

# **CIL SECURITIES LIMITED**

**(CIN : L67120TG1989PLC010188)**



**ANNUAL REPORT**  
**2017-18**

## **Company Information**

### **Board of Directors**

K K Maheshwari  
Piyush Modi  
A K Inani  
Pramila Maheshwari  
F R Bhote  
Budhi Prakash Toshniwal

### **Chairman and Managing Director**

#### **Executive Director**

#### **Director - Finance / CFO**

#### **Non Executive Director**

#### **Independent Director**

#### **Independent Director**

### **Independent Directors Committee**

Budhi Prakash Toshniwal  
F.R. Bhote

### **Risk Management Committee**

K K Maheshwari  
A K Inani  
Piyush Modi  
Pramila Maheshwari

### **Audit Committee**

Budhi Prakash Toshniwal  
Pramila Maheshwari  
F.R. Bhote

### **Stakeholder's Relationship Committee**

Pramila Maheshwari  
F.R. Bhote  
Budhi Prakash Toshniwal

### **Nomination & Remuneration Committee**

F.R. Bhote  
Budhi Prakash Toshniwal  
Pramila Maheshwari

### **Auditors**

M/s Sridhar Jhawar & Associates  
Chartered Accountants  
4-4-296/297, 1st Floor, Room no 13,  
Mithila Complex, Bank Street, Koti,  
Hyderabad - 500195

### **Company Secretary**

Govind Toshniwal

### **Solicitors**

K Balakrishna & Associates  
No.1-1-336/140, Chikkadpally  
Hyderabad- 500 020

### **Thomas Joseph LLOYD**

H.No: 3-5-879/2/1,  
Old M.L.A.Qtrs., Hyderabad - 500029

### **Principal Bankers**

Kotak Mahindra Bank  
HDFC Bank

### **Registered Office**

214, Raghava Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad- 500 001  
website: [www.cilsecurities.com](http://www.cilsecurities.com)  
e-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)  
Tel No.: 040-23203155

### **Corporate Office**

130-132, Room No. 20,  
II Floor, Great Western Building  
Opp. Lions Gate, Fort,  
Mumbai-400023

### **Registrar & Share Transfers In House**

214, Raghava Ratna Towers  
Chirag Ali Lane, Abids,  
Hyderabad- 500 001  
E-mail: [advisors@cilsecurities.com](mailto:advisors@cilsecurities.com)  
Tel No.: 040-23203155  
Fax: 040-23203028

## **NOTICE**

Notice is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of CIL Securities Limited will be held on **Saturday, the 29TH Day of September 2018** at 608, Raghava Ratna Towers, North Block, Chirag Ali Lane, Abids, Hyderabad - 500 001 at **11:00 A.M.** to transact the following businesses:

### **Ordinary Business:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss of the Company for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare Dividend on the Equity Shares of the Company for the Financial Year ended March 31, 2018.
- 3) To appoint a Director in place of Smt Pramila Maheshwari, who retires by rotation at this Annual General Meeting and being eligible, offers herself for reappointment.
- 4) To appoint a Director in place of Shri A K Inani, who retires by rotation at this Annual General Meeting, and being eligible, offers himself for reappointment.
- 5) To Consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditor) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) the appointment of M/s Sridhar Jhawar and Associates be and is hereby ratified as the Statutory Auditors of the Company until the conclusion of next Annual General Meeting to be held for the FY 2019-20 with remuneration as may be decided by the Board of Directors of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

### **Special Business:**

- 6) To Consider and if thought fit, to pass with or without modification, the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196,197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of said Act , including any statutory modification and re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the reappointment of Sri A K Inani as Whole Time Director and CFO designated as Executive Director of the Company for a further period of 5 years from 3rd November,2017 to 2nd November,2022 on the terms and conditions including remuneration and perquisites as set out in the Agreement dated 12th August, 2017 entered into between the Company and Sri A K Inani (a copy of which is placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions in the said agreement as the Board of Directors may consider necessary within the overall limits as specified in Schedule V of the Companies Act ,2013 for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations framed there under."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

- 7) To Consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196,197 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of said Act , including any statutory modification and re-enactment thereof for the time being in force, approval of the Members be and is hereby accorded to the reappointment of Sri Piyush Modi as Whole Time Director designated as Executive Director of the Company for a further period of 5 years w.e.f. 1st April, 2018 to 31st March, 2023 on the terms and conditions including remuneration and perquisites as set out in the Agreement dated 10th February, 2018 entered into between the Company and Sri Piyush Modi (a copy of which is

placed before the meeting) with liberty to the Board of Directors to alter and vary the terms and conditions in the said agreement as the Board of Directors may consider necessary within the overall limits as specified in Schedule XIII of the Companies Act, 2013 for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations framed there under."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

**Registered office**  
**214, Raghava Ratna Towers**  
**Chirag Ali lane, Abids**  
**Hyderabad-500 001**

**Place: Hyderabad**  
**Date: 22.05.2018**

**By Order of the Board of Directors of**  
**CIL SECURITIES LIMITED**

**K K Maheshwari**  
**Chairman & Managing Director**  
**DIN: 00223241**

**NOTES:**

1. A Member entitled to attend and vote at the Annual General Meeting (the meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in Dematerialized form are requested to write their DP ID and Client ID and those who hold shares in Physical Form are requested to write their Folio Number in the attendance slip for attending the Meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays and Sundays, between 11.00 AM and 1.00 PM up to the date of the Meeting.
7. Brief resume of all Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, No of Companies in which they hold Directorships and Memberships / Chairmanships of Board Committees, Shareholding and Relationships between directors inter-se stipulated thereto.
8. In terms provisions of Companies Act 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Accordingly, the Company would be transferring the Final Dividend for the year ended 31st March 2011. Shareholders are requested to ensure that they claim the dividends referred to above, before it is transferred to the said fund.
9. The Shareholders are expected to send their queries on Annual Report to the Company Secretary, at least 7 days before the date of meeting, so that the requisite information/explanations can be provided in time.
10. (a) The Company has already notified the record date i.e **22nd September, 2018** for determining the names of Member eligible for Dividend on Equity shares.
  - (b) The dividend on Equity shares, if declared at the Meeting, will be paid on or after 29th Day of September 2018 to those members whose names shall appear on the Company's Register of Members on 22nd September, 2018 ; in respect of shares held in Dematerialized form, the dividend will be paid to members whose name are furnished by the National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners on date.
11. (a) In order to provide protection against fraudulent encashment of Dividend Warrants, members who hold shares in physical form are requested to intimate Share Transfer Department of the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on Dividend Warrants:
  - (i) Name of the Sole/First Joint Holder and the Folio Number:
  - (ii) Particulars of the Bank Accounts, viz:
    - Name of the Bank;
    - Name of the Branch;
    - Complete Address of the Bank with Pin Code Number;
    - Account Type
    - Whether Savings Account (SA) or Current Account (CA);
    - Bank Account Number and MICR code/RTGS/NEFT Code
  - (b) Members who wish to change such Bank Account details are, requested to advise their Depository Participants about such change with complete details of the Bank Account.
  - (c) To avoid loss of Dividend Warrants in transit and

undue delay in respect of Dividend Warrants, the Company has provided a facility to the members for remittance of dividend warrant through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact Share Transfer Department of the Company.

12. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
13. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at [www.cilsecurities.com](http://www.cilsecurities.com) and also on website of the Stock Exchange where the Equity Shares of the Company are traded.
14. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
15. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report to the Meeting.

16. Voting through electronic means:

- i. According to Section 108 of Companies Act, 2013, read with Rule 20 of Companies (Management and Administration) Rules, 2014 e-voting is mandatory for all listed companies or companies having Shareholders not less than one thousand.
- ii. In compliance with provisions of Section 108 of the companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL):
- iii. A member may exercise his vote at any general meeting by electronic means and company may pass any resolution by electronic voting system in accordance with Rule 20 of the Companies (Management and Administration) Rules, 2014.
- iv. During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the fixed or record date, may cast their vote electronically.
- v. The e-Voting shall remain open for 3 days from 9.00 AM of 26th Day of September, 2018 to 5.00 PM of 28th September, 2018
- vi. The Board of Directors at their meeting have appointed Mr. Thomas Joseph Lloyd, Practicing Advocate as the scrutinizer for e-voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e-voting in a fair and transparent manner.
- vii. Vote once cast by the member cannot be changed/ altered.

18. The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- i) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.



- ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 Digits Beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.  * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. <b>PAN / Sequence Number is available on bottom side of the Sticker</b>	
DOB#	Enter the Date of Birth as recorded in your Demat Account or in the company records for the said Demat Account or Folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat Account or Folio.	

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special

character(@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.

- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (II) **In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
  - (B) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
  - (C) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
  - (D) The Remote voting period begins at 9.00 AM of 26th Day of September, 2018 to 5.00 PM of 28th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
19. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Share Transfer Department of the Company for consolidation into a single folio.
  20. Non-Resident Indian Members are requested to inform the Share Transfer Department of the Company of:
    - (a) Change in Residential Status on return to India for permanent settlement.
    - (b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with the Pin Code number.
  21. Members desirous of any information on the accounts are requested to write to the Company at least a week before the meeting so as to enable the Management to keep the information ready and replies will be provided only at the meeting.
  22. Duplicate attendance slip shall not be issued at the Annual General Meeting Venue. However the same shall be issued at the Registered Office of the Company upto two days preceding the day of AGM.
  23. The voting rights of shareholders shall be in proportion to their shares of the paid up Equity Share Capital of the Company as on the cut-off date of 22nd September, 2018.
  24. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22nd Sep, 2018 may obtain the login ID and password by sending an email to [rta@cilsecurities.com](mailto:rta@cilsecurities.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forget User Details/Password" option available on <https://www.evotingindia.com>
  25. A member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
  26. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting through ballot papers.
  27. Shri **Thomas Joseph Lloyd**, Practicing Advocate has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
  28. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. Scrutinizer shall within 3 days of conclusion of the meeting submit a consolidated scrutinizer report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing.
  29. The results along with the Scrutinizers Report shall be placed on the website of the Company and on the website of CDSL and shall be communicated to BSE Limited.

By Order of the Board of Directors of  
**CIL SECURITIES LIMITED**

**KK Maheshwari**  
Chairman & Managing Director  
DIN: 00223241

**Registered office**  
214, Raghava Ratna Towers  
Chirag Ali lane, Abids  
Hyderabad-500 001

**Place :** Hyderabad  
**Date :** 22.05.2018



**Details as required under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Explanatory Statement:**

**ITEM 6**

**Shri A.K. Inani** is a Commerce Graduate and is having more than 31 years of experience in Finance, Taxation, Accounts and other related financial arena. He is associated with the Company since November, 1995. Sri A.K. Inani does not hold any shares in the Company.

He is an Executive Director of the company and designated as Director-Finance & CFO

He holds the Directorship in Canara Securities Limited:

The Board commends passing of the Special Resolution set out at item no. 6 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no. 6 of the Notice

**ITEM 7**

**Shri Piyush Modi** is a graduate in Commerce and is having more than 21 years of experience in financial services and Capital Market Operations. Shri Piyush Modi holds 500 Equity Shares of the Company representing 0.01 percent of the paid up share capital as on 31st March, 2018.

He is the Executive Director of the Company.

He holds the Directorships in the following Companies:

- ✦ Om Crushed India Private Limited
- ✦ Jhansi Plastics Private Limited
- ✦ KRP Concretes Private Limited.
- ✦ Piyush Stock Broking Services Private Limited

The Board commends passing of the Special Resolution set out at item no. 7 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at item no. 7 of the Notice

By Order of the Board of Directors of  
**CIL SECURITIES LIMITED**

**K K Maheshwari**  
Chairman & Managing Director  
DIN: 00223241

**Registered office**

214, Raghava Ratna Towers  
Chirag Ali lane, Abids  
Hyderabad-500 001

**Place :** Hyderabad

**Date :** 22.05.2018

## Directors' Report

Dear Members,

Your Directors present the 29th Annual Report and the Audited Accounts for the Financial Year ended 31st March, 2018.

## FINANCIAL RESULTS

The Financial performance of the Company for the Financial Year ended 31st March, 2018 is summarized below:

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Total Revenue	675.96	934.69
Profit before Interest, Depreciation & Tax	165.55	506.93
Profit before Depreciation and Tax Depreciation	165.55	506.56
Tax Depreciation	13.75	15.51
Profit Before Tax	151.80	491.05
Extraordinary Income	---	(433.87)
Less: Provision for Tax (Net)	33.29	10.24
Profit After Tax	118.51	46.94
Add: Balance Brought Forward from the last year	1183.95	1171.96
<b>Profit available for Appropriation</b>	<b>1302.46</b>	<b>1218.90</b>

The Company's Profit after Tax is Rs. 118.51 Lacs (Previous Year Rs. 46.94 Lacs). The Board recommends transfer of a sum of Rs. 11.86 (Previous Year Rs. 4.85 Lacs) to General Reserve.

## DIVIDEND

Your Directors are pleased to recommend the payment of Dividend on Equity Shares @ Rs. 0.50 per share for the Financial Year ending 31-03-2018.

## MARKETS' REVIEW

During the FY under review the Markets remained largely vibrant for the better part of the year but came off sharply in the last leg of the FY & settled in palpably vulnerable terrains. For a start, in April the Markets were in absolutely buoyant condition, with the post-Demon resurgence gaining momentum at an accelerating pace & things seemed absolutely hunky dory well into the second Quarter.

However, the onset of August witnessed the creeping in of a corrective phase & seemed to threaten stopping the juggernaut in its strides. What ensued was a swift, shallow correction in the broader markets but riding the power of raging inflows from Domestic sources & MF inflows, the markets quickly re-grouped & hit the express-way with a renewed vigour & within a matter of weeks, by mid-September it was on a roll once again.

This phase from September all the way till January end

witnessed a powerful rally across the board, with the epicentre lying in the Mid & Small Cap space of the markets. Valuations zoomed at a break-neck pace with virtually hundreds of Stocks zooming 100%+ in a span of under four months. All this was happening in the back-ground of several concerns but the markets kept climbing the walls of worries & scale greater heights. The Mid & Small Cap Indices themselves zoomed 30-40% during this phase of four months & wealth creation in Portfolios was happening at the pace of knots!

The onset of February was heralded with the presentation of the Union Budget upfront on the 1st day of month. By this time the markets were beginning to look nervous & broader sections of the market were already showing signs of jitters but somehow the head-line Indices were managed to fly high. The announcement of LTCG Tax on Equities & MFs, though NOT un-anticipated, triggered the fear syndrome into the open & the markets simply tumbled under its own weight. Coinciding with this the DMs, particularly the US & HANG SENG jolted nastily worsening the situation on D-Street. Within a matter of days the Bull Markets' back was broken comprehensively as things just went from bad to worse, with every small attempted pull-back being smacked into. By the time the FY came to a halt the markets were left in a lurch, staring down the barrel!

## MARKET OUTLOOK

The onset of the new FY surprised the markets pleasantly as April turned out to be exceptionally good. What started off as possibly just a relief rally moved forward with a fresh vigour & the Mid-Space of the markets were buzzing again, resulting in more than a handful of Stocks from this space attaining fresh 52 week Highs, even Life-Time Highs in some cases.

However, this particular phase seen in April turned out to be a bane as it may have given a greater fillip to the complacency factor among the players. Co-Incidentally, what transpired right at the start of a new month (May 1st being a holiday) was the launch of a terribly destructive wave, piercing through the heart of the markets, this time relentlessly over the next 8-10 weeks, demolishing Portfolios & Psyches beyond recognition. As things stand now, the markets still gasping & far from reconciled to the realities. In simple words, the situation is quite fluid now & it needs a well thought out strategy to be put in place to counter the situation in foreseeable future.

**DRIVING FACTORS** While we have reviewed the markets' path over the period under review, there's a compelling need to have a close look at the several key factors that have been playing out behind these extra-ordinary moves. In the first phase while it was sheer momentum backed by strong Liquidity inflows & the comfort of a stable Government seen to be moving ahead with purpose, the last laps were exactly on the opposite end of spectrum. Too many negative vibes, emanating from various directions converged upon the D-