

Step up and grab the opportunity  
to take your **business to new heights.**

# Make Your Next Move The Best Move

“SME and MSME are the core to the economic and social development of India. They play a significant role in India’s industrial growth, providing employment and entrepreneurship opportunities in both urban and rural areas. The government regulators have played a pivotal role in the strengthening of this segment. Since 2012 till date, 280 SMEs have preferred BSE for listing, in their quest for capital formation and wealth creation. BSE is the largest SME exchange in India with an overwhelming number of SME companies deciding to list only on BSE. The success of which has been noticed by international agencies such as IOSCO in promoting SMEs in India.

We, at BSE, will continue to work to improve the BSE SME platform development to help enable the aspirations of SME entrepreneurs as well as support their contributions to the economic and social development of India.”

- Shri Ashishkumar Chauhan, MD & CEO, BSE



# BSE SME-India's Largest SME Platform

BSE Asia's first stock exchange has set up SME platform as per the rules and regulation laid down by SEBI.

It provides a regulated platform for SMEs to raise funds from the public. It also helps harbour an investor friendly environment, enabling the listing of SMEs from the unorganised sector, scattered throughout India, into a regulated and organised sector.

Established in 2012, BSE SME is the market leader amongst the SME platform in India. Over the past 5 years, BSE SME has listed 280 companies and helped raise over ₹2805.10 Crores. The market capitalisation of the platform is ₹20166.10 Crores.

India's over 51 million SMEs have contributed immensely towards industrial growth, providing employment and entrepreneurship opportunities in urban and rural areas. BSE SME over the years has helped entrepreneurs of over 280 SME entities to raise equity for growth and expand in a cost effective manner. Thereby assisting their aspirations, enabling wealth creation, and boosting social and economic development.



SMEs are the building blocks of the economy. They are the biggest contributors to employment. BSE has taken the initiative to start the SME platform so that SMEs can generate funds through capital market and at the same time unlock the value of their company by bringing visibility and credibility to it. BSE SME will be committed to the growth of SMEs and therefore bring inclusive growth in the country.

- Shri Ajay Kumar Thakur, Head - BSE SME



# Benefits of listing on BSE-SME Platform

- Provide the SMEs **equity financing opportunities** to grow their business from expansion to acquisition.
- Equity financing will **lower the debt-burden** leading to lower costs and healthier balance-sheets.
- **Expand the investors base**, which in turn will help in getting secondary equity financing including private placement.
- **Enhance the visibility**, through media coverage resulting in a better profile and credibility leading to increase in the value of its shares.
- **Exit option**, that reduces the lock-in-period helps in incentivising big venture capital participation.
- Greater **incentive for the employees** as they can participate in the ownership of the company and benefit from being its shareholders.
- **Encourage innovation and entrepreneurial spirit.**

## BENEFITS OF LISTING ON BSE SME PLATFORM

**Expand  
the investors  
base**

**Lower the  
debt-burden**

**Equity  
financing  
opportunities**

**Enhance  
companies  
visibility**

**Incentive  
for the  
employees**

**Encourage  
innovation**

**Entrepreneurial  
spirit.**

**Exit  
option**

# Criteria of Listing on BSE SME Platform

- The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.
- Positive net worth.
- Net Tangible Assets should be ₹ 3 crores.
- The company or the partnership/proprietorship/LLP firm or the firm which have been converted into the company should have a combined track record of at least 3 years.

Or

In case it has not completed its operation for three years then the

Company/Partnership/Proprietorship/LLP should have been funded by way of loan/equity by Banks or Financial Institutions or Central or State Government or its undertaking, or its Group Company should have been listed for at least two years either on the Main Board or SME Board of the Nationwide Exchange.

- The Company or the entities or the entities which has been converted into the Company should have combined positive cash accruals (earnings before depreciation and tax) from operation and its net worth should be positive.
- The company should mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories
- The company should mandatorily have a website.
- The company should have no change in the promoters in the preceding one year from the date of filing its application on BSE for listing on SME segment.

## **The company should not :**

- Be referred to the Board for Industrial and Financial Reconstruction (BIFR)
- Have any winding-up petition against the company that has been accepted by a court.
- Stock/Commodity Broking companies, Micro Finance companies which are non-deposit taking non-Banking Financial Company (NBFC) are eligible for listing on BSE SME platform subject to meeting the following eligibility criteria:

## **Broking Companies:**

- Net worth of minimum ₹15 Crores (should comprise of equity and reserves and surplus).
- Aggregate profit before tax of ₹5 Crores for 2 consecutive years, out of 3 immediately preceding financial years. (Each financial year should be of a period of 12 months). Extraordinary income will not be considered for the purpose of profits.
- Net tangible assets of at least ₹3 Crores as per the latest audited financial results.
- The post-issue paid up capital of the company should be minimum ₹3 Crores

## **Micro Finance Companies:**

Micro finance companies, in addition to the existing criteria for all SME companies, should have a book value of at least ₹100 Crores, client base of 10000 & above and it should not have accepted / held public deposit.

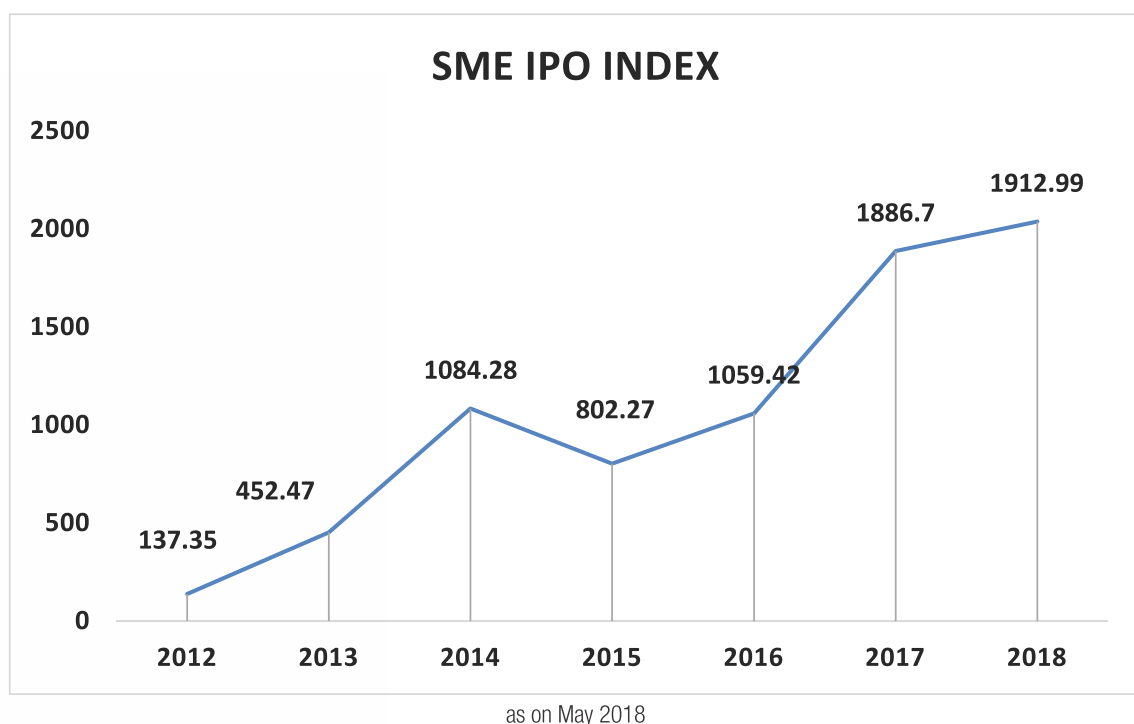
# Statistics:

- Number of companies who have applied on BSE SME platform 331
- Number of companies who are listed on BSE SME platform: 280
- Number of companies migrated from BSE SME Platform to Main Board of BSE: 57
- Number of Market Makers registered: 121
- Fund Raised: More than ₹2805.10 Crores of funds raised by 280 listed companies on SME Platform.
- Market Share: BSE SME is the market leader in the SME segment and currently has 60% market share.
- SME platform is the fastest and cost effective platform as mentioned by ADB, IOSCO & WFE.

# Growth

- IPO Index Performance: The Index has appreciated more than 1000% since its launch and is already the top SME Index in the world in terms of YTD.
- Fund Raised: More than ₹2805.10 Crores of funds raised by 280 listed companies.

## SME IPO INDEX



# Compliance on BSE SME Platform Vis-a-Vis Main Board

Particulars	BSE SME Platform	Main Board
<b>Pre Issue</b>		
IPO Application Size	Not less than ₹1 lakh	₹10,000-15,000 (minimum)
Observation on DRHP	By the Exchange	By SEBI
Post issue Paid-up Capital (Face Value)	The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.	Minimum ₹10 Crores
Minimum Pre-Tax Operating	No Such Requirement	At least Pre-Tax operating profit of ₹15 Crores (for 3 years out of 5 preceding years)
IPO Grading	Non-Mandatory	Mandatory
Market Capitalisation/Issue Size	No restriction	No restriction
IPO Underwriting	100% underwritten (At least 15% of the issue size on the books of the merchant banker)	Mandatory (Not required when 75% of the issue is offered for compulsory subscription of QIBs)
Minimum No. of Allottees in the IPO	At least 50	At least 1000
<b>Post Issue</b>		
Reporting Requirement	Half-Yearly (abridged)	Quarterly (comprehensive)
Market Making	Mandatory	Non-Mandatory

## Criteria for Migration to the Main Board

### Migration from BSE SME Platform to the Main Board of BSE:

Any company on BSE SME Platform having a paid up capital of more than ₹10 Crores can apply to move to the main board provided:

- The company should be listed on SME platform for minimum 2 years
- A Special resolution is passed in the AGM with at least two-thirds of the shareholders (apart from promoter shareholders) favouring the migration
- On migration to the Main Board the company will have to comply with the applicable regulations of SEBI LODR (Listing Obligations And Disclosure Requirements) Regulations 2015



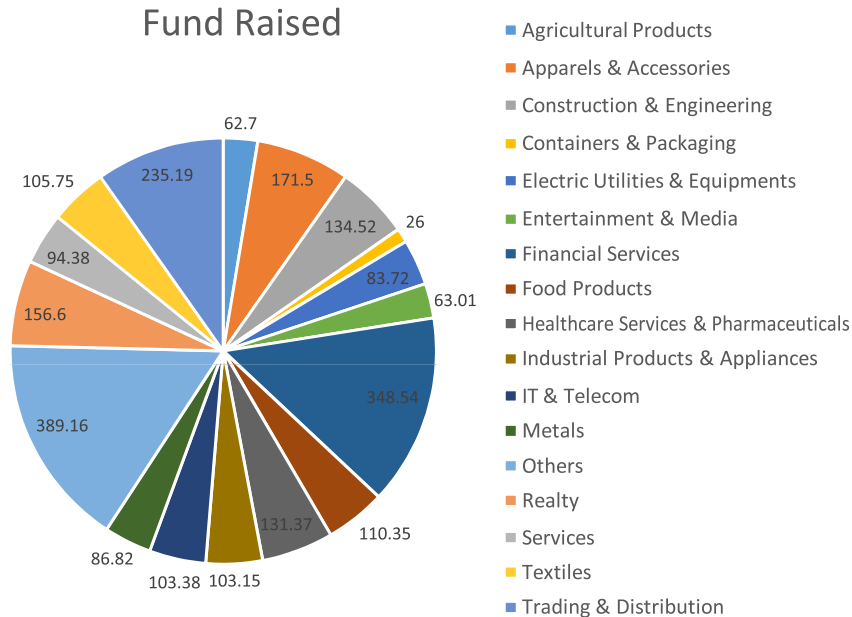
# Preparation for IPO

Initial Public Offer (IPO) is one of the means of financing and an important method to raise funds for any corporate aspiring for growth. It is thus important that every corporate is aware about the requirements and the kind of preparation required before entering the capital market. An overview of the process of IPO and activities are listed below.

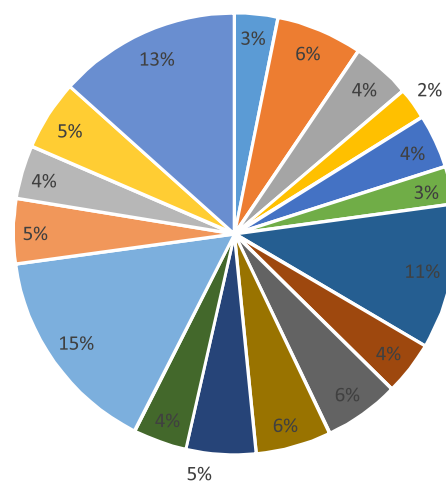
1. Selection of merchant banker
2. Restructuring of capital and valuation
3. Offer documents for IPO
4. Due diligence as part of IPO
5. Marketing strategy
6. Effective communication of the corporate and its equity strength

## FUND RAISED AND SECTORIAL DISTRIBUTION

Fund Raised



Sectorial Distribution





# Success Stories from SME COMPANIES



## **IRIS Business Services Limited**

S Swaminathan  
Founder & CEO,

On October 11, 2017, the shares of IRIS started trading on the BSE. At every step of the process, from filing the prospectus to the IPO to listing, it was a completely new experience. At every step, BSE surprised us with their proactive attitude.

With over 5000 companies listed on the exchange, what is one more for them, we used to wonder. But they helped us navigate through the process with the least amount of pain and we grew in confidence with every step. I thank every member of the BSE team who made it happen.

Our success is entirely owed to BSE who have been able to attract a new category of investors to the SME Board making it an attractive platform for SMEs to list on.

Experience the New, says the BSE and we did. Thank you BSE for making it happen.



## **Manorama Industries Limited**

Ashish Saraf  
President

Manorama Industries Limited is pioneer in manufacturing and exporting of Cocoa Butter Equivalent (CBE) and Specialty Fats / Butters extracted from Tree Borne Butter seeds from the State forests of Chhattisgarh, Odisha, Jharkhand, Madhya Pradesh etc and a global player for Chocolate, Food, Confectionery and Cosmetic industries. The Manorama Group has a history of over 60 years continuing with a responsible sustainability and proceeding towards One-Stop-Shop.

Manorama Industries Limited got listed on October 4th, 2018 and are very honoured to be part of BSE SME Segment. We are happy with the progressive and decisive step that we have taken, for listing of equity shares of our Company on SME platform of BSE. BSE is doing a commendable job by creating a platform and given an opportunity to small and medium enterprises to raise funds for the growth of their company.

Experience the New, says the BSE and we did. We would like to thank BSE for making it happen and all investors in showing their trust and faith on our company and sharing the common belief of growth for all.

It is really a giant leap in the growth story of Manorama Industries Limited. We thank BSE for extending their incredible support to make this possible for us.



### **Innovative Ideals & Services (India) Limited**

Maqsood Dabir Shaikh

Founder & Managing Director

Innovative is both India's market leader and pioneer in electronic security systems encompassing everything from monitoring and surveillance to screening. We have introduced some of the most novel and innovative technologies to the Indian market during our journey of 25 years.

At Innovative we are looking to expand into larger markets pan-India, and BSE SME platform had opened a new path for all entrepreneurs in India like us, for this reason we decided to go ahead with an IPO, so that the public at large can share in our success, which will be a win-win relationship for all. To this end, we are happy that we took this positive step of getting listed on BSE SME platform on October 5, 2018. At Innovative we cannot help but feel an overwhelming sense of satisfaction over the way our IPO offering went. The amount of cooperation that we received from the BSE was unparalleled. Their team was always there to guide us and help us successfully navigate through the maze of regulations required for the IPO.

Finally, I would like to thank BSE on behalf of our entire team for both the opportunity and the help that we received from them for the successful launch of our IPO.

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### **Inflamm Appliances Ltd.**

Mr. Amit Kaushik

Founder & CEO,

Inflamm was founded in 2015 with a vision to introduce organized manufacturing in the cluttered kitchen appliances sector in India. A little hesitant initially with the idea of IPO, the proactive approach of BSE team made us comfortable at every level. Right from the very first meeting, till the date of launch of IPO on 6<sup>th</sup> March 2018, BSE guided us throughout the process in the most efficient manner.

BSE SME platform has opened a new path for all entrepreneurs in India in the form of equity-based funding which is quite new for small entrepreneurs. It helps to build a strong financial structure by infusing funds which in-turn provide swift overall growth to the company.

After our shares started trading on the BSE, We, including our customers & all our business associates feel much more enthusiastic, future-oriented and also feel an increased responsibility towards the company. It is really a giant leap in the growth story of Inflamm. We thank BSE for extending their incredible support to make this possible for us.

# About BSE

## **BSE- Driving the Indian Capital Market**

Established in 1875, BSE (formerly Bombay Stock Exchange Ltd.) is Asia's first and now the fastest stock exchange in the world with a speed of 6 microseconds.

BSE has played a prominent role in developing the Indian capital market.

Over the past 143 years, BSE has facilitated growth of the Indian corporate sector by providing it an efficient capital-raising platform.

Popularly known as BSE, the bourse was established as 'The Native Share & Stock Brokers' Association' in 1875.

BSE provides an efficient and transparent market for trading in equity, debt instruments, derivatives, mutual funds and stock lending and borrowing.

It also has a dedicated platform for trading in equities of small-and-medium enterprises (SME).

More than 5000 entities are listed on BSE making it the world's No. 1 exchange in terms of the number of listed companies. It is also one of the world's leading exchanges-2nd in the world in Currency Options and 3<sup>rd</sup> in the world in Currency Futures (Source: World Federation of Exchanges).

BSE's popular equity index- the S&P BSE SENSEX- is India's most widely tracked stock market benchmark index comprising of top 30 stocks in the country. The S&P BSE SENSEX is often referred to as the barometer of Indian economy and is rightly called 'India's Index the World Tracks.'



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