable peers in the market universe and DCF can yield better valuation if there is a confident visibility of future cash flows of the business.

- Rajesh Kumar

New MSME policy to seek other ministries' views: Kalraj Mishra

The proposed MSME policy is in the process of taking views and comments of different ministries before being finalised, Union Minister for MSME Kalraj Mishra has said. "Reactions and feedbacks have come from the public. We will take comments and feedbacks from certain ministries before we finalise the policy," Mishra said here today at the annual session of MCC Chamber of Commerce and Industry.

Asked when the same would be placed before the union Cabinet, Mishra said, "We will do it soon and go before Cabinet if necessary." The MSME Ministry is considering some changes not on the policy side but on the implementation front.

Speaking about various steps taken by the government on promoting MSME sector, he said there is a huge scope in West Bengal and the Centre will support in promoting it. Meanwhile, state Finance minister AmitMitra said there is phenomenal growth of MSME sector in the state and various steps have been taken to spur the growth further.

New Startup policy for entrepreneurs in Rajasthan

Rajasthan Chief Minister VasundharaRaje today released the state's first startup policy to promote sustainable entrepreneurship in the state.Raje unveiled the policy during the inauguration of the two-day national level 'Rajasthan Startup fest 2015' in Sitapura area, where she highlighted the importance and role of start ups in the economy. Praising the ventures started in the city, Raje outlined trust and hard work as key factors for starting a venture and making it successful.

The new startup policy, which would be valid for a period of five years targets to set up 50 incubators and support to over 500 innovative startups among others. Several startup companies are exhibiting their products and business models during the festival organised by Rajasthan State industrial Development and Investment Corporation (RIICO) which also saw the presence of State Industry Minister Gajendra Singh and Chief Secretary CS Rajan.

Source: *Economic Times*

Quotes

"The younger generation, instead of hunting for jobs, should become entrepreneurs "

Kalraj Mishra
Union Minister – MSME

"Indian SMEs to make Quality their USP (unique selling point) for Indian and Global market. A wave of technologies and ideas can create a revolution and surely turn the wheel for manufacturing in India,"

Dr. Anup K. Pujari
Secretary-MSME

SME MARKET STATISTICS

SARTHI

SrNo.	Company	Closing	% Return	52 Week High	52 Week Low
1	AanchalIspat Limited	6.32	-68.40%	22.90	5.53
2	Abition Mica	53.8	34.50%	63.60	39.90
3	Ace Tours	4.34	-72.88%	19.05	4.34
4	ADCC Infocad Ltd	61	52.50%	81.50	51.00
5	AGI Infra	125	131.48%	136.50	54.05
6	Agrimony Commodities	6.2	-38.00%	11.03	6.10
7	Ahimsa	25	0.00%	26.00	25.00
8	Akme Star Housing Finance	35.5	18.33%	38.00	30.50
9	Alacrity Securities	3.81	-74.60%	7.10	3.29
10	Amrapali Capital	36.15	-63.85%	55.00	29.75
11	AmrapaliFincap	120.4	0.33%	126.40	120.00
12	Amsons Apparels Ltd	8.08	-19.20%	14.72	3.55
13	AnishaImpex	12.1	21.00%	21.00	6.49
14	Anubhav Infrastructure Ltd	11.05	-26.33%	15.10	10.85
15	Aryaman Capital Markets	15	25.00%	15.00	12.60
16	Athena Construction	25	150.00%	39.90	11.23
17	AtishayInfotech Ltd	58	262.50%	58.00	17.50
18	Bansal Roofing	30	0.00%	34.45	28.00
19	BC Power	19.25	6.94%	52.30	19.00
20	BCB finance	27	8.00%	29.40	25.00
21	Bella Casa Fashion	25.4	81.43%	25.40	14.25
22	BhanderiInfracon	118.1	-1.58%	123.00	118.05
23	Bothra Metals	35.9	43.60%	44.95	22.50
24	Captain Pipes Limited	39.5	-1.25%	43.20	31.00
25	Captain Polyplast	64.5	115.00%	65.00	32.00
26	Carewell Industries	6.88	-54.13%	8.95	4.00
27	CawasjiBehramji Catering	29.35	109.64%	29.35	15.05
28	Channel Nine	21	-16.00%	52.50	18.20
29	Chemtech Industrial	18.55	23.67%	54.60	11.52
30	Comfort Commotrade	10.6	6.00%	14.40	10.00
31	DhabriyaPolywood Ltd	49	226.67%	50.00	16.20
32	Dhanuka Commercial	6.5	-35.00%	17.60	4.95
33	Eco Friendly	30.9	23.60%	56.50	20.95
34	eDynamics Solution	3.46	-86.16%	20.75	3.46
35	Emkay Taps	325	-1.52%	340.00	321.00
36	Encash Entertainment	37	-7.50%	127.95	33.80
37	Esteem Bio	24.5	-2.00%	52.50	18.20
38	Filtra Consultants	40.25	-4.17%	47.10	37.35
39	Funny Software	9.95	-28.93%	13.50	9.95
40	Gala Prints	23.9	-0.42%	26.10	22.95
41	GCM Capital Advisors	47.35	136.75%	141.60	47.35
42	GCM Comm	5	-75.00%	20.00	4.60
43	GCM Securities	19.05	-4.75%	90.25	18.00
44	H. K. Trade International	17.25	-4.17%	18.60	17.20
45	HPC Biosciences	41	17.14%	75.75	28.90
46	Jet Infraventure Ltd	129.4	3.52%	133.90	126.50
47	Jiya Eco	21.85	15.00%	34.95	18.60
48	JLA Infraville Shoppers Ltd	14.2	42.00%	29.80	10.50
49	Jointeca Education	17.25	15.00%	19.50	16.00
50	Junction Fabrics and Apparels Ltd	16.5	3.13%	20.00	16.50
51	Karnavati Finance Ltd	11.3	13.00%	11.60	9.80
52	Karnimata Cold Storage	19.3	-3.50%	20.50	18.00
53	Lakhotia Polyesters	8	-77.14%	13.35	8.00
54	Looks Health	23.45	-41.38%	86.29	14.86
55	Loyal Equipments	15.75	-12.50%	22.50	15.50
56	M D Inducto	59	118.52%	69.50	27.85
57	MahabirMetallex	11	10.00%	13.00	9.79
58	Majestic Research	60.9	368.46%	60.90	14.00

SrNo.	Company	Closing	% Return	52 Week High	52 Week Low
59	Mangalam Seeds	84	68.00%	84.00	53.00
60	Max Alert	12.6	-37.00%	44.20	12.00
61	Mishka Exim Ltd	15.5	55.00%	21.00	13.50
62	Mitcon	71.95	17.95%	101.00	40.00
63	Momai	89	14.10%	115.00	78.00
64	Money Masters	6.65	-55.67%	11.86	6.18
65	Naysaa Securities Ltd	20.1	34.00%	22.80	11.90
66	Newever Trade	2.23	-77.70%	32.20	1.52
67	O. P. Chains Ltd	14.25	29.55%	17.22	11.25
68	Oasis Tradelink	47	56.67%	89.65	28.05
69	OceanaaBiotek	17.5	75.00%	18.00	9.50
70	OnesourceTechmedia	5.3	-62.14%	6.35	3.33
71	Opal Luxury	111	-14.62%	120.50	105.00
72	Oyeeee Media	45	12.50%	51.70	45.00
73	P. B. Films	7.65	-23.50%	10.79	7.23
74	PatdiamJewellery	61.5	61.84%	66.05	42.00
76	Pecos Hotels	50	0.00%	56.00	50.00
77	Powerhouse Fitness & Realty Ltd	33	10.00%	54.00	24.50
78	R&B Denims	10	0.00%	11.25	7.00
79	RaghuvanshAgrofarms Ltd	40.9	271.82%	40.90	11.55
80	RCI Industries & Technologies	44.6	11.50%	125.35	39.05
81	RCL Retail	19.8	98.00%	36.85	9.36
82	RJ Biotech	48	140.00%	48.00	23.00
83	Samruddhi Realty	42	250.00%	42.00	25.00
84	Sanco Industries	44	144.44%	44.00	15.25
85	SatkarFinlease	10.2	-43.33%	55.00	10.20
86	Shri Krishna Prasadam	11.55	15.50%	31.00	5.40
87	Siddhi Vinayak Shipping	37.35	49.40%	49.50	25.00
88	Sirohia& Sons ltd	12.5	4.17%	16.95	8.00
89	SPS Finquest	83	10.67%	88.00	78.00
90	SRG Securities Finance	17	-15.00%	34.90	17.00
91	Sri Krishna Construction	49.5	10.00%	49.90	38.05
92	SSPN Finance	15.84	-20.80%	20.10	8.10
93	Starlit Power Systems Ltd	15.3	-15.00%	21.50	12.00
94	Stellar Capital	6.53	-67.35%	10.16	3.60
95	Subh Tex India	17.35	73.50%	19.20	17.35
96	Sunstar Realty Development	39.1	95.50%	42.60	24.00
97	Supreme (India) Impex Ltd	70.45	17.42%	70.80	60.00
98	Suyog Telematics	127	408.00%	148.90	29.00
99	Tarini International	14.25	-65.24%	27.00	11.00
100	Tejnaksh Healthcare	73.5	-8.13%	80.00	70.00
101	Tentiwal Wires	9	-30.77%	11.90	7.96
102	Thejo	200	-50.25%	215.00	126.00
103	Tiger Logistics	184	178.79%	184.00	41.00
104	Ultracab India Ltd	236.8	557.78%	259.00	39.00
105	Unishire Urban Infra	10	0.00%	17.10	7.70
106	Universal Autofoundry	23.95	59.67%	24.50	15.50
107	Vaksons Automobile	27.1	4.23%	27.25	26.25
108	VCU Data Management	24	-4.00%	64.00	21.50
109	Vibrant Global Capital Limited	21.5	13.16%	25.25	17.00
110	Vishal Bearing	30.5	22.00%	36.90	26.00
111	Vishal Fabrics	150	233.33%	190.00	50.00
112	VKJ Infradevelopers	23.95	-4.20%	66.00	23.50
113	VMV Holdings	9.15	-8.50%	10.85	9.15
114	Women's Next	42.8	-34.15%	70.00	40.10
115	Yogya Enterprises	26.9	79.33%	27.30	11.62

Note: Absolute returns since IPO.
#Closing prices as on Nov 16, 2015

Indices	Current #	% Return YTD
BSE SME IPO	761.31	452.55%
TSE MOTHERS	783.68	88.82%
CHINEXT PRICE INDEX	2797.16	296.57%
FTSE AIM All Share Index	728.24	1.71%
TSX Venture Composite	526.11	-57.57%
Hong Kong GEM Index	470.73	23.39%

#Closing prices as on Nov 16, 2015

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*	66.49	194.53	45.46	48.61	22.64	12.32	9.22	11.47	923.54
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)*	35.90	184.00	48.00	40.90	19.25	15.30	14.2	11.00	39.10

Particulars	Channel Nine	Max Alert	Samruddh i 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*	489.08	11.50	42.40	654.36	21.48	80.21	5.50	5.34	24.62	64.99
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)*	21.00	12.60	42.00	41.00	37.35	47.35	4.34	2.23	23.45	64.50

Particulars	Pecos Hotels & Pubs	Satkar Finlease	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	19.42	42.75	19.09	21.07	10.62	37.71	68.60	86.48	37.30
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	10.20	23.95	17.35	35.50	10.60	44.00	200.00	71.95	111.00

*Closing prices as on 16th Nov, 2015
* Source: BSE SME, NSE Emerge websites

Upcoming Events

Seminar on INTERNATIONAL BUSINESS OPPORTUNITIES FOR SME's	**November, 2015**	**Mumbai**
Annual Conference on EXPORT & IMPORT FINANCE FOR SMEs	**December, 2015**	**Mumbai**
2nd Annual Conference on MARATHI ENTREPRENEURS SUMMIT	**December, 2015**	**Mumbai**
Annual Conference INDIA SME BUSINESS SUMMIT	**December, 2015**	**Mumbai**
SME BUSINESS CLUB MEET	**December, 2015**	**Mumbai**

SARTHI

Bridging the Gap

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

CONTACT US

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