

Date: April 19, 2016

**The General Manager,
Department of Corporate Services,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001**

Microsec Financial Services Limited
Azimganj House, 2nd Floor
7, Camac Street, Kolkata - 700 017, India
Tel: 91 33 2282 9330, Fax: 91 33 2282 9335
E-mail: info@microsec.in, www.microsec.in
CIN - L65993WB1989PLC047002



**Manager - Listing,
Listing Department,
National Stock Exchange of India
Limited,
Exchange Plaza, Bandra Kurla Complex,
Mumbai - 400051**

Sub: Outcome of Board Meeting of Microsec Financial Services Limited (the 'Company') held on April 19, 2016

Ref: Scrip Code at BSE: 533259 and NSE: MICROSEC

Dear Sir/ Madam,

This is to inform that, the Board of Directors of the Company, at its meeting held today i.e. 19th April 2016, *inter alia*:-

1. has given their consent to the proposed demerger of the undertaking consisting of certain assets or undertakings such as investment in shares, securities and properties (Investment Undertaking) of Microsec Capital Limited ("MCap"), a wholly owned subsidiary of the Company and also of Microsec Commerce Limited ("MCL"), a wholly owned subsidiary of MCap, wherein the aforesaid Investment Undertakings of both MCap and MCL shall be demerged into one or more separate company (ies).
2. has considered and approved the draft Share Purchase Agreement (SPA) for sale of 100% shareholding in Microsec Capital Limited (the "Demerged Company") subject to receipt of respective approvals from high court, SEBI, Stock Exchanges, the shareholders and any other regulatory authorities. The brief details of the aforesaid SPA and proposed demerger are as hereunder:
 - a) The total revenue and net-worth of the Microsec Capital Limited as per the last Audited Financials for the year ended 31st March 2015 was Rs. 20.69 crores and Rs. 43.39 Crores respectively. The expected net worth of the Demerged Company will be approximately Rs. 13 crores after demerger.
 - b) The consideration for the aforesaid transaction shall be the net realizable value of the assets of the Demerged Company i.e. approximately Rs. 13 crores.

Further, The purchaser shall pay Non-compete Fees to the company which would be calculated as per Annexure I and adjusted for any unforeseen prior period liabilities:



Registered Office:

Shivam Chambers, 1st Floor, 53, Syed Amir Ali Avenue, Kolkata - 700 019, Tel: 91 33 3051 2100, Fax: 91 33 3051 2020

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- c) The details of the buyer shall be disclosed upon receipt of the requisite regulatory approvals. Further the buyer(s) does not belong to the promoter/promoter group companies.
- d) The aforesaid transaction does not fall under the related party transactions.
- e) The sale transaction is subject to receipt of requisite approvals for the demerger and is expected to be completed within a period of 12 months.

Kindly take note of the above and acknowledge the receipt.

Thanking you,

Yours faithfully,

For **Microsec Financial Services Limited**

Biplab K. Mani

Biplab Kumar Mani

Company Secretary & Compliance Officer



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Annexure I

Calculation of Non -Compete Fee

Financial Year	Base Non-Compete Fee	Additional Non- Compete Fee
For Financial Year ended 31.3.2016	33% of Net Revenue i.e. (Brokerage Revenue from Equity, Commodity, Derivatives, Depository, Mutual Funds, Insurance, Delayed Payment Charges, Net of payments to Authorised Persons)	
For Financial Year ended 31.3.2017	* 33% of Net Revenue i.e. (Brokerage Revenue from Equity, Commodity, Derivatives, Depository, Mutual Funds, Insurance, Net of payments to Authorised Persons)	In case the Net Revenue for financial year ended 31.3.2017 is higher than the Net Revenue for financial year ended 31.3.2016, then the company will get additional Non- Compete Fees @ 16.50% on the excess Net revenues.
For Financial Year ended 31.3.2018	* 33% of Net Revenue i.e. (Brokerage Revenue from Equity, Commodity, Derivatives, Depository, Mutual Funds, Insurance, Net of payments to Authorised Persons)	In case the Net Revenue for financial year ended 31.3.2018 is higher than the Net Revenue for financial year ended 31.3.2016, then the company will get additional Non- Compete Fees @ 16.50% on the excess Net revenues.

* Subject to a maximum of up to 33% of the Net Revenue for the financial year ended 31.3.2016.

