



Aatma Capital
Nurturing Relationships



What are the criteria for SME listing?

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Research Credits

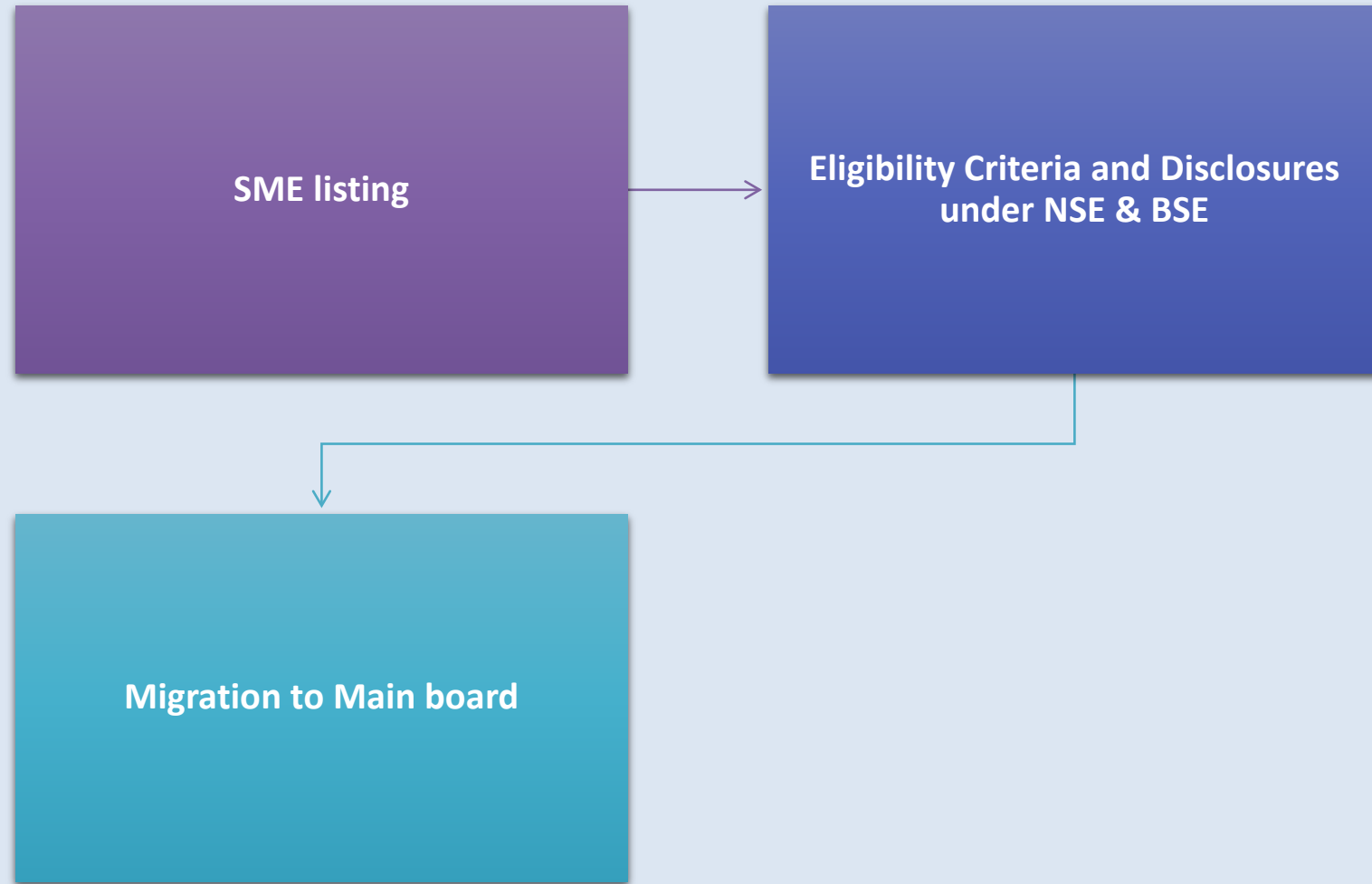


Iswariya BS
Jitesh

Legends Used

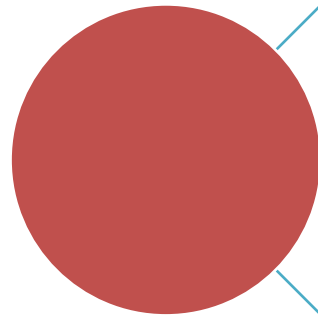
| | | | |
|-------|---|------|--|
| BIFR | Board for Industrial and Financial Reconstruction | LLP | Limited Liability Partnership |
| BSE | Bombay Stock Exchange | NCLT | National Company Law Tribunal |
| EBIDT | Earnings Before Interest, Depreciation and Tax | NSE | National Stock Exchange |
| EBDT | Earnings Before Depreciation and Tax | ROC | Registrar of Companies |
| ESC | Equity Share Capital | SE | Stock Exchange |
| IBC | Insolvency and Bankruptcy Code | SEBI | Securities and Exchange Board of India |
| ICDR | Issue of Capital and Disclosure Requirements | SME | Small and Medium Enterprises |

Presentation Schema

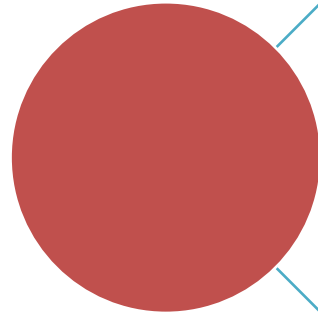


SME listing

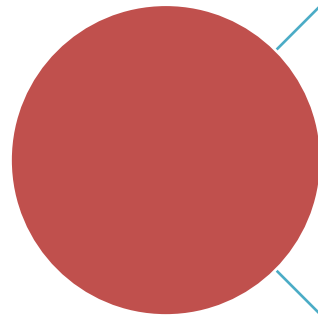
SME listing



An opportunity provided to for SME entities to publicly trade their securities like public companies with huge net worth



As on date, SME listing is available in both the recognised SEs - NSE and BSE



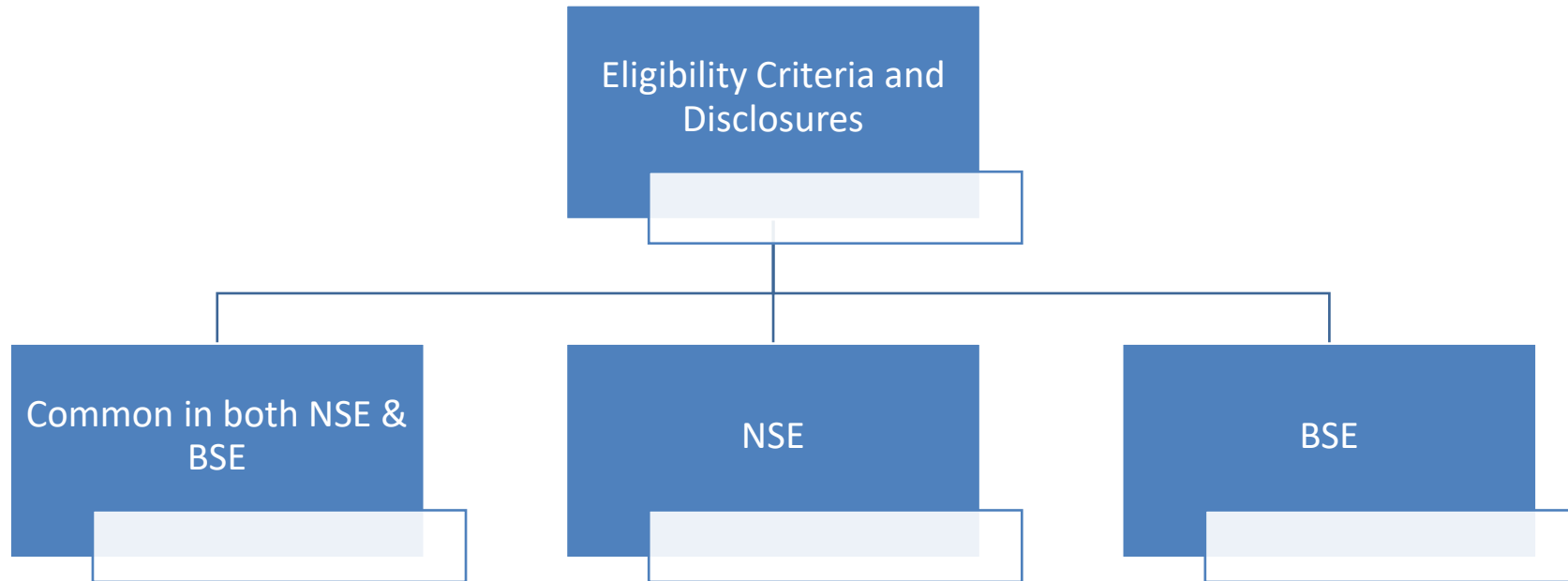
SMEs can avail this opportunity to avail various benefits with limited cost

Why SME listing?



Eligibility Criteria and Disclosures

Eligibility Criteria and Disclosures



Eligibility criteria for listing – NSE & BSE

Issuer Company has to be incorporated under Companies Act, 1956 / 2013

- Post issue paid up capital of the Company (face value) up to Rs.10 crores – covered under SME
- Post issue paid up capital of the Company (face value) between Rs.10 crores and Rs.25 crores – covered under SME / Main board **(as per Regulation 229 of SEBI (ICDR) Regulations, 2018)**

Positive net worth

Applicant / Promoters*/ Promoting company, incorporated in / outside India / Proprietary / Partnership firm and subsequently converted into a Company seeking listing must have a track record of 3 years

*Promoters mean 1 / more persons with minimum 3 years of experience in the same line of business and holding at least 20% of the post issue ESC, individually or severally

Operating Profit (EBIDT) from operations for at least any 2 out of 3 financial years preceding the application

Not referred to BIFR / No proceedings under IBC against the issuer and Promoting companies

Not received any winding up petition admitted by a NCLT / Court

No material regulatory / disciplinary action by a SE / regulatory authority in the past 3 years against the Applicant Company

Any material regulatory / disciplinary action by a SE or regulatory authority in the past 1 year in respect of

- promoters / promoting company(ies), group companies,
- companies promoted by the promoters / promoting company(ies) of the applicant company

Defaults in respect of payment of interest / principal to the debenture/ bond / fixed deposit holders, banks, FIs by the

- applicant, promoters / promoting company(ies), group companies,
- companies promoted by the promoters/promoting company(ies) during the past 3 years

Litigation record, the nature of litigation, and status of litigation of the

- applicant, promoters / promoting company(ies), group companies,
- companies promoted by the promoters / promoting company(ies)

Track record of the directors of the issuer

- Status of criminal cases filed against the directors
- If all / any of the directors of issuer have / has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences - its effect on the business of the company

BSE

The company or the partnership / proprietorship / LLP Firm or the firm which have been converted into the Company should have combined track record of at least 3 years

In case it has not completed its operation for 3 years then the company / partnership / proprietorship / LLP should have been funded by Banks / financial institutions / Central / state government / the group company should be listed for at least 2 years either on the main board / SME board of the Exchange

Net Tangible Assets should be Rs.1.5 Crores

The company / the firm / the firm which have been converted into the company should have combined positive cash accruals (EBDT) in any of the year out of last 3 years

Contd.

It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories

It is mandatory for a company to have a website

There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.

Company has not been referred to BIFR (Allowed if Companies are out of BIFR)

No winding up petition admitted by the Court / liquidator has not been appointed

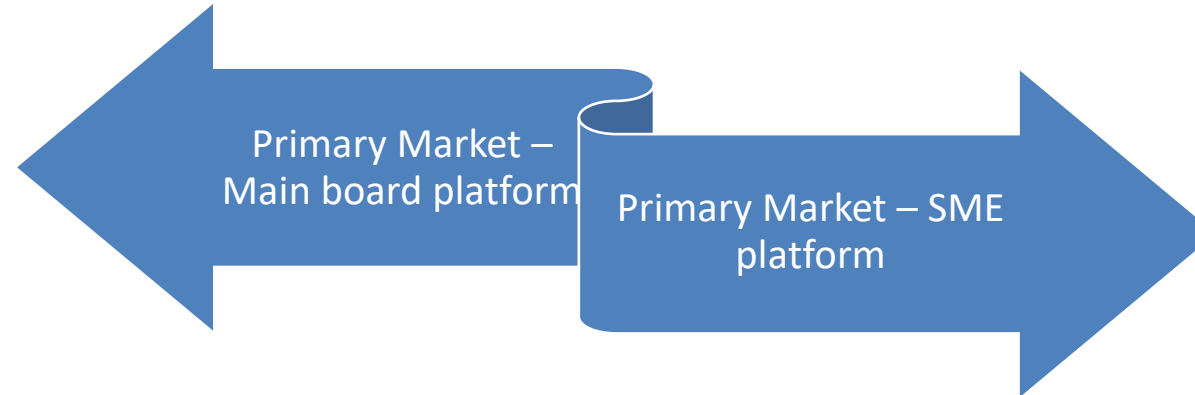
Migration to Main board

Migration to Main board

One more advantage available to listing on SME is

Migration to Main board

There are 2 trading platforms in the SE-



→ SME listed on Primary Market - SME Platform can be migrated to Primary Market – Main board upon fulfilment of prescribed criteria

→ As on date, 75 and 109 Companies have migrated to Main Board in NSE – Emerge Platform and BSE SME Platform respectively

Conclusion





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