

 NSE **EMERGE**
THE SME GROWTH PLATFORM

***EMERGE** symbolises the aspirations of a large number of entrepreneurs participating in the “India growth Story” and having potential to unlock value and emerge on a bigger stage.*

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	165
M cap (Rs in crores)	~12,800
Total Capital Raised (Rs in crores)	~2,560.00
Average Issue size (Rs in crores)	~15.60
No. of Sectors	18
No. of Companies migrated to Main Board	3

As on July 13, 2018

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. Dilution: at least 25%
- DRHP in same format. Only exchange observations
- No grading requirement
- 100% underwriting
- 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

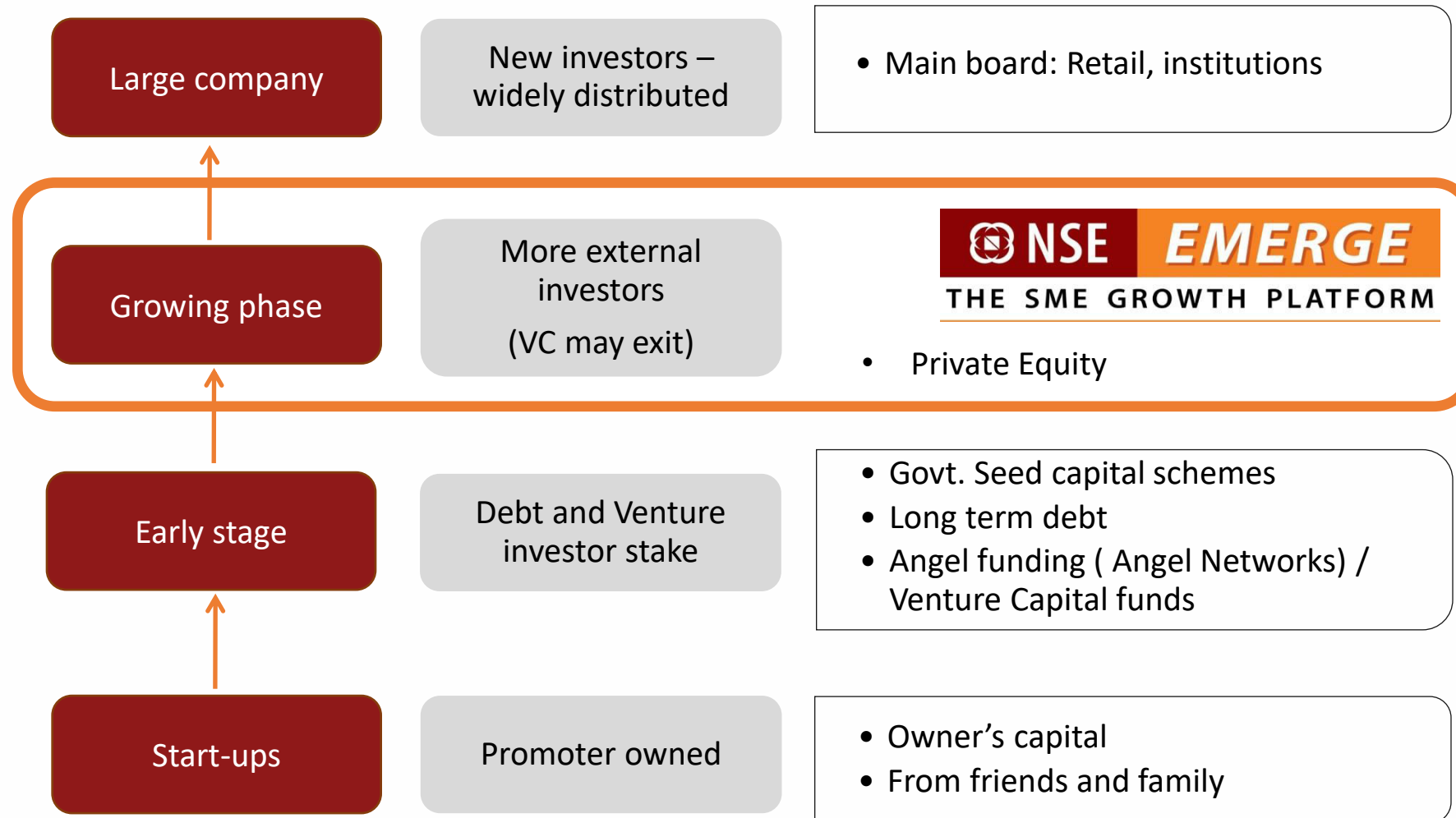
Migration

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

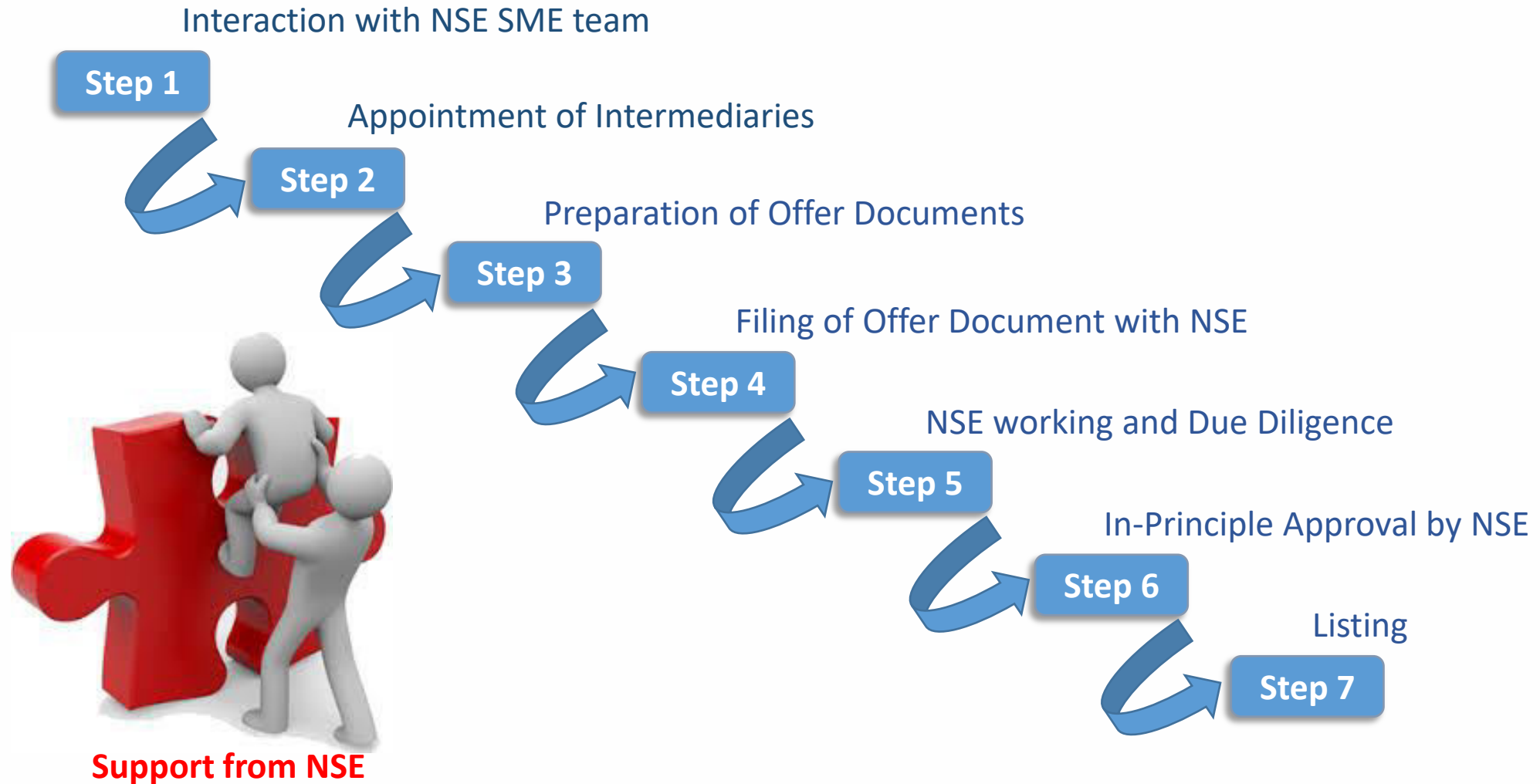
Investors

- 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?

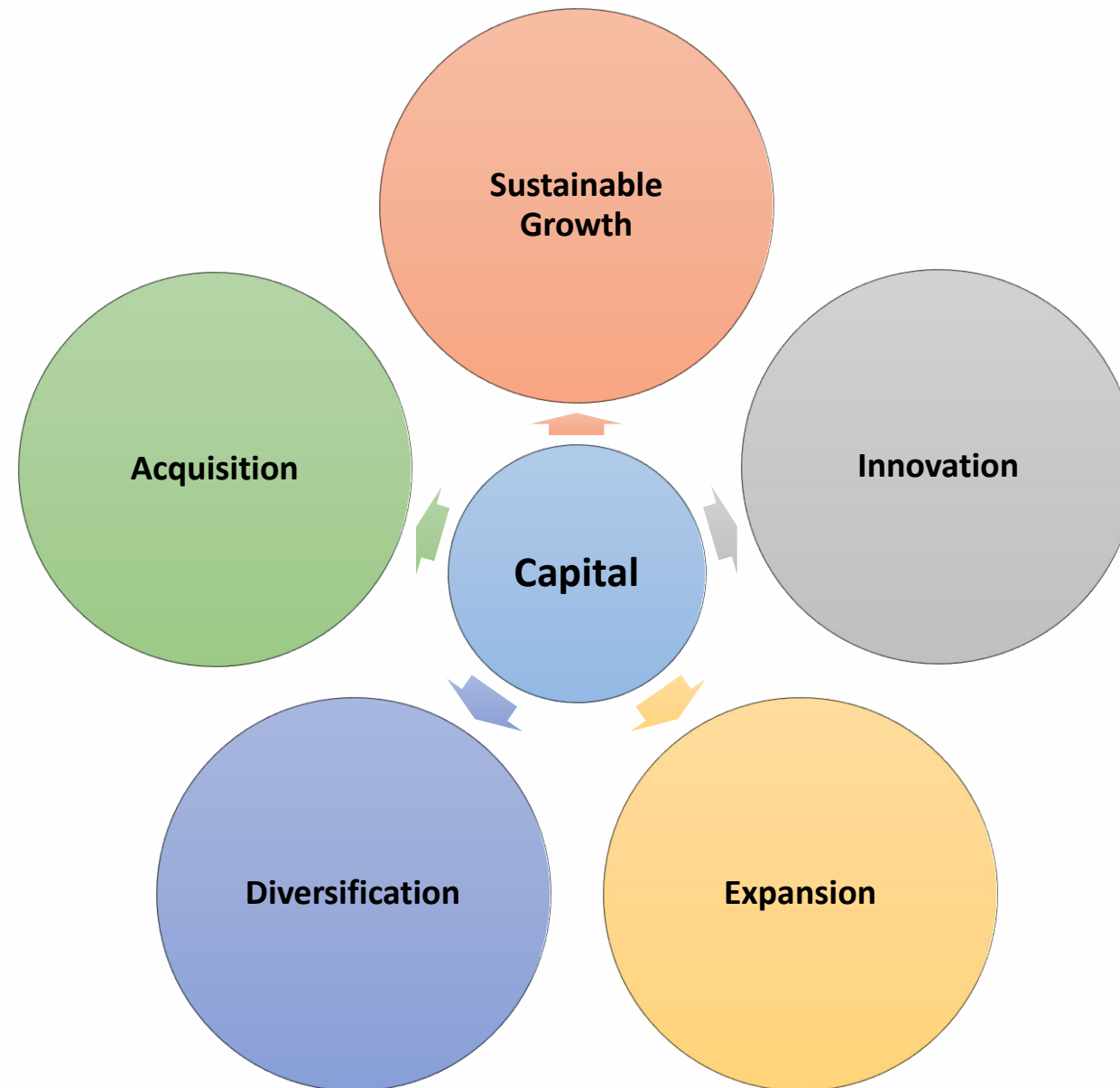


Why list on NSE EMERGE Platform?

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



Grow with your clients



Corporate governance Services



Opportunity for investor portfolio

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

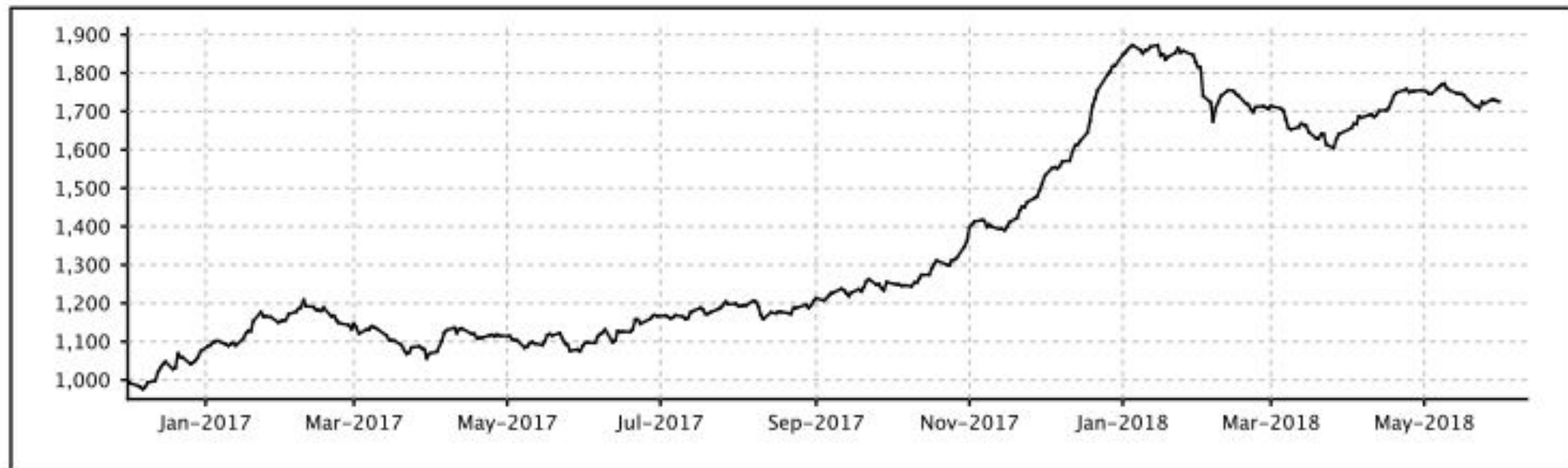
- Government bodies
 - ✓ State Governments
 - ✓ MIDC, GIDC, etc.
 - ✓ MSME Institute
- Industrial Associations



❖ 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



May 31, 2018

Portfolio Characteristics

Methodology	Free Float Market Capitalization
No. of Constituents	102
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	16.77
PAPER	16.45
IT	16.43
CONSUMER GOODS	9.59
INDUSTRIAL MANUFACTURING	9.03
CONSTRUCTION	7.79
PHARMA	5.23
TEXTILES	3.89
FERTILISERS & PESTICIDES	3.60
CHEMICALS	2.63
MEDIA & ENTERTAINMENT	2.30
METALS	2.29
AUTOMOBILE	1.51
FINANCIAL SERVICES	1.45
HEALTHCARE SERVICES	0.79
ENERGY	0.24

Statistics

	QTD	YTD	1 Year	5 Years	Since Inception
Returns (%) #	5.16	-5.19	58.53	0.00	43.98

	1 Year	5 Years	Since Inception
Std. Deviation *	13.37	0.00	14.24
Beta (NIFTY 50)	0.50	0.00	0.37
Correlation (NIFTY 50)	0.38	0.00	0.26







Fundamentals

P/E	P/B	Dividend Yield
34.43	3.49	0.18

Top constituents by weightage

Company's Name	Weight(%)
Shrenik Ltd.	16.45
Zota Health Care Ltd.	3.73
Fourth Dimension Solutions Ltd.	3.70
Euro India Fresh Foods Ltd.	3.21
Airan Ltd.	3.14
Mitcon Consultancy & Engineering Services Ltd.	2.73
Thejo Engineering Ltd.	2.67
Maheshwari Logistics Ltd.	2.65
RKEC Projects Ltd.	2.52
Jash Engineering Ltd.	1.97

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 and 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.jmfi.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, ICICI Securities Limited at www.icicisecurities.com, IDFC Bank Limited at www.idfcbank.com and IIFL Holdings Limited at 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