

Enlisting of Micro, Small and Medium Enterprises in share market

†2188. SHRI RAM JETHMALANI : Will the Minister of FINANCE be pleased to State:

(a) whether it is a fact that Government is contemplating to enlist Micro, Small and Medium Enterprises in share market of the country by modifying the definition these units;

(b) if so, Government's reaction in this regard;

(c) whether it is a fact that the capital investment of these units is from five lacs to ten crores; and

(d) if so, after allowing foreign direct investment whether the interest of crores of units, having the capital of five lacs or less than five lacs, would be safeguarded?

THE 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) Micro, Small and Medium Enterprises are defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. These are classified on the basis of investment in plant and machinery employed in case of manufacturing enterprises and investment in equipments in case of service enterprises. The detail of classification is as under:

†Original notice of the question was received in Hindi.

1. Manufacturing enterprises are defined in terms of investment in plant and machinery and further classified into:
 - (a) Micro Enterprises - investment upto Rs. 25 lakh.
 - (b) Small Enterprises - investment above Rs. 25 lakh & up to Rs. 5 crore.
 - (c) Medium Enterprises - investment above Rs. 5 crore & up to Rs. 10 crore.
2. Service Enterprises are defined in terms of their investment in equipment and further classified into:
 - (a) Micro Enterprises - investment upto Rs. 10 lakh.
 - (b) Small Enterprises - investment above Rs. 10 lakh & up to Rs. 2 crore.
 - (c) Medium Enterprises - investment above Rs. 2 crore & up to Rs. 5 crore.

(d) In accordance with Press Note No. 6 (2009), dated 04.09.2009 issued by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Foreign Direct Investment (FDI) in Micro and Small Enterprises (MSEs) are subject to the sectoral caps, entry routes and other relevant regulations, thereby safeguarding the interest of these units which also include units having capital investment of Rs. 5 lakhs and less.

Norms for opening of bank account

2189. SHRI BALWINDER SINGH BHUNDER : Will the Minister of FINANCE be pleased to state:

- (a) the norms for opening a bank account;
- (b) the identification documents that are required for opening a bank account;
- (c) whether identification documents are cross-checked with the issuing authorities to certify their veracity and detect forged documents;
- (d) if no, the reasons and whether Government intends to prescribe such norms for Banks; and
- (e) if so, how come a recently caught couple who duped lakhs of people could open 100 accounts?