

Sebi plans tighter rules for listing of SMEs

Markets regulator and exchanges will tighten rules for public offers of small and medium enterprises (SMEs), according to two sources, after complaints of misuse of a separate listing platform introduced in 2012 to enable small businesses access the capital markets.

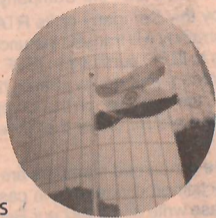
The regulator, the Securities and Exchange Board of India (Sebi), is considering raising the minimum size of such public offers to ₹30 crore-50 crore (\$3.59 million-5.99 million), said the two sources who are directly familiar with the discussions. The new rules are slated to be issued later this year after the regulator and exchanges consult stakeholders, they said.

Currently there is no minimum issue size prescribed but companies listing on the platform are required to have a post issue capital base of ₹25 crore. "A minimum offer size will ensure that serious companies are accessing the capital markets and in turn safeguard the interest of investors," said one of the two sources.

The sources declined to be identified as they were not authorised to speak to the media.

The markets regulator and exchanges, who implement the policies on behalf of the regulator, did not reply to requests for comment.

Buoyed by surging equity markets, public issues by SMEs soared in the financial year ending March 2024 to 205 companies raising ₹6000 crore compared to the 125 firms that raised ₹2,200 crore in the previous year, according to PRIME Database, a capital markets data provider.



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