

**Headline:** Interview - Broad-based listing needed: NSE's Limaye

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### Broad-based listings needed: NSE's Limaye

**G**iven the number of firms going public this year, capital raising is flourishing, said NSE chief executive Vikram Limaye. However, the listings need to be more broad-based, he said in an interview.

"If you look at the IPOs that have happened so far, 70% are in the financial services space," said Limaye. **See Page 7**

# Broad-based listings needed: NSE's Limaye

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MUMBAI

**T**he National Stock Exchange of India Ltd (NSE) on Monday listed the 100th company on Emerge, its platform for small and medium enterprises (SMEs). In an interview, chief executive and managing director Vikram Limaye said the nation's largest exchange is looking at a robust pipeline of new share sales from SMEs and that big company listings need to be more broad-based. He also said NSE's own initial public offering (IPO) will happen only after issues surrounding allegations of providing unfair access to some brokers are resolved. Edited excerpts:

#### Is NSE slowly catching up with BSE in terms of the number of SME listings?

I don't think we are in any race in getting any number of companies on the platform. We are focused on quality. The returns for listed SMEs on NSE is superior. The size of SMEs listing on NSE is much larger, almost double the size on BSE; so they are more mature and quality companies. While we will continue to focus on quality companies, we also have a healthy SME pipeline and 40-50 companies are expected to list on NSE Emerge in the next six months.

#### How do you look at the main board listing?

With so many listings this year and so many more in pipeline, capital raising is flourishing. But, according to me, it needs to be more broad-



NSE CEO and MD Vikram Limaye.

based. If you look at the IPOs that have happened so far, 70% are in the financial services space. The second aspect is most IPOs are (issues) where shareholders are selling their stake and not for primary growth capital. But these trends will reverse over time with economic conditions changing.

#### How are trends changing in terms of institutional participations in SMEs?

We are seeing increased participation from institutions. This is because SMEs have now established some sort of track record which is important for institutions as they look at quality, return and size. We deliberately stayed away from certain

sectors as we believe certain sort of companies should not come to the market to raise capital from the public. Foreign institutions have so far participated in seven IPOs, alternative investment funds have participated in 15 IPOs and qualified institutional buyers in 25 IPOs.

#### What are the factors affecting growth at NSE's International Financial Services Centre unit?

We had a late start but we caught up very quickly and today our equity volumes have surpassed BSE-IFSC volume. We are yet to start trading in commodities and even our liquidity enhancement scheme was started only recently. For any new exchange, building liquidity takes time and also requires some good market making. We are hoping that liquidity will grow. As far as smaller regulatory issues are concerned, these will get sorted out and the market regulator is focused on resolving them fairly quickly.

#### NSE recently submitted two audit reports—one focusing on cash, currency segment and other to determine ill-gotten gains out of co-location issue. Any comments?

We have submitted the reports and can't comment on its contents.

#### Any update on NSE's listing? When can we expect it?

Till the co-location issue is resolved, we will not go ahead on the IPO. We will have to re-file the IPO documents, too, and so cannot comment on a timeline.

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INTERVIEW