

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1805
ANSWERED ON:16.08.2013
ENLISTING OF MSME IN SHARE MARKET .
Rathwa Shri Ramsinhbhai Patalbhai

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to enlist Micro, Small and Medium enterprises in share market of the country by modifying the definition of these units;
- (b) if so, the details thereof indicating the limit of capital investment fixed for these units; and
- (c) the measures taken or proposed to be taken to safeguard such units?

Answer

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

(a) In April, 2010, Securities Exchange Board of India (SEBI) made amendments to SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (SEBI (ICDR) regulations) and issued a circular on May 18, 2010 to provide a framework for 'Setting up of a Stock exchange/a trading platform by a recognized stock exchanges having nationwide trading terminals for Small and Medium Enterprises (SME)' so that Small and Medium Enterprises can raise capital and list their securities on the SME platform of stock exchanges. Under this framework, an issuer whose post issue face value capital does not exceed rupees ten crores can raise capital through issuance of securities and list the same on the SME Exchange/ platform exclusively. Whereas, if the post issue face value capital of the issuer is between rupees ten crores to twenty five crores, the issuer has the option to list either on the SME exchange / platform or on the Main Board of the stock exchange. At present there is no proposal to change this arrangement.

(b) Does not arise in view of the reply to part (a) above.

(c) SEBI has provided facility to the SMEs to access the capital market for raising capital through the SME Exchange or SME trading platform. The companies listing on the SME platform enter into listing agreement with the concerned stock exchanges and the trading in the scrip of the company is subject to trading rules and surveillance of the stock exchange.