

INVESTMENT OPPORTUNITIES IN EMERGING COMPANIES





ABOUT NSE

National Stock Exchange of India Limited (NSE), the largest stock exchange in India has transformed the capital market, based on technology, innovation and high standards of governance and management practices. It has played a critical role along with regulators in reforming the Indian securities market in terms of microstructure, market practices and trading volumes. NSE's business practices, governance model and high levels of integrity and transparency have earned it the trust of the financial markets worldwide. Among the many accolades, the coveted CII-EXIM Bank Prize for Business Excellence, received twice, is recognition of NSE's remarkable journey. According to the World Federation of Exchanges' statistics, NSE is the largest Derivatives Exchange in the world in terms

of contracts traded and is ranks among the top global Exchanges in terms of number of equity trades. NSE's flagship index, the NIFTY 50, has become a benchmark of India's economy.

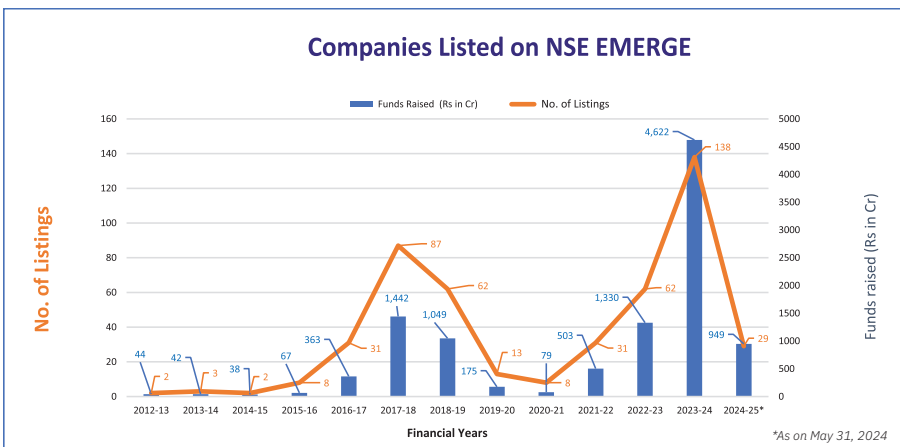
NSE is committed to improve the financial well-being of people and development of capital markets in India. It recognizes and accepts the critical role it plays to integrated India into the global market. NSE provides and operates a market ecosystem which is transparent and efficient; and at the same time offers high levels of safety, integrity and corporate governance, providing ever growing trading & investment opportunities for all category of investors.

EMERGE HIGHLIGHTS

EMERGE is a credible and efficient markets place to bring about convergence of sophisticated investors and emerging corporates in the country. It is a platform for the emerging corporate to raise capital from Institutional investors and HNIs.

- ▶ Credible admission process
- ▶ Robust Trading Platform and risk management system
- ▶ High quality investor information
- ▶ Issuer education and handholding

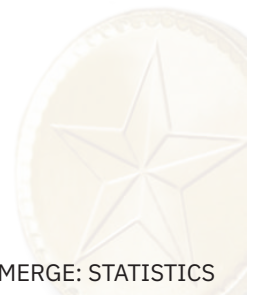
Companies Lited on NSE EMERGE



EMERGE: STATISTICS

Particulars*	Statistics
No. of Companies Listed	476
Market Capitalisation	~Rs.1,45,385 Cr
Total Capital Raised	~Rs.10,702 Cr

*As on May 31, 2024



NSE's SME platform "EMERGE", offers emerging businesses a new and viable option for raising equity capital from a diversified set of investors in an efficient manner. These companies have the potential to unlock value and emerge on a bigger stage. EMERGE can play the critical role of significantly improving access to equity capital for growing companies. At the same time, this platform will provide investors with opportunities to invest in growing SME's / technology Startups.

EMERGE ELIGIBILITY CRITERIA

SME Company

- Post issue paid up capital (face value) upto Rs.25 crore
- Track record of atleast 3 years
- Positive network
- Operating profit from operations for atleast any 2 out of 3 financial years

Benefits

- Higher visibility and profile
- Higher credibility with stakeholders like customers, vendors, employees, etc
- Alternate asset class for investors
- Unlock value of ESOPs to attract and retain talent
- Appropriate valuations: Liquidity /exit for investors
- Migration to Main Board

Why NSE EMERGE

- Credible admission process
- State-of-the-art trading system
- High quality investor information
- SME Mentoring

Technology startups *

- Post issue paid up capital (face value) upto Rs.25 crore
- Track record of atleast 3 years
- Positive network
- Annual Revenue : Not less than 10 Crs
- Annual Growth : 20% (Number of Users/Revenue Growth/Customer base)

Shareholding Condition

- At least 10 % Pre – Issue Capital as on the date of filing of draft offer document held by:
 - > Qualified Institutional Buyer(s) (QIB)

OR

 - > A member of the angel investor network or Private Equity Firms
 - » Such angel investor network or Private Equity should have had an Investment in the startup ecosystem Investment in 25 or more startups and aggregate investment is more than 50 crores

**Technology startups working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property such as but not limited to Information technology, Data analytics, Bio-technology, Nano-technology, E-commerce, Genetic Engineering, Space Technology, 3D Printing, Artificial intelligence, Robotics etc.*

ALTERNATE ASSET CLASS FOR INVESTORS

NSE Emerge provides an alternate asset class for investors looking to invest in growth stage companies. These companies are trying to establish a foothold in the market and are looking to raise capital to scale their operations/explore new markets/fund R&D etc. This asset class is suitable for informed investors who are willing to invest patient capital in promising companies and seeking returns over medium to long term period.

- Investors today have access to high growth potential SMEs which have diverse profiles across multiple sectors and offering varied product ranges
- Existing investors such as Angel Investors, Venture Capital funds and others find this as a viable platform for exit opportunities
- Opportunity for well-informed investors to participate in the company's growth at an early stage

REGULATORY FRAMEWORK: EMERGE VIS-À-VIS MAIN BOARD

Particulars	Emerge	Main Board
Post-issue paid-up capital (face value)	Less than Rs 25 crore	Not less than Rs 10 crore
Minimum number of allottees in the IPO	50	1000
Observations on DRHP	By the Exchange	By SEBI
IPO application size	Not less than Rs1,00,000	Rs 10,000-Rs 15,000
POST-ISSUE		
Reporting requirements (Financial accounts)	Half-yearly	Quarterly
Market making	Mandatory	Non-mandatory



MERCHANT BANKERS

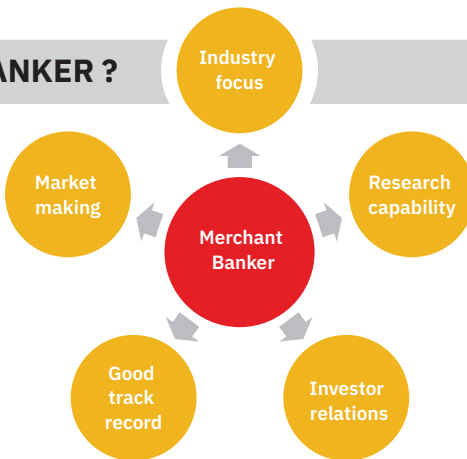
Merchant Bankers play a very important role in the IPO process on EMERGE and also have a role in Post listing phase. Their responsibilities are higher on the EMERGE platform as in addition to the conventional role of managing and underwriting the IPO, they are also responsible for ensuring market making for a period of three years from the date of listing.

REGULATORY NORM

Existing Merchant Bankers registered with SEBI are eligible to manage issues on the SME Platform.

HOW TO CHOOSE AN APT MERCHANT BANKER ?

Tying-up with a merchant banker of an appropriate profile is important for the long term success of the IPO.



EMERGE ADMISSION & LISTING FRAMEWORK

EMERGE has a transparent admission process which ensures that issuers walk through a planned route to listing while the investors are assured of credibility and

faster and more efficient IPOs resulting in lower Turnaround Time and costs for the participants.

Credible admission process

- Transparent, credible and efficient admission process
- Strong emphasis on corporate governance of the issuers
- High quality disclosures from issuers

Post listing framework

- Emphasis on credible reporting on end use of proceeds
- Dissemination of Information to investors



ROBUST TRADING PLATFORM

A robust platform has been developed to provide users with efficient trading experience. The SME securities will be traded on the same terminals as the Main Board scrips, with a unique code SM & ST to differentiate them.

The trading system provides a separate front end to market makers to place their quotes and characterizes the quotes with a distinct identifies.

MARKET MAKERS ON EMERGE

EMERGE will have market makers with two way eligible quotes (of minimum depth & within the stipulated Bid offer spread) in each trading session. Minimum presence would be 75% in each session. This will result in mandatory liquidity for 3 years post listing.



All existing members of the exchange are eligible to act as market makers for the SME issuers provided they qualify the Exchange criterion and have completed the registration process.



NSE INITIATIVES FOR SMEs

- Awareness session amongst SMEs on alternative fund raising mechanism through Capital market.
- Handholding SMEs in IPO process and connecting with merchant bankers and other intermediaries etc.
- Enables access to future financing opportunities.
- MOU in collaboration with State Government/Industrial Bodies/Associations etc.
- Inclusion in thematical NSE Emerge Index.

HOW DO I GET STARTED FOR A LISTING

- Develop an understanding of the capital markets and the various processes involved in raising funds through an IPO.
- Weigh the IPO option vis-à-vis other options of raising funds.
- Once you choose to opt for the IPO route make a realistic assessment of your readiness for listing.
- Start upgrading and strengthening your internal processes and systems to meet the requirements of a publicly listed company.
- Crystallise your project and capital raising plans.
- Engage a merchant banker to assist you in the IPO process.

Are you ready for listing?

- Use EMERGE's "Listing Readiness Assessment" to know your level of preparedness and what steps you need to take if you are seriously considering raising capital through the IPO route.

For more information scan QR code



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