

SME IPO & Stock Exchange

News on SME listings in India and across the world

In India: Till February 2013, NSE - Emerge has 2 listed companies and BSE – SME has 12 listed companies.

Across the world, Canada has most number of SME's listed followed by U.K. and Korea as you can see from the statistics.

SEBI has also indicated that SME's might be allowed to raise capital through Offer for Sale (OFS) instead of IPO as this would reduce cost drastically.

Finance Minister in union budget said **“Small and medium enterprises, including start-up companies, will be permitted to list on the SME exchange without being required to make an initial public offer (IPO), but the issue will be restricted to informed investors.”** in addition to existing IPO for listing.



Introduction on SME

There are around 26 million Small and medium enterprises in India. They account for 40% of the manufacturing output and 40 % of the exports. And most of the companies are in need of capital for expansion and to become the next big thing. Raising funds through debt is expensive as fixed expenditure is incurred and payable at stipulated time. Hence SME listing and IPO shall bring a new lease of life for such companies who are having cash crunch by raising capital in an efficient manner.

Who are classified as SME under SEBI guidelines in order to list in SME stock exchange?

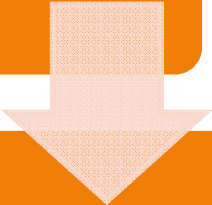
Capital: Companies having minimum INR 1 Crore paid up share capital and maximum INR 25 Crore paid up capital

Profits: Companies having distributable profits in 2 out of last 3 financial years

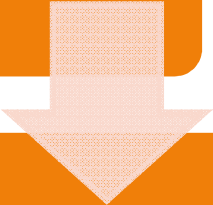
SME IPO

What is SME IPO?

Small and Medium Enterprises (SME) who wish to go public, SEBI has devised a IPO (Initial Public Offer) route exclusively for SME's where the enterprises can raise funds from market up to INR 25 Crores.



The Initial Public Offer (IPO) is one of the means of financing and it is an important residuary method to raise funds for any corporate aspiring growth.



For accessing capital markets easily , improved credibility and visibility locally as well as internationally a dedicated stock exchange is set up in the form of BSE SME and NSE Emerge in India.

WHY SME IPO?

To fund new projects/ undertake expansion, marketing expenditure

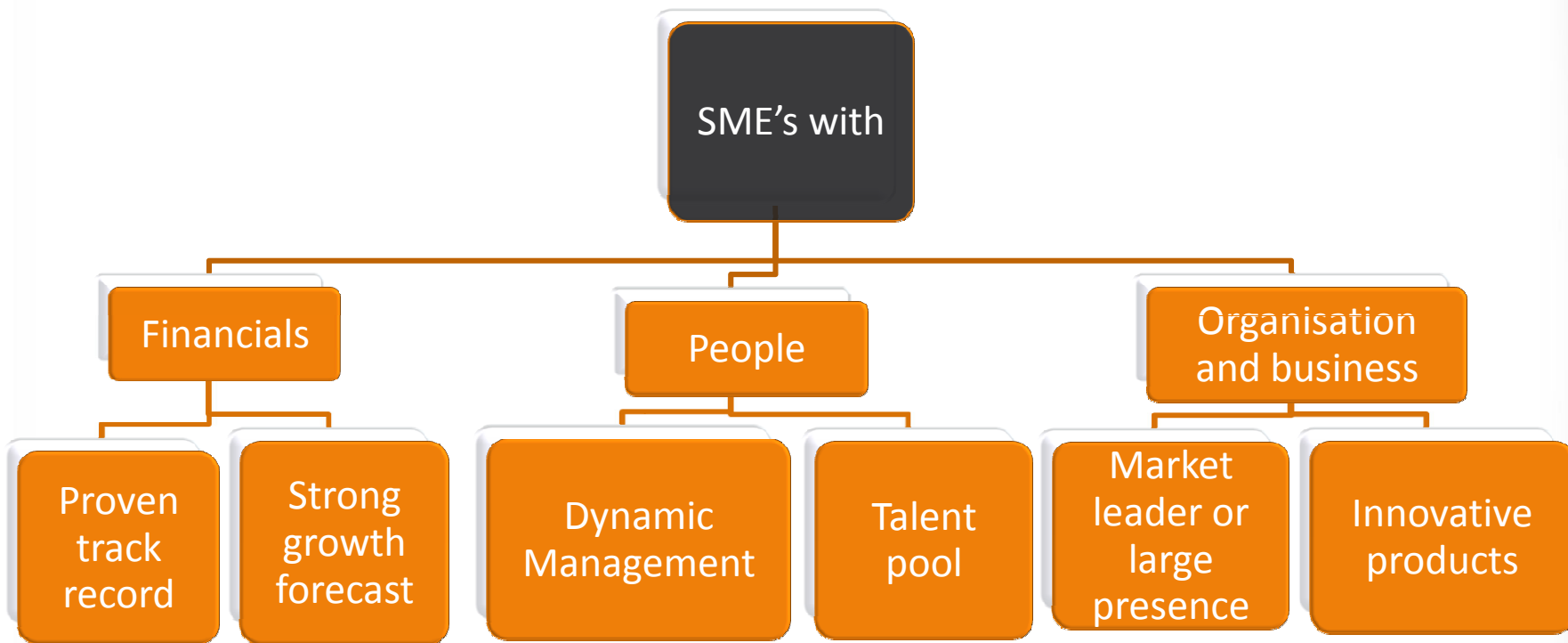
Enhance Company's visibility

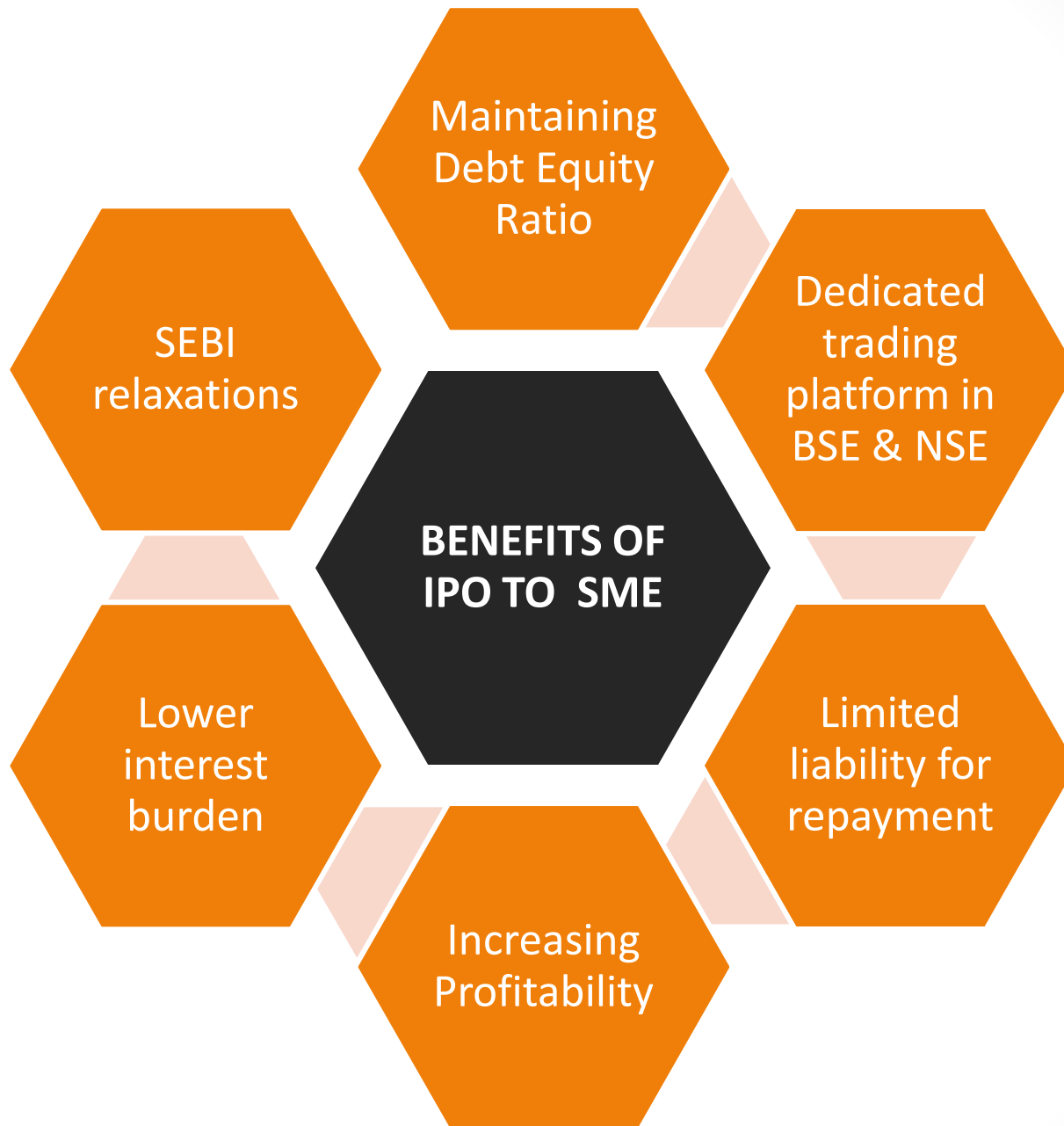
Lowers debt burden leading to lower financing cost

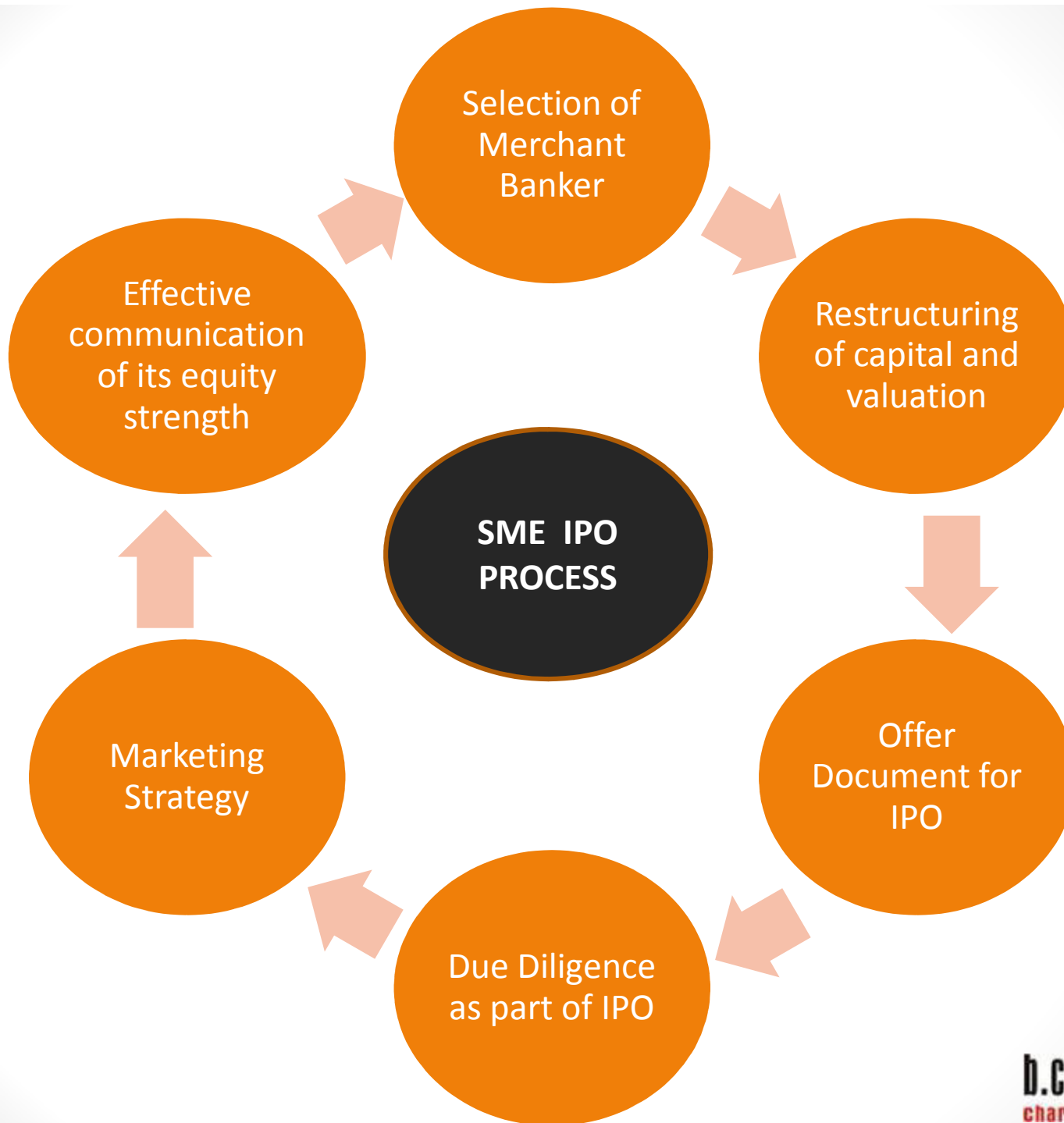
Greater incentive for the employees as they can participate in the ownership of the company and benefit from being shareholders

SME's potential for IPO

Enterprises with following characteristics have great potential in successfully raising funds through capital market.







**SEBI
GUIDELINES
FOR SME'S**

Maximum Post
Issue capital -
Rs.25 crores

Minimum no. of
members for Issue -
50

After listing, no minimum
• number of members
required to be continued

Market making -
Mandatory for 3 years

Trading Lot size -
Multiples of
Rs.100,000/-

Underwriting -100%

Issue Lot size - No. of
shares depending on
IPO price band

Chartered Accountant Services

Our team of Chartered Accountants shall help you to prepare documentation required for IPO process and render following services

•

Balance sheet
preparation

Financial due
diligence

Certification of
financials

Compliance with
disclosure
requirements

Listing agreement
compliance

Timely filing for
listing agreements

Company Secretary Services

Our team of Company Secretaries shall help you in compliances required for IPO process and render following services

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Brokers Audit

Securities Audit

Corporate
Restructuring

Capital
Restructuring



Unlocking
company's real
value

Thank You...

Contact Us @

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