

'It is better to have 100 small IPOs from SMEs than four from startups'
Interview of Ms. Chitra Ramkrishna, MD & CEO, NSE

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CHITRAMKRISHNA, CEO & MD, National Stock Exchange

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MUMBAI: As the longest serving head of a stock exchange, Chitra Ramkrishna believes in bringing NSE closer to the common man. The soft spoken MD and CEO of National Stock Exchange (NSE) is also very vocal about the listing of SMEs. Excerpts.

There is increased participation in equities from retail investors. What more can NSE do to raise it further? It has been our aspiration to widen the investor base. The first part is to have simple products that are easily understood by everybody... should be as simple as a savings scheme. It is for this that we pioneered the ETFs (exchange-traded funds) and will continue to do so. Secondly having a CPSE ETF will give people opportunity to invest in navratnas. Everybody is familiar with public sector units. As a financial marketplace, we should be able to distribute all kinds of financial products. Thirdly, I also want NSE to partner with

financial advisers for distribution of mutual funds.

The e-bidding platform for corporate bonds was launched recently. Why do you think firms are opting for bonds? The EBP (e-bidding platform) is transparent and a flexible way for customers to connect with the book. Issuers can see the price they got is benchmarked, and do away with intermediaries. Launched on July 1, the EBP for bonds has so far seen about 15 issues, and total fund-raising of ₹15,404 crore. In future we may look at an OFS (offer for sale) or an IPO (initial public offering) platform. On the need for bonds, companies find them (bonds) flexible and cheaper to raise funds. There are companies that don't get loans from banks. Also, due to new banking norms, companies cannot only depend on banks for funds, they will have to look at markets as an option.

Despite specialised norms from Sebi, startups have been reluctant to list in India. I don't think they are reluctant. They are

having discussions. It depends on their business models and on the calls they make. Probably they want to first take the venture capital route, and then think of listing. But I am seeing a healthy pipeline of SMEs (small and medium enterprises). I am keen on having hundreds of small IPOs from SMEs rather than very large IPOs of three or four new-age entrepreneurs, which can bring in thousands of crores.

