



**NSE** |

**Emerge**



# What is NSE EMERGE?

- ❖ Platform for growing SMEs across India to list its Equity on the Stock Exchange
- ❖ Started in September 2012
- ❖ Regulated by SEBI
- ❖ Separate segment in NSE
- ❖ Same trading terminals as main board
- ❖ Same trading members and merchant bankers as main exchange.

## Some Facts and Figures

Particulars	NSE
No. of companies Listed	190
M cap (Rs in crores)	~12,000.00
Total Capital Raised (Rs in crores)	2,981.57
Average Issue size (Rs in crores)	15.69
No. of Sectors	17
No. of Companies migrated to Main Board	3

# Who can list on NSE EMERGE?

## ❖ SEBI Guidelines:

- Issuer's Post issue paid up capital
  - Rs 10-25 crore: SME/ main Board
  - < Rs 10 crore: SME Board only

## ❖ NSE eligibility criteria:

- 3 years operational history
- 2 years positive cash accruals (operational profits)
- Positive Net worth



# Regulatory Framework

## IPO on EMERGE

- Min 50 allottees.
- DRHP in same format. Only exchange observations
- 100% underwriting
- Dilution: at least 25%
- No grading requirement
- Market making for three years

## Post listing compliance

- Half yearly audited accounts instead of quarterly on main board
- Corporate governance norms same as main board

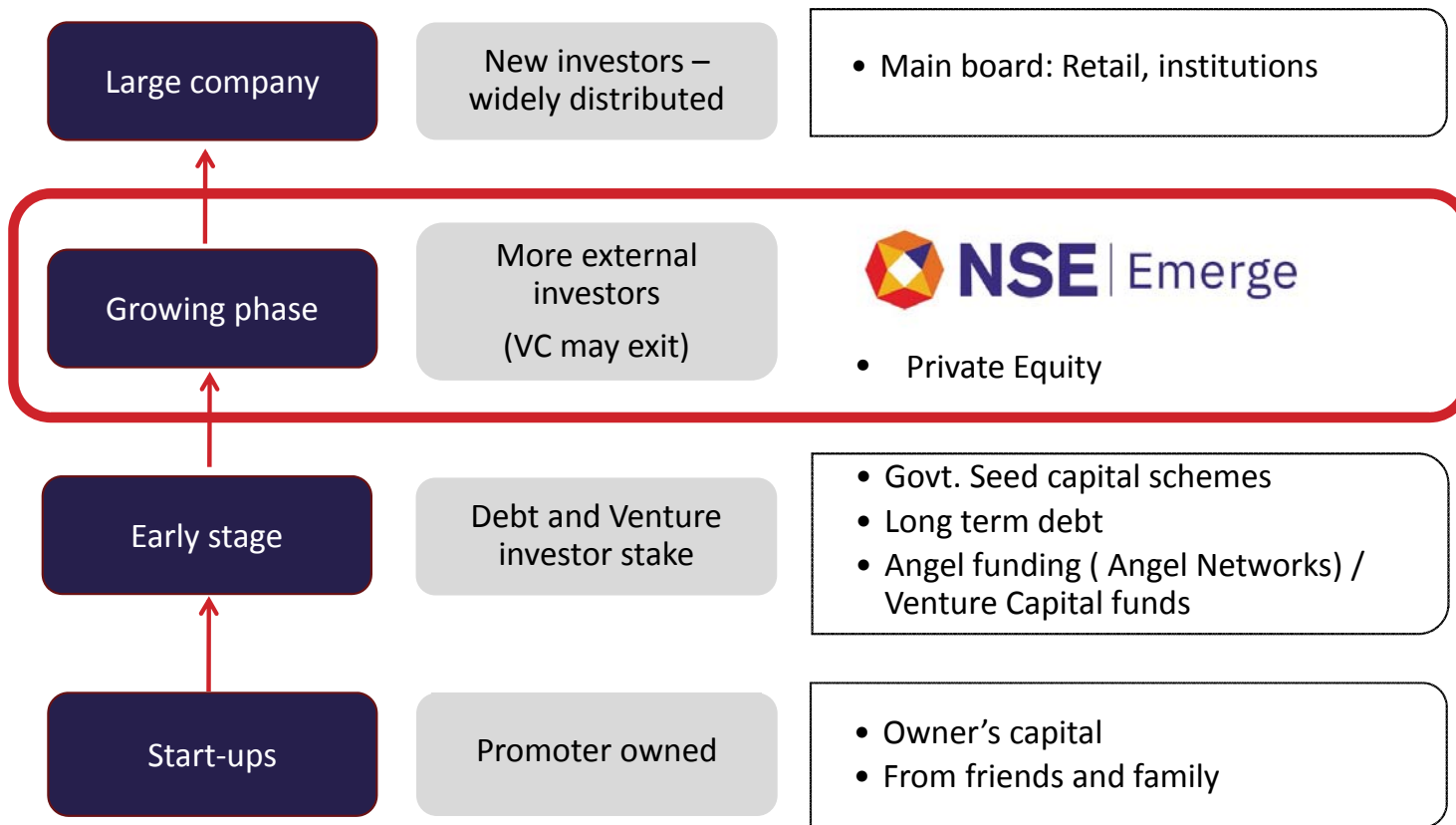
## Migration

- Migration from SME to main board and main board to SME allowed subject to conditions.

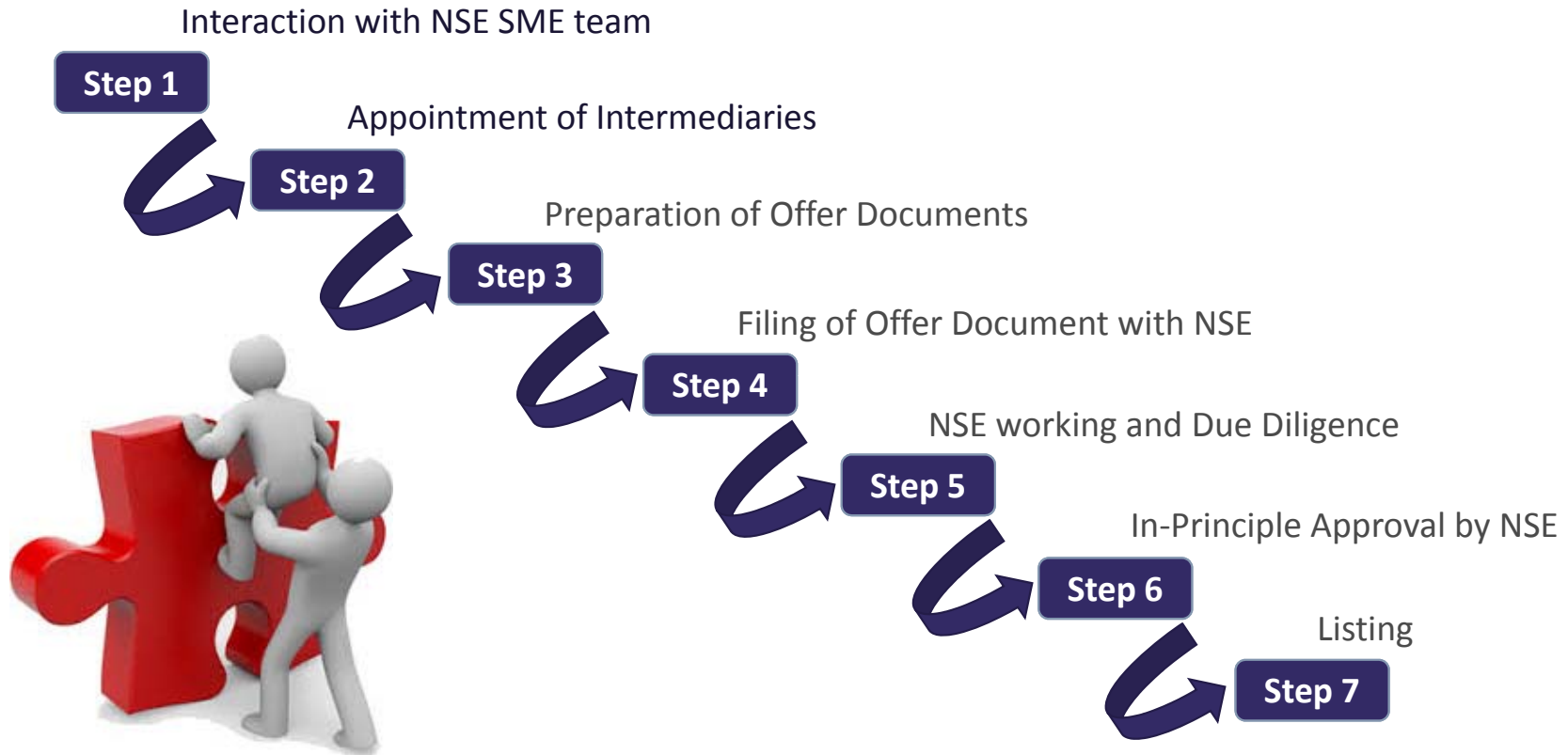
## Investors

- Minimum application size: Rs. 1 lakh
- Minimum trading lot: Rs. 1 lakh
- Nominated investors (PE funds & QIBs) can support underwriting and market making

# When can a Company list on NSE EMERGE?



# How can a Company List on NSE EMERGE?



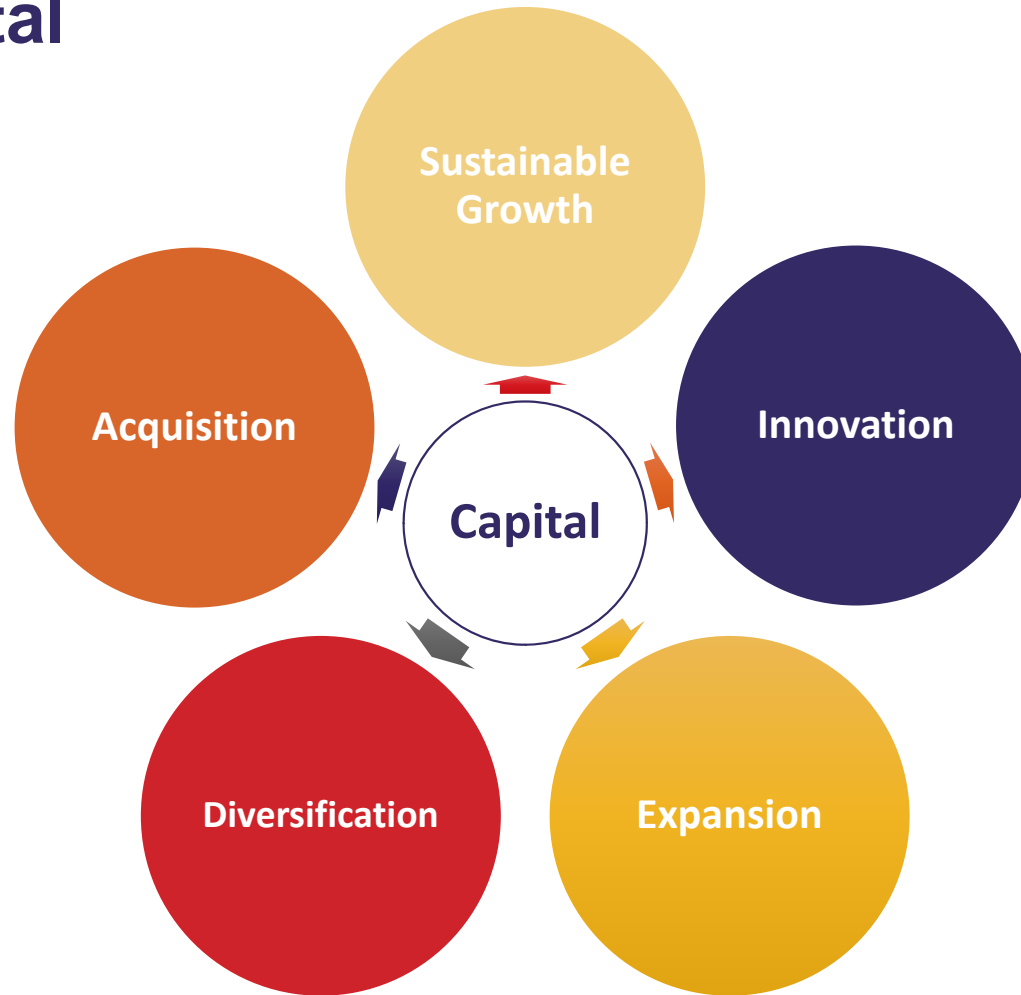
## Why list on NSE EMERGE Platform?

An exclusive platform for growing SMEs to approach capital markets as a new and viable alternative for raising capital in an efficient manner.





# Need for capital



# Value proposition for Issuers



Efficient raising of capital



Higher visibility



Credibility



Appropriate valuation



Corporate governance



Migration to main board

# Value proposition for Issuers



Liquidity



Borrowing terms



Opportunity for M&A



High calibre employees



Share as collateral



Access to wider capital

# Value proposition for Intermediaries

Unique advantage : - In depth understanding of equity financing & deep insight into transaction ready companies



IPO consultation services



Higher visibility



Corporate governance Services



Opportunity for investor portfolio



Grow with your clients

# NSE Initiatives

## ❖ Awareness Sessions:

- Professional bodies – ICAI and ICSI
- Industrial Associations
- Industrial Clusters
- Focused Group meetings
- Monthly Business meets – CXO level



# NSE Initiatives

## ❖ Tie-up for strategic developments

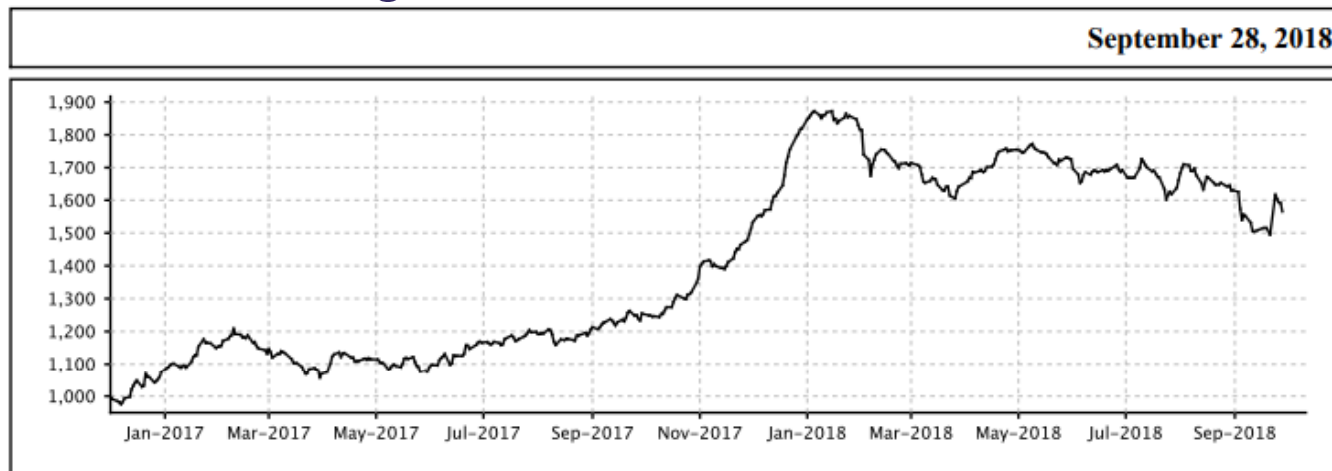
- Government bodies
  - ✓ State Governments
  - ✓ MIDC, GIDC, etc.
  - ✓ MSME Institute
- Industrial Associations
- Banks



## ❖ Introduction of the NIFTY SME EMERGE index

## NIFTY SME EMERGE

- Launched on November 20, 2017
- Thematic index
- Base date of December 01, 2016 and a base value of 1000
- Reconstituted on a quarterly basis
- Constituents are weighted based on free float market capitalization



# Factsheet reported as on September 28, 2018

## Portfolio Characteristics

Methodology	Free Float Market Capitalization
No. of Constituents	148
Launch Date	November 20, 2017
Base Date	December 01, 2016
Base Value	1000
Calculation Frequency	End of day
Index Rebalancing	Quarterly

## Sector Representation

Sector	Weight(%)
SERVICES	17.64
CONSUMER GOODS	14.07
IT	13.33
INDUSTRIAL MANUFACTURING	9.97
PAPER	8.65
TEXTILES	5.90
CONSTRUCTION	5.44
PHARMA	4.90
METALS	4.18
FERTILISERS & PESTICIDES	3.75
AUTOMOBILE	2.96
CHEMICALS	2.46
FINANCIAL SERVICES	2.43
MEDIA & ENTERTAINMENT	1.66
ENERGY	1.26
HEALTHCARE SERVICES	1.11
TELECOM	0.29

Index Returns (%)	QTD	YTD	1 Year	5 Years	Since Inception
Price Return	-7.5	-13.	24.71		27.81
Total Return	-7.2	-13.	25.20		28.41

Statistics ##	1 Year	5 Years	Since Inception
Std. Deviation *	16.58		15.74
Beta (NIFTY 50)	0.23		0.30
Correlation (NIFTY 50)	0.36		0.19

## Fundamentals

P/E	P/B	Dividend Yield
16.24	2.64	0.24

## Top constituents by weightage

Company's Name	Weight(%)
Shrenik Ltd.	8.65
Zota Health Care Ltd.	4.00
Airan Ltd.	3.35
Maheshwari Logistics Ltd.	3.15
Thejo Engineering Ltd.	2.98
Euro India Fresh Foods Ltd.	2.35
Sirca Paints India Ltd.	2.20
MMP Industries Ltd.	2.19
Mitcon Consultancy & Engineering Services Ltd.	2.17
Emkay Taps and Cutting Tools Ltd.	1.95



## Advantages over conventional Exchange

- ❖ Lower issue expenses
- ❖ No draft document to be filed with SEBI for their observations
- ❖ Minimum no. of allottees
- ❖ Market makers
- ❖ Reduced filing requirements – half yearly financial results
- ❖ No need to publish financial results

## Disclaimer

*“The National Stock Exchange of India Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offer of its equity shares and has filed a Draft Red Herring Prospectus dated December 28, 2016 (“DRHP”) with the Securities and Exchange Board of India (“SEBI”). The DRHP is available on the websites of SEBI and the BSE Limited at [www.sebi.gov.in](http://www.sebi.gov.in) and [www.bseindia.com](http://www.bseindia.com), respectively and of the Managers, Citigroup Global Markets India Private Limited at <http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm>, JM Financial Institutional Securities Limited at [www.jmfl.com](http://www.jmfl.com), Kotak Mahindra Capital Company Limited at <http://www.investmentbank.kotak.com>, Morgan Stanley India Company Private Limited at <http://www.morganstanley.com/about-us/global-offices/india/>, HDFC Bank Limited at [www.hdfcbank.com](http://www.hdfcbank.com), ICICI Securities Limited at [www.icicisecurities.com](http://www.icicisecurities.com), IDFC Bank Limited at [www.idfcbank.com](http://www.idfcbank.com) and IIFL Holdings Limited at [www.iiflcap.com](http://www.iiflcap.com). Investors should not rely on the DRHP for making any investment decision, and should note that investment in equity shares involves a high degree of risk, and for details see the section titled “Risk Factors” in the red herring prospectus, when available.*

*Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States.”*

# Thank You

## CONTACT

For more information,  
Visit [www.nseindia.com/emerge](http://www.nseindia.com/emerge)  
email: [emerge@nse.co.in](mailto:emerge@nse.co.in)  
Twitter - [https://twitter.com/NSE\\_EmergeITP](https://twitter.com/NSE_EmergeITP)  
Facebook - <https://www.facebook.com/EmergeITP>



### NSE OFFICES

#### Corporate Office Mumbai

National Stock Exchange of India Limited  
Exchange Plaza, Plot no. C1, G Block  
Bandra - Kurla Complex, Bandra (E)  
Mumbai - 400 051  
Mob: 9322542458  
Tel No: 022 26598234 / 26598179

### NSE - BRANCH OFFICE

#### AHMEDABAD

National Stock Exchange of India Ltd  
Office No. 304/305, GCP Business Centre  
Opp. Memnagar Fire Station, Memnagar,  
Ahmedabad - 380052  
Tel No: 079 26420481/ 26420482  
Mob: 8460756452

#### DELHI

National Stock Exchange of India Ltd  
4th Floor, Jeevan Vihar Building  
Parliament Street, New Delhi - 110001  
Tel No: 011 23741741 , 49393000  
Mob: 9582230058

#### KOLKATA

National Stock Exchange of India Ltd.  
1st Floor, Park View Apartments,  
99 Rash Behari Avenue,  
Kolkata - 700 029  
Tel No: 033 40400400  
Mob: 9874318833

#### CHENNAI

National Stock Exchange of India Ltd.,  
Old No. 7, New No. 2, Nawab Garden,  
Murugappa Road, Kotturpuram,  
Chennai - 600 085.  
Tel No: 044-66309900 (Board)

#### HYDERABAD

National Stock Exchange of India Ltd  
8-2-594/A/1, Third Floor, Urmila Heights,  
Opp Rainbow Hospital, Road No 10,  
Banjara Hills, Hyderabad - 500034  
Mob: 9000100319  
Tel No: 040-23357082 / 040-23357083

#### MUMBAIWRO

National Stock Exchange of India Ltd.  
6th Floor, Kohinoor City, Tower-1,  
Commercial-II, Kirod Road, Off. L.B.S. Marg,  
Kurla (W), Mumbai - 400070  
Tel No: 022 25045272  
Mob: 9930872648