

# Estimation of Impact Cost – A Study of NSE Emerge Platform

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**Abstract:** The trading activity and liquidity are important factors to achieve success of SMEs. VCs, Institutional Investors and high net worth investors' participation will help in progress of exchanges. The retail participation is also play an important role in creation of liquidity in the market. The paper attempts understand the present liquidity position in the NSE merge platform and whether the impact cost is more when compared with NE main boards. Illiquid companies and platform will make the investors to lose the confidence. The study revealed that all the companies won't trade on regular basis. Investors' sentiments get affected due to this as they will not be able to sell or buy stocks immediately. The Average Impact Cost of NSE Emerge is 16.45%, which is very high and found to be highly illiquid platform.

**Key Words:** Impact Cost, Liquidity, NSE Emerge, SMEs.

## I. INTRODUCTION

EMERGE is a credible and efficient market place to bring about convergence of investors and emerging corporate in the country. It offers opportunities to investors to invest in emerging businesses with exciting growth plans, innovative business models and commitment towards good governance and investor interest. NSE launched its SME platform, EMERGE, in September 2012. Since its launch, there have been 66 listings on the EMERGE platform, of which two migrated to the main board. NSE has always attempted to build a trustworthy platform for SMEs that would help them raise capital from investors who are looking for investing early in promising companies. NSE believes that EMERGE has an important role to play in facilitating the raising of capital by SMEs. EMERGE is expected to attract more entrepreneurs and investors. The trading terminals of the main exchange, its risk management and surveillance systems, and the existing infrastructure are all available to the SME platform.

Liquidity in the market particularly in small and mid cap companies would be very less. As more and more number of investors participates, make transactions in the market, the liquidity would increase. It's an important factor what usually market participants look at. Lack of liquidity translates into a high cost for buyers and sellers. Impact cost is a realistic measure of liquidity of the stock or security and is deemed to

be closer to the true cost of execution faced by a trader in comparison to the bid-ask spread (difference between the best buy and the best sell orders). It is the percentage mark up observed while buying or selling a desired quantity of shares with reference to its ideal price. Liquidity in the context of stock markets means a market where large orders can be executed without incurring a high transaction cost. Impact cost varies for different transaction sizes and depends on outstanding orders. The SMEs raise capital from the platform which is required for their business in form of IPOs. But when they raise money and get listed on the exchange the liquidity is a concern for participants who are interested in companies. The liquidity would increase as more and more participants' trade in the market. An attempt is made here to understand the impact cost of all the listed enterprises on the Emerge platform and it is compared with the NSE Mid and Small Cap segments of NSE main board.

## II. OBJECTIVES OF THE STUDY

- To understand the NSE Emerge platform in India.
- To estimate the Impact Cost of companies listed on NSE Emerge platform.

## III. NEED FOR THE STUDY

Lack of liquidity translates into a high cost for buyers and sellers. Impact cost is a realistic measure of liquidity of the stock or security and is deemed to be closer to the true cost of execution faced by a trader in comparison to the bid-ask spread. Liquidity in the market particularly in small and mid cap companies assumed to be very less. As more and more number of investors participates, make transactions in the market, the liquidity would increase. It's an important factor what usually market participants look at. The estimation of impact cost is helps to know liquidity of each company in Emerge platform. Impact Cost measure the execution cost of transaction in a given stock, for a specific predefined order size, at any given point of time. There is need to understand whether the impact cost of Emerge companies is high or less. The study helps to know the Liquid and Illiquid companies on the platform and provide the best investment strategy and suggestions to the investors. The importance of impact cost

can be judged from the fact that is one of the criteria to select a stock of inclusion in the NSEs Emerge platform.

#### IV. SCOPE OF THE STUDY

The estimation of Impact cost is carried out for 66 companies which have been listed on NSE Emerge platform and presently traded in the market. Emerge – ITP companies are not considered for the study. The study covers all the companies which have been listed since day of launch of NSE Emerge platform. The Impact cost is estimated for July 2017 and the portfolio amount is assumed to be Rs 50,00,000.

#### V. RESEARCH METHODOLOGY

Liquidity and Impact cost is a very important factor which influences the market participants to take decisions on their investments. Here an attempt is made to understand the impact cost of all 66 listed companies on the NSE Emerge platform. NSE Emerge ITP companies are not selected for the study. The Ideal price and Actual prices of the stocks are calculated daily at 12 Noon using order books of stocks. The period of study was restricted to one month i.e. from 1<sup>st</sup> July 2017 to 31<sup>st</sup> July 2017. The portfolio amount for the calculation of impact cost is Rs 50,00,000. The portfolio amount is equally spread into sixty six companies. Hence the Impact cost of is calculated on equal weightage basis. Daily impact cost is noted for individual stock and mean is calculated. Mean impact cost of all sixty six companies is added and average impact cost for all the companies is estimated.

#### VI. LIMITATIONS OF THE STUDY

- In this research the Portfolio weightage is distributed equally for each listed company as the sufficient information was not available for the calculation of Impact Cost using 'Free float Market Capitalization' method.
- The Impact cost of illiquid stocks is considered as 100 during the study, because those companies are 100% illiquid for that specific day.

#### VII. LITERATURE REVIEW

Alison Harwood, Tanya Konidaris (2015) understand that development of SME exchange is clearly a challenge, because of the small size of the public issues and issuers and the underdeveloped local equity markets. Exchanges should look

at SMEs that have good growth rate, as they will be having demands for capital and be most willing to use platform to obtain it. They should have outreach, public awareness drives, and training for these SMEs. They pointed out that there has to be relaxation on entry requirement.

Meerajuddin Inamdar (2016) concluded that trading activity and liquidity is a one of the major critical thing to attain success of SMEs. Other vital aspect which will prove catalyst in advancement of India's SME exchange are new players like VCs, Institutional Investors and high net worth investors. BSE SME platform has more listing than NSE EMERGE, because BSE SME aggressive and effective awareness campaigns through many seminars and workshop across nation.

#### VIII. IMPACT COST

Liquidity in the context of stock markets means a market where large orders can be executed without incurring a high transaction cost. The transaction cost referred here is not the fixed costs typically incurred like brokerage, transaction charges, depository charges etc. but is the cost attributable to lack of market liquidity as explained subsequently. Liquidity comes from the buyers and sellers in the market, who are constantly on the lookout for buying and selling opportunities. Lack of liquidity translates into a high cost for buyers and sellers.

When a buyer or seller approaches the market with an intention to buy a particular stock, he can execute his buy order in the stock against such sell orders, which are already lying in the order book, and vice versa.

Impact cost represents the cost of executing a transaction in a given stock, for a specific predefined order size, at any given point of time. Impact cost is a practical and realistic measure of market liquidity; it is closer to the true cost of execution faced by a trader in comparison to the bid-ask spread.

It should however be emphasized that: impact cost is separately computed for buy and sell, impact cost may vary for different transaction sizes, impact cost is dynamic and depends on the outstanding orders and where a stock is not sufficiently liquid, a penal impact cost is applied. In mathematical terms it is the percentage mark up observed while buying / selling the desired quantity of a stock with reference to its ideal price (best buy + best sell) / 2.

#### IX. ANALYSIS & INTERPRETATION

Table 1: Calculation of Average Impact Cost

Date	Names of the Companies							
	ACCORD	ACEINTEG	AGROPHOS	AHIMSA	AIRAN	AKASH	ARTNIRMAN	ASLIND
3rd JUL	100	100	2	4.9	1.21	4.04	3.57	4.04
4th JUL	100	100	3.06	4.97	0.95	7.42	3.57	4.89

5th JUL	100	100	2.97	4.97	2.58	2.67	3.57	4.83
6th JUL	100	100	2.49	4.97	1.97	2.54	3.57	3.37
7th JUL	100	100	1.84	4.97	0.98	2.22	3.57	3.04
10th JUL	9.73	100	100	100	100	100	100	100
11th JUL	0.97	100	2.23	4.97	0.63	2.25	3.45	4.46
12th JUL	1.82	100	1.96	4.97	1.54	2.3	2.61	6.98
13th JUL	0.75	0.37	3.04	4.97	2.32	2.83	5.46	6.95
14th JUL	1.41	1.6	1.62	4.97	1.17	2.78	10.45	4.6
17th JUL	1.65	2.38	1.91	4.97	3.35	1.94	4.37	4.54
18th JUL	2.11	2.34	3.32	4.97	1.82	2.11	4.37	4.45
19th JUL	0.78	0.99	2.09	4.97	3.87	1.86	1.18	4.61
20th JUL	1.07	1.56	1.85	4.97	3.28	2.07	4.62	4.45
21st JUL	0.17	0.5	2.43	4.97	3.95	2.86	1.18	4.45
24th JUL	2.77	2.48	1.72	4.97	3.54	2.1	4.62	4.45
25th JUL	2.18	2.7	3.15	4.97	2.04	2.86	4.62	4.52
26th JUL	2.18	2.86	3.15	4.97	100	2.8	4.62	4.68
27th JUL	1.56	2.81	1.74	4.97	2.78	2.86	4.62	4.68
28th JUL	1.18	2.86	3.83	5.4	3.4	2.86	4.62	4.68
31st JUL	1.93	0.37	2.09	5.1	100	5.04	4.62	4.68
<b>Average</b>	<b>25.35</b>	<b>39.23</b>	<b>7.07</b>	<b>9.52</b>	<b>16.26</b>	<b>7.54</b>	<b>8.73</b>	<b>9.21</b>

Table 2: Calculation of Average Impact Cost

Date	Names of the Companies								
	AURDIS	AVSL	BANSAL	BOHRA	CKPPRODUCT	CREATIVE	CROWN	DEVIT	DRL
3rd JUL	3.1	5.11	100	3.34	1.11	3.45	3.33	3.14	4.5
4th JUL	2.55	5.09	100	3.98	0.72	3.14	4.14	3.04	4.5
5th JUL	3.99	5.09	100	3.98	0.72	3.9	4.95	2.14	3.95
6th JUL	1.63	5.09	100	2.87	0.72	2.9	4.95	0.9	4.45
7th JUL	4.8	5.09	100	4.37	0.72	3.52	4.92	2.91	2.01
10th JUL	100	100	100	100	100	12.4	100	100	100
11th JUL	3.7	5.09	100	2.99	2.44	3.57	2.06	2.3	4.58
12th JUL	3.01	5.09	0.64	3.49	1.7	3.19	2.27	2.66	4.37
13th JUL	3.26	5.09	0.12	3.18	1.7	3.55	4.57	1.59	4.32
14th JUL	4.39	5.09	1.71	3.18	1.12	3.82	4.95	1.61	4.89
17th JUL	2.21	5.09	1.54	3.03	0.99	2.98	100	3.9	4.89
18th JUL	100	5.09	2.48	2.38	1.12	2.06	4.18	1.85	4.89
19th JUL	2.91	5.09	1.06	1.67	1.22	3.12	4.16	2.55	4.9
20th JUL	2.15	5.09	1.48	0.84	1.22	1.69	4.96	1.38	4.89
21st JUL	2.22	5.09	1.45	0.96	1.7	2.06	4.36	1.34	4.9
24th JUL	2.5	5.09	0.95	1.54	1.7	2.73	4.95	2.49	4.9

25th JUL	2.5	5.09	1.52	2.42	0.73	2.3	4.95	1.44	4.89
26th JUL	2.52	4.3	0.52	1.85	1.86	2.54	4.39	1.85	4.9
27th JUL	0.54	5.09	0.76	2.64	1.86	1.3	4.79	0.93	4.89
28th JUL	3.24	5.09	1.03	2.06	0.89	1.74	4.49	1.82	4.89
31st JUL	3.08	5.09	2.35	2.4	1.86	2.3	4.49	1.44	4.89
<b>Average</b>	<b>12.11</b>	<b>9.57</b>	<b>34.17</b>	<b>7.29</b>	<b>6</b>	<b>3.25</b>	<b>13.42</b>	<b>6.73</b>	<b>9.11</b>

Table 3: Calculation of Average Impact Cost

Date	Names of the Companies							
	EIFFL	EMKAYTOOLS	FOCUS	FOURTHDIM	GICL	GLOBAL	GLOBE	GRETEX
3rd JUL	0.47	8.46	3.11	3.36	1.9	3.19	0.14	4.27
4th JUL	0.8	8.72	2.77	1.42	5.14	2.44	0.24	4.08
5th JUL	0.94	12.39	4.09	2.66	7.16	2.29	0.14	4.37
6th JUL	0.63	17.14	3.12	1.11	1.5	2.06	0.1	3.96
7th JUL	0.7	17.14	4.96	1.83	4.76	1.31	0.33	3.76
10th JUL	100	100	100	100	100	100	100	100
11th JUL	0.77	17.23	3.81	4.64	7.69	3.03	0.14	100
12th JUL	1.91	19.6	3.56	4.64	5.35	2.45	0.19	4.23
13th JUL	1.13	19.6	100	3.65	6.67	2.96	0.23	4.23
14th JUL	3.99	15.42	4.76	3.03	7.69	2.96	0.33	4.23
17th JUL	3.58	12.39	3.4	2.97	4	2.32	0.52	4.05
18th JUL	4.09	17.76	100	2.48	7.23	3.71	0.39	4.05
19th JUL	4.24	19.77	100	3.66	5.81	2.88	0.43	4.23
20th JUL	2.57	19.77	100	3.99	6	1.6	0.19	4.05
21st JUL	2.75	17.76	100	2.39	1.52	1.22	0.19	4.05
24th JUL	2.29	19.52	100	4.92	8.74	2.28	0.39	4.36
25th JUL	1.77	19.52	100	3.64	4.95	3.36	0.71	4.24
26th JUL	1.14	19.5	100	4.95	8.4	3.36	0.23	4.24
27th JUL	2.78	19.52	100	7.95	7.69	1.64	0.42	4.36
28th JUL	2.14	19.52	100	9.93	5.7	2.57	0.33	4.24
31st JUL	2.6	19.86	100	5	7.69	3.31	0.33	4.24
<b>Average</b>	<b>6.73</b>	<b>20.98</b>	<b>58.74</b>	<b>8.49</b>	<b>10.27</b>	<b>7.19</b>	<b>5.05</b>	<b>13.3</b>

Table 4: Calculation of Average Impact Cost

Date	Names of the Companies						
	HECPROJECT	HITECH	HUSYSLTD	INFOBEAN	JALAN	JETFREIGHT	JETKNIT
3rd JUL	3.9	2.67	0.57	0.7	2.4	4.32	3.78
4th JUL	3.97	2.66	4.72	0.7	1.29	4.4	3.78
5th JUL	3.45	1.64	4.76	0.63	2.41	3.74	4.82
6th JUL	3.72	2.29	4.32	0.46	0.88	100	4.16

7th JUL	4.06	1.18	4.69	0.61	2.02	2.97	3.11
10th JUL	100	100	100	100	100	100	100
11th JUL	3.73	1.46	4.76	0.56	2.31	3.85	2.63
12th JUL	3.73	0.66	3.53	1.26	2.87	3.94	3.24
13th JUL	3.5	1.69	3.99	0.85	1.9	4.17	3.85
14th JUL	3.58	1.98	4.56	0.46	1.64	100	2.63
17th JUL	3.5	0.67	5.06	2.12	1.39	3.13	2.13
18th JUL	3.73	2.32	5.06	1.01	1.4	4	3.6
19th JUL	3.73	1.35	4.65	0.73	0.89	4.39	13.18
20th JUL	3.73	1.01	3.54	0.75	0.49	4.39	4.84
21st JUL	3.73	1.92	3.37	0.97	1.11	3.85	2.9
24th JUL	3.59	1.99	4.45	1.37	1.47	3.03	4.29
25th JUL	3.5	1.55	4.52	0.37	1.03	4.38	4.29
26th JUL	3.73	1.56	4.65	0.37	1.03	4.38	4.29
27th JUL	3.73	1.53	3.61	0.61	1.7	4.74	3.6
28th JUL	3.5	1.66	3.61	1.44	2.35	100	3.6
31st JUL	4.39	2.44	4.54	1.25	2.87	100	4.28
<b>Average</b>	<b>8.31</b>	<b>6.39</b>	<b>8.71</b>	<b>5.58</b>	<b>6.35</b>	<b>26.84</b>	<b>8.71</b>

Table 5: Calculation of Average Impact Cost

Date	Names of the Companies							
	KKVAPOW	KRISHANA	LAXMICOT	LIBAS	MAHESHWARI	MBAPL	MCL	MITCON
3rd JUL	3.4	0.8	3.25	2.27	0.77	2.69	3.99	3.56
4th JUL	4.87	2.28	2.86	4.99	0.77	2.48	1.48	3.56
5th JUL	4.87	0.66	2.47	4.02	1.7	2.61	100	3.63
6th JUL	3.4	2.32	2.78	3.33	0.99	5.91	2.6	3.19
7th JUL	3.4	1.95	2.18	3.82	1.76	1.91	1.56	4.89
10th JUL	100	100	100	100	100	100	100	100
11th JUL	2.85	0.62	1.89	4.33	1.17	2.36	4.02	100
12th JUL	3.4	1.28	1.92	1.28	1.33	2.75	2.6	2.49
13th JUL	3.4	1.66	1.92	2.47	1.27	3.16	2.6	4.01
14th JUL	3.4	2.27	1.62	2.13	0.94	3.23	1.57	4.01
17th JUL	3.4	2.61	1.82	5.02	2.48	3.45	1.74	2.94
18th JUL	3.4	2.55	2.13	5.39	0.74	1.98	4.13	0.68
19th JUL	4.78	2.5	1.82	4.97	2.51	3.48	1.7	3.84
20th JUL	3.4	2.35	2.09	4.14	1.79	2.57	3.36	3.84
21st JUL	3.4	2.82	1.19	3.83	1.11	4.09	3.15	1.53
24th JUL	3.4	2.64	1.83	3.54	2.45	2.17	2.44	4.11
25th JUL	3.11	2.55	1.81	3.54	1.98	1.54	100	100
26th JUL	4.78	2.5	1.81	3.54	0.81	0.78	4.08	4.87

27th JUL	4.11	1.98	1.56	1.48	1.99	3.4	0.72	4.89
28th JUL	4.8	1.27	2.9	1.85	1.75	3.4	0.72	4.87
31st JUL	100	1.38	2.56	3.52	100	100	4	100
<b>Average</b>	<b>12.93</b>	<b>6.62</b>	<b>6.78</b>	<b>8.07</b>	<b>10.87</b>	<b>12.09</b>	<b>16.5</b>	<b>21.95</b>

Table 6: Calculation of Average Impact Cost

Date	Names of the Companies							
	MKPL	MOMAI	NANDANI	NITIRAJ	OPAL	PANACHE	PANSARI	PERFECT
3rd JUL	4.1	0.56	2.8	3.16	100	0.9	2.65	4.31
4th JUL	1.27	0.66	4.76	1.3	100	0.78	2.65	3.8
5th JUL	1.97	0.24	5.47	3.26	100	1.38	4.13	1.38
6th JUL	1.63	0.74	5.45	1.44	100	1.04	4.71	1.32
7th JUL	4.1	1.07	3.57	0.87	100	1.84	4.71	4.6
10th JUL	100	4.03	100	100	100	5.47	100	100
11th JUL	5.09	0.38	4.92	1.4	100	0.81	4.71	4.33
12th JUL	0.75	1.28	4.89	2.91	100	0.53	4.71	3.94
13th JUL	3.34	1.06	2.33	2.24	100	1.24	4.71	1.9
14th JUL	3.25	0.72	3.02	2.26	100	0.96	4.71	4.83
17th JUL	3.18	1.29	4.65	2.8	100	1.78	4.71	3.64
18th JUL	3.97	2.58	4.95	1.73	100	1.41	4.71	4.61
19th JUL	3.97	0.94	2.91	1.73	100	1.16	4.71	4.35
20th JUL	3.97	0.91	3.18	1.51	100	0.87	4.71	4.35
21st JUL	3.97	0.84	2.75	2.25	100	1.34	4.57	2.5
24th JUL	3.97	1.29	2.3	1.56	100	0.82	4.71	4.57
25th JUL	3.97	1.66	2.75	2.25	100	0.96	4.71	4.21
26th JUL	3.97	1.66	1.55	1.96	100	0.29	4.71	3.5
27th JUL	3.92	0.55	2.66	2.25	100	0.29	4.71	4.07
28th JUL	3.92	1.42	4.58	1.33	100	0.46	4.71	4.07
31st JUL	100	1.37	100	2.43	100	1.62	100	100
<b>Average</b>	<b>12.59</b>	<b>1.20</b>	<b>12.83</b>	<b>6.7</b>	<b>100</b>	<b>1.24</b>	<b>13.55</b>	<b>12.87</b>

Table 7: Calculation of Average Impact Cost

Date	Names of the Companies						
	PROLIFE	PUSHPREALM	SAGARDEEP	SAKAR	SANGINITA	SHAIVAL	SHRENIK
3rd JUL	5.23	100	4.11	1.38	1.3	5.21	100
4th JUL	7.82	100	4.11	3.6	2.99	5.21	100
5th JUL	11.85	100	4.11	7.41	3.61	5.21	100
6th JUL	8.58	100	4.11	3.98	1.49	5.21	100
7th JUL	8.63	100	4.11	3.29	1.49	5.21	100
10th JUL	100	0.22	100	100	100	100	100

11th JUL	4.46	0.47	4.12	3.08	2.95	5.21	100
12th JUL	8.02	0.3	4.11	3.17	4.85	10.45	100
13th JUL	5.51	0.65	4.11	3.73	4.09	5.21	100
14th JUL	6.98	0.88	4.11	3.29	3.43	5.71	100
17th JUL	5.21	0.72	4.11	3.17	3.14	5.21	100
18th JUL	11.03	2.74	4.11	3.17	3.8	5.21	0.48
19th JUL	9.13	0.98	4.11	2.93	1.86	5.21	0.65
20th JUL	8.59	1.18	4.11	3.29	2.5	5.21	1.03
21st JUL	7.67	2.06	4.11	3.77	0.63	5.21	1.51
24th JUL	9.38	2.47	4.11	4.71	4.59	5.21	0.71
25th JUL	10	0.51	4.11	4.5	2.47	5.21	1.61
26th JUL	8.71	0.51	4.11	2.9	1.7	5.21	1.61
27th JUL	10	2.9	4.11	2.9	1.22	5.21	0.32
28th JUL	7.11	0.8	4.11	2.9	3.45	5.21	1.03
31st JUL	100	0.17	4.11	3.81	3.21	5.21	0.57
<b>Average</b>	<b>16.85</b>	<b>24.65</b>	<b>8.68</b>	<b>8.14</b>	<b>7.37</b>	<b>10</b>	<b>52.83</b>

Table 8: Calculation of Average Impact Cost

Date	Names of the Companies						
	SIIL	SIKKO	SRIRAM	STEELCITY	THEJO	TRANSWIND	UNITEDPOLY
3rd JUL	5.18	2.83	2.31	1.4	100	100	1.71
4th JUL	5.19	4.38	2.44	0.81	100	100	1.71
5th JUL	5.19	3.87	2.25	1.37	100	100	100
6th JUL	5.18	2.76	1.63	1.39	100	100	1.78
7th JUL	5.18	4.54	2.25	1.37	100	100	1.78
10th JUL	100	100	100	5.29	100	100	100
11th JUL	5.18	2.78	1.55	0.76	4.82	100	1.82
12th JUL	5.19	2.9	3.24	1.27	100	100	0.88
13th JUL	5.18	2.17	2.95	1.47	100	1.89	1.72
14th JUL	5.19	4.76	2.16	1.47	100	1.89	1.72
17th JUL	5.19	2.48	3.52	1.77	100	0.63	1.72
18th JUL	5.19	3.48	1.87	1.63	100	1.4	1.72
19th JUL	5.19	1.96	2.48	1.29	100	1.5	1.72
20th JUL	5.18	2.3	2.14	2.06	100	0.95	1.69
21st JUL	5.19	4.32	2.01	1.29	2.48	2.5	1.69
24th JUL	5.19	4.78	2.89	0.29	100	3.27	1.69
25th JUL	5.19	4.4	3.15	1.11	100	1.18	1.69
26th JUL	5.19	3.23	2.89	1.11	100	1.68	1.69
27th JUL	5.18	2.06	1.65	0.37	100	1.86	1.68
28th JUL	5.19	2.5	2.48	1.22	100	1.12	1.8

31st JUL	5.18	4.91	2.5	0.99	100	1.75	1.8
<b>Average</b>	<b>9.70</b>	<b>7.97</b>	<b>7.06</b>	<b>1.42</b>	<b>90.82</b>	<b>39.12</b>	<b>11.05</b>

Table 9: Calculation of Average Impact Cost

Date	Names of the Companies			
	UNIVASTU	VSCL	WEALTH	ZOTA
3rd JUL	100	1.96	6.85	0.3
4th JUL	100	1.73	13.04	0.2
5th JUL	100	1.79	7.82	0.16
6th JUL	100	1.39	16.68	0.19
7th JUL	100	2	6.85	0.26
10th JUL	100	2.86	100	0.46
11th JUL	100	1.2	3.45	0.15
12th JUL	100	0.9	17.05	0.22
13th JUL	100	1.93	5.99	0.22
14th JUL	100	100	5.28	0.08
17th JUL	100	1.56	10.87	0.26
18th JUL	100	1.81	9.47	0.17
19th JUL	100	2.07	10.43	0.07
20th JUL	100	1.79	9.86	0.13
21st JUL	100	1.58	11.03	0.26
24th JUL	100	0.69	9.86	0.17
25th JUL	100	0.43	11.75	0.31
26th JUL	100	2.13	11.7	0.31
27th JUL	0.49	2.17	11.11	0.16
28th JUL	0.29	1.42	11.75	0.09
31st JUL	0.56	2.2	11.75	0.13
<b>Average</b>	<b>85.78</b>	<b>6.36</b>	<b>14.41</b>	<b>0.20</b>

Table: 10 Average Impact Cost for July, 2017

Sl. No.	Symbol	Average	Sl. No.	Symbol	Average
1	ACCORD	25.35	34	KRISHANA	6.62
2	ACEINTEG	39.23	35	LAXMICOT	6.78
3	AGROPHOS	7.07	36	LIBAS	8.07
4	AHIMSA	9.51	37	MAHESHWARI	10.87
5	AIRAN	16.26	38	MBAPL	12.09
6	AKASH	7.54	39	MCL	16.5
7	ARTNIRMAN	8.73	40	MITCON	21.95
8	ASLIND	9.21	41	MKPL	12.59
9	AURDIS	12.25	42	MOMAI	1.2

10	AVSL	9.57	43	NANDANI	12.83
11	BANSAL	34.17	44	NITIRAJ	6.7
12	BOHRA	7.29	45	OPAL	100
13	CKPPRODUCT	6	46	PANACHE	1.24
14	CREATIVE	3.25	47	PANSARI	13.55
15	CROWN	13.42	48	PERFECT	12.87
16	DEVIT	6.728	49	PROLIFE	16.85
17	DRL	9.11	50	PUSHPREALM	24.65
18	EIFFL	6.73	51	SAGARDEEP	8.68
19	EMKAYTOOLS	20.98	52	SAKAR	8.09
20	FOCUS	58.74	53	SANGINITA	7.37
21	FOURTHDIM	8.49	54	SHAIVAL	10
22	GICL	10.27	55	SHRENIK	52.83
23	GLOBAL	7.19	56	SIIL	9.7
24	GLOBE	5.05	57	SIKKO	7.97
25	GRETEX	13.3	58	SRIRAM	7.07
26	HECPROJECT	8.31	59	STEELCITY	1.42
27	HITECH	6.39	60	THEJO	90.82
28	HUSYSLTD	8.71	61	TRANSWIND	39.12
29	INFOBEAN	5.58	62	UNITEDPOLY	11.05
30	JALAN	6.36	63	UNIVASTU	85.78
31	JETFREIGHT	26.84	64	VSCL	6.36
32	JETKNIT	8.71	65	WEALTH	14.41
33	KKVAPOW	12.93	66	ZOTA	0.21
<b>Average Impact Cost 16.45%</b>					

## X. FINDINGS

Emerge Platform has an important role to play in facilitating the raising of capital for SMEs. Over a period of time the number of listing has gone up and market capitalization of NSE Emerge has grown significantly.

It is found that all the companies won't trade regularly. This leads to high Illiquidity in the Market. Investors' sentiments get affected due to this as they will not be able to sell or buy stocks immediately.

On 10<sup>th</sup> JUL Majority of the companies are completely Illiquid and 34 companies are did not trade. These type of Illiquid situations make Investors to lose confidence.

The study is indicates that 'ZOTA' company has the Average Impact Cost of 0.21%, which is lowest and the 'OPAL' company has the Average Impact Cost of 100%, which is highest among all.

The Average Impact Cost of NSE Emerge is 16.45%, which is very high. Hence NSE Emerge platform is considered as highly Illiquid.

## XI. SUGGESTIONS

Introducing Index facility for Emerge Platform would help investors to evaluate and compare the performance of their portfolio investments. This helps in attracting more number of investors. A more efficient market with high liquidity attracts more number of participants.

It is found that retail investors' participation in two migrated companies is more due to no restriction on minimum amount of investment. Hence NSE Emerge restriction on minimum one lakh rupees can be removed. More number of participants trading will lead to more liquidity in the market.

## X. CONCLUSION

Emerge Platform has an important role to play in facilitating the raising of capital for SMEs. Over a period of time the number of listing has gone up and market capitalization of NSE Emerge has grown significantly. The study is found that all the companies won't trade on regular basis. This leads to high Illiquidity in the Market. Investors' sentiments get affected due to this as they will not be able to sell or buy stocks immediately. The Average Impact Cost of NSE Emerge is 16.45%, which is very high. Hence it can said that NSE Emerge platform is highly Illiquid. There is no separate Index for NSE Emerge Platform to measure the performance of listed companies. Introduction of Index facility for Emerge Platform would help investors to evaluate and compare the performance of their portfolio investments and attracting more number of investors. Retail investors' participation is helps to generate more Liquidity in each company. Hence NSE Emerge restriction of minimum one lakh rupees investment can be removed. This will encourage more number of participants to trade which will lead to more liquidity in the market.

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