

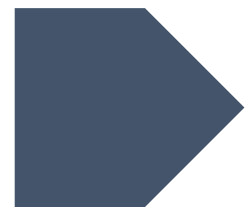
# Capital Issuance on SME Exchanges

*From Concept to Closure for Aspiring Capital Issuers*



February 2026

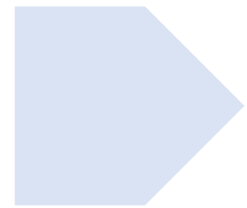
# Agenda



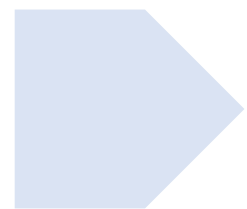
Overview of SME Exchange Listing Mechanism



Process & Timelines



Key Post-Issue Compliance Parameters



How we can help

# What is an SME Exchange ?

For smaller businesses it is often too costly or procedurally too cumbersome to raise capital from the main Exchanges. The SME Exchange (Small & Medium Enterprises Exchange) is a dedicated trading platform created by Stock Exchanges in India for facilitation of listing and trading of capital market instruments (including equity shares) issued by companies with small/medium market capitalization. At present there are two principal SME Exchanges in India



The BSE SME Platform offers entrepreneurs and investors a streamlined environment for sourcing & deployment of capital and enables listing and trading in shares of SMEs in a regulated and organized manner

Focus on Governance

Tech Enabled Systems & Processes

Threshold to the Global Universe of Capital Providers

Ideal exit option for PE/VC Investors

User Friendly Environment for Deployment & Sourcing of Capital



EMERGE is a credible and efficient market place to bring about convergence of sophisticated investors and emerging corporates. It offers opportunities to informed investors to invest in emerging businesses while allowing growth oriented & well governed businesses to raise capital cost-effectively

# Eligibility Criteria for Listing on SME Exchanges



Incorporation

Companies Act, 1956 or Companies Act, 2013

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Face Value of Post-Issue Paid Up Capital

Minimum – Rs. 3 Crores  
Maximum – Rs. 25 Crores

Minimum – No Specification  
Maximum – Rs. 25 Crores

Tangible Net Worth

Minimum – Rs. 1 Crore for 2 preceding full financial years

Not Specified

Net Tangible Assets

Minimum – Rs. 3 Crores

Not Specified

Financial Track Record

Operating profit for 2 out of 3 previous financial years. Leverage Ratio should be less than 3:1 (except finance companies)

Track Record of at least 3 years, EBITDA of min ₹1 cr. & positive FCFE for at least 2 out of 3 financial years and a positive Net Worth

Other Listing Conditions

Website, Shares should be in demat form, should not have been referred to BIFR and no winding up petition pending

Shall not have been referred to BIFR, no winding up petition pending and no disciplinary action in last 3 years

# Applicable SEBI Regulations

Issue of Capital on SME Exchanges is regulated inter alia by the provisions of Chapter IX of the SEBI (Issue of Capital & Disclosure Requirements) Regulations. Principal regulatory provisions as per SEBI Guidelines are as under:

## Investor Profile & Dilution Requirements

- Minimum Dilution 25% + Market Maker's share of 5% of the public holding (i.e. 1.25%)
- Minimum number of allottees – 50
- Minimum application amount/Trading Lot – Rs. 1 lakh

## Promoters' Contribution & Lock-in

- Minimum post-issue promoter holding – 20% to be locked-in for 3 years from allotment date
- All pre-issue shareholding to be locked in for at least 1 year from date of allotment

## Issue Process Related Guidelines

- Mandatory market making through exchange registered market makers for 3 years
- Issue to be fully underwritten – minimum 15% to be underwritten by manager of the issue
- Disclosures in Offer Document to be vetted by Exchange – SEBI will not be involved

## Migration to Main Board (SEBI + Exchange Guidelines)

- Track record of 3 years on SME platform
- Paid-up Capital between Rs. 10 crores & Rs. 25 crores (BSE) / Rs. 50 crores (NSE)
- Positive EBITDA (2 out of 3 years for BSE & 3 years for NSE) + positive PAT in preceding FY
- Mkt Cap to be at least Rs. 25 crores (BSE)
- Minimum no. of public shareholders 250 (BSE) & 1,000 (NSE)

# Key Benefits of Listing

## Impact on Financials

- Streamlined availability of capital for financing growth or working capital
- Strengthens capital base and helps reduce debt burden, thereby lowering finance expenses
- Ramped up net worth leads to higher credit rating and access to cheaper debt capital

## Branding & Profile

- Higher visibility and bigger mind space occupation in the market leads to higher top-of-mind recall
- Listing raises company's standing among all stakeholders including shareholders, employees, vendors, etc.
- Employees can be motivated through lucrative stock option schemes with ready liquidity

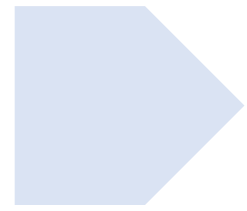
## Easier Access to Capital

- Listing brings a company into the public domain and attracts interest from large investors
- Higher liquidity in the shares of the company encourages more investment into the company
- The governance framework and transparency levels of a listed company are considered superior to unlisted/private companies

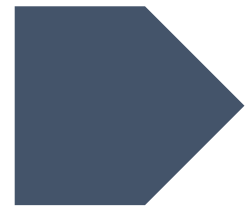
## Long Term Benefits

- Access to global best practices in enhancing efficiencies in operation and control
- Migration to the main board possible within 3 years – opens up the global capital markets on a much larger scale
- Investors can enjoy tax benefits allowed in capital gains derived out of exchange based transactions

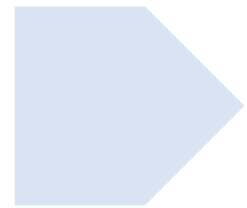
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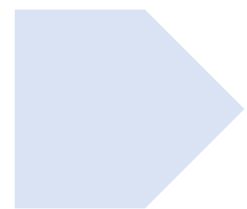
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**Process & Timelines**

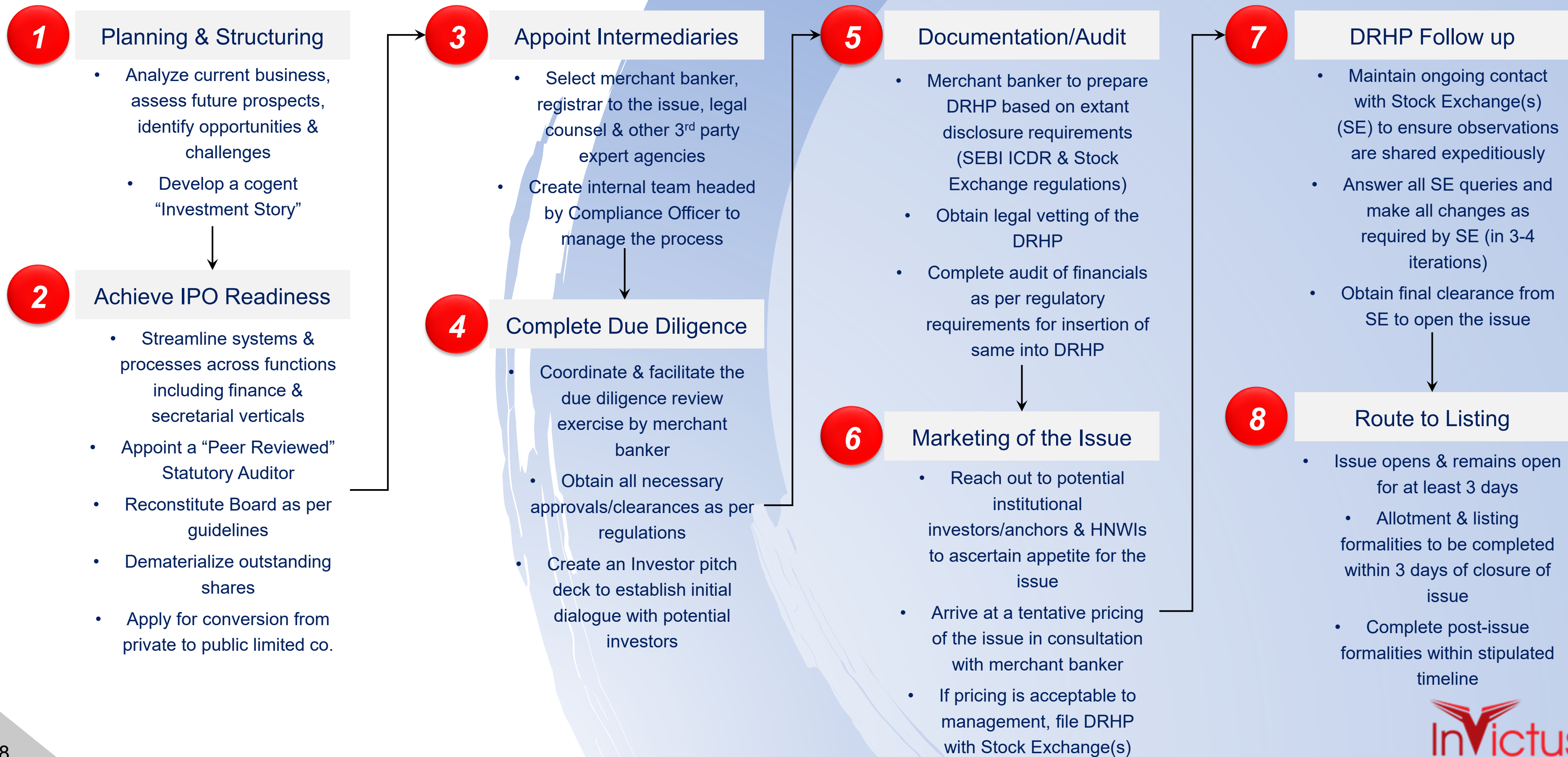


Key Post-Issue Compliance Parameters

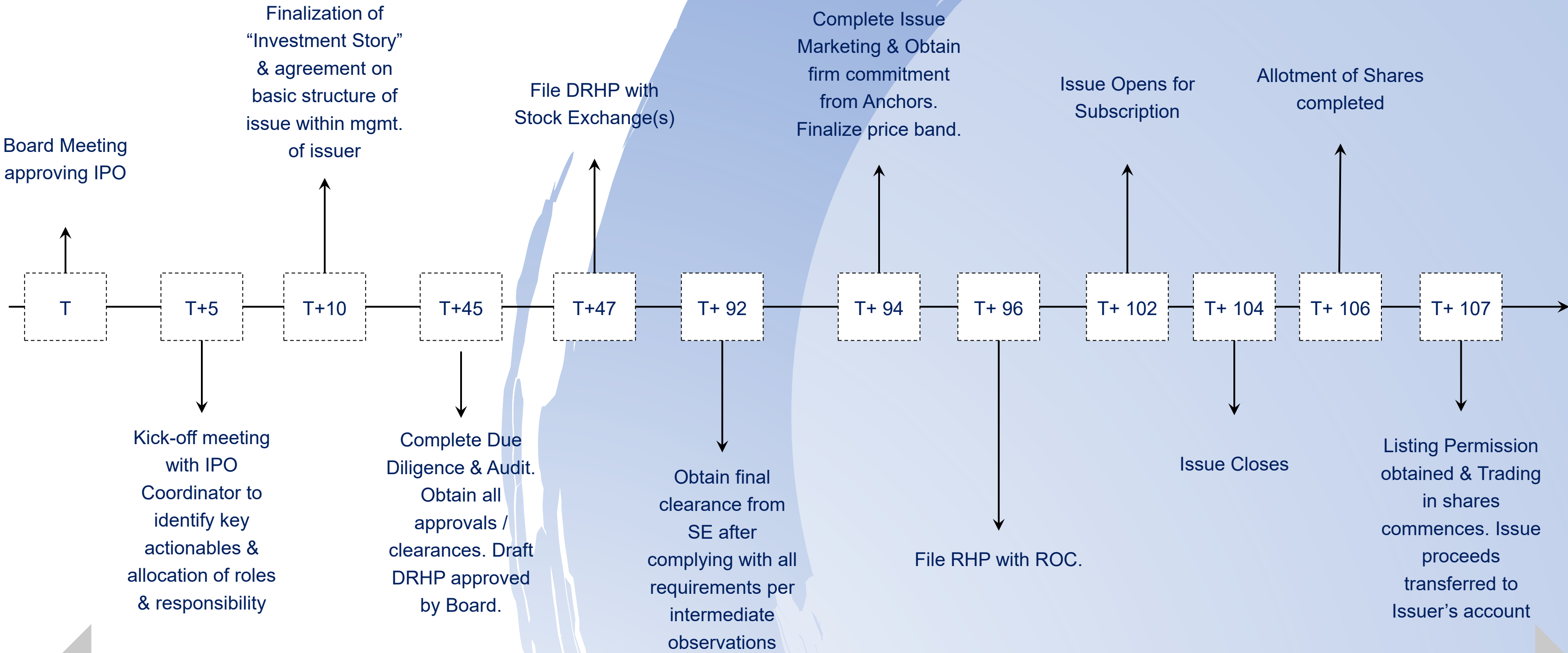


How we can help

# The SME IPO Process Essentially Involves 8 Key Steps



# An Illustrative SME IPO Calendar



As IPO Coordinator, Invictus shall serve as the **Single Window Interface** for the Issuer with all counterparties including intermediaries, expert agencies, regulators and other market players to ensure smooth & seamless execution of the IPO Process

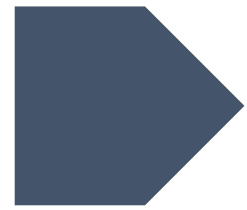
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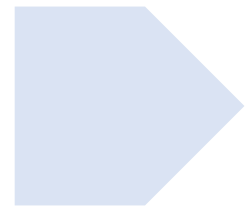
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**Key Post-Issue Compliance Parameters**



How we can help

# Key Post-Listing Compliances

## Stock Exchange

Half yearly and annual results as per the Accounting Standards

Financial results – Unaudited within 45 and audited within 60 days

Half Yearly shareholding pattern within 45 Days

## Website

Annual Report, Balance Sheets, P& L A/C

Proceedings at AGM or EGM

Notices and resolutions circulars , call letters

# Agenda



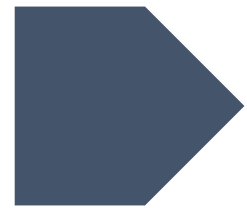
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How we can help

# Invictus Serves as “IPO Coordinators” for Aspiring Issuers

We bring a cumulative capital markets experience of 100+ years to the table for our clients to plan, structure and execute capital raise programmes through SME IPOs and achieve the most optimum valuation for their businesses.

We provide comprehensive and end-to-end professional services to our clients as a “Single Window Interface” for all functional and operational parameters related to the IPO.

Build a Cogent “Investment Story”	<ul style="list-style-type: none"><li>Analyze business of issuer, its operating parameters, opportunities and risks to develop a strategic growth map in consultation with management of the company</li><li>Articulate &amp; document the value propositions of the company and its business model</li></ul>
Oversee & Monitor Governance Aspects	<ul style="list-style-type: none"><li>Develop optimum financial governance framework</li><li>Support secretarial &amp; compliance functions in conjunction with in-house team of company</li><li>Ensure full compliance with all applicable regulations &amp; statutes</li></ul>
Selection of Intermediaries	<ul style="list-style-type: none"><li>Support the efforts of the management of the Issuer to appoint market intermediaries including the Lead Manager, Registrar &amp; Transfer Agent (RTA), Market Maker, Syndicate Members, etc.</li><li>Regularly coordinate efforts of all intermediaries to ensure all parties work as a cohesive team towards the goal of a successful IPO</li></ul>
Support Due Diligence Review	<ul style="list-style-type: none"><li>Assist management of Issuer in developing a comprehensive Data Room to facilitate the due diligence exercise by merchant banker</li><li>Facilitate &amp; coordinate all aspects of the due diligence review through regular engagement with all 3<sup>rd</sup> party intermediaries including merchant banker, lawyer, etc.</li></ul>
Investor Outreach & Valuation of Issue	<ul style="list-style-type: none"><li>Reach out to our proprietary network of investors as well as other investors to ensure good response to the IPO</li><li>Arrive at a consensus based valuation on the basis of feedback from investors as well as other market players (including brokers, research agencies, etc.)</li></ul>
Ongoing Professional Support	<ul style="list-style-type: none"><li>Provide ongoing support in areas of post-listing compliance</li><li>Serve as an omni-channel for communication with investors</li></ul>

# Our Go-to-Market Approach

## Institutional Marketing

- Organize senior level meetings with key decision makers at QIBs/ Mutual Funds & other institutional investors to showcase the value propositions of the company and ascertain their interest levels
- Meeting with large family offices and home offices
  - Engagement with Investor Community Influencers including reputed stock analysts, researchers, etc.
- Arrangement of extensive media interactions across mainstream and social media

## Retail Marketing

- One-on-one and one-on-many meetings with leading brokers and stock market players
- Opening up communication channel with groups of retail investors (mostly within our network)
- Arranging coverage in local media to enhance visibility
- Management of word of mouth

## Post-DRHP Activities

- Prepare investor presentations in compliance with all regulatory guidelines regarding disclosure
- One-on-one meetings with key players in the institutional and retail segments
- Creation and dissemination of content relating to business of the issuer through social and mainstream media
- Organize interviews and providing professional support in preparing the script for promoters/KMPs on electronic and print media platforms

## Post-RHP Activities

- Arranging print & electronic media meets across key investor centres
- Organization of broker/analyst meets
- Arranging press meets to achieve top-of-mind recall among target audience
- Scheduling factory visit and on-site meetings with key members of the investment community

We regularly work with a wide range of active retail, institutional and wholesale investors (including home/family offices) and support their capital deployment decisions on an ongoing basis. Capital market offerings on the SME platform are a preferred resource deployment avenue for our investors and we rely on their feedback and inputs to optimally structure the proposed offering and price the same.

# Our Capital Markets Team



**Debashish Ghoshal**  
Mumbai

Gold medallist from IIM Calcutta and University Topper in Economics from Presidency College, Calcutta, Debashish has been an Investment Banker for 25+ years and has worked in multiple domestic and global assignments in the fields of public and private equity markets with close to 100 capital market issues under his belt. He has served in leadership positions in global financial services/advisory institutions including HSBC Investment Bank, SBI Capital Markets, Ernst & Young, Tata Strategic Management Group and ICICI Bank.



**Sougata Sengupta**  
Mumbai

A Company Secretary and MBA by qualification, Sougata has helped raise more than INR 10 Billion in capital for a wide range of clients across diverse sectors in India. Sougata specializes in IPO process management and governance issues. He is also an independent director on the Board of two SME IPO aspirants. Sougata has professional experience of close to 25 years and has served in senior positions in the Birla Group as well as in several leading corporate houses in the metallurgical and engineering sector.



**Kaushik Nag**  
Kolkata

Seasoned financial services leader with deep expertise in capital raising, transaction advisory, and corporate structuring. Proven track record of 22+ years across marquee deals spanning debt, equity, and strategic advisory across diverse sectors, pan-India. He has held senior roles across leading investment banks and broking houses. Kaushik brings to the table a strong network across institutions, corporates, and promoter groups.



**Kaushik Majumder**  
Bengaluru

Kaushik is a Legal Professional and Company Secretary (Rank Holder) Kaushik has 30+ years of experience across functions and domains in leadership positions in top corporate houses. His area of expertise includes legal and regulatory compliance, corporate and secretarial supervision and coordination and company law matters. Kaushik has handled IPOs (covering pre-issue and post-issue formalities) and ADR/GDR Issuances and overseas listing.

*Our Capital Markets team brings to the table a combined experience of close to 100 years of value driven and goal oriented advisory services in the field of primary market offerings (both equity and debt). We have successfully steered multiple SME IPO processes across both the NSE and BSE platforms in recent years.*

# Illustrative List of Capital Market Issuers Advised by our Team



Manhattan Communications (India) Pvt. Ltd. (ManCom)



PLYWOOD | VENEERS | LAMINATES | DOORS

Globe Panel Industries India Pvt. Ltd.

# Thank You !

For a detailed discussion on your IPO plans please connect with:

*Debashish Ghoshal*

[debashish@invictusadvisors.net](mailto:debashish@invictusadvisors.net)

*Kaushik Nag*

[kaushik@invictusadvisors.net](mailto:kaushik@invictusadvisors.net)

