

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2074  
ANSWERED ON:06.08.2010  
LISTING OF SMES IN STOCK MARKET  
Lagadapati Shri Rajagopal

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Securities and Exchange Board of India (SEBI) is in the process of finalizing listing standards for Small and Medium Enterprises (SMEs) in the country to enable them to access the capital market;
- (b) if so, the details thereof and the manner in which the move is likely the SMEs to get more loans:
- (c) whether any guidelines have been issued by the SEBI in this regard; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

- (a): Securities & Exchange Board of India (SEBI) has finalised and specified the Model Equity Listing Agreement for execution between the Small & Medium Enterprise (SME) issuer and the Stock Exchange.
- (b): in recognition of the need for making finance available to Small and Medium Enterprises (SME) to tap/ access capital markets, SEBI had decided to encourage promotion of dedicated exchanges and /or dedicated platforms of the exchanges for listing and trading of securities issued by SME. In continuation of the same and to facilitate listing of specified securities in the SME exchange, SEBI has specified the Model Equity Listing Agreement for execution between the issuer and the Stock Exchange, to list/migrate the specified securities on SME Exchange, vide its circular dated May 17, 2010. The model listing agreement is available in the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories 'Legal Framework' and 'Issues and Listing'. SMEs, by virtue of being listed in a recognized stock exchange with all its disclosure norms, are likely to attract capital, whether equity or debt.
- (c): SEBI has issued necessary guidelines in this regard.
- (d): SEBI vide its circular dated May 18, 2010 has permitted for setting up of a Stock exchange/ a trading platform for SMEs by a recognized stock exchange having nationwide trading terminals and also issued Guidelines for market making for the specified securities listed on the SME exchange vide circular dated April 26, 2010. Further, necessary amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 SEBI (Merchant Bankers) Regulations, 1992, SEBI (Foreign Institutional Investors) Regulations, 1995, SEBI (Venture Capital Funds) Regulations, 1996, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 have also been carried out, to enable the SMEs to access the capital market.