

## Permit Dual Listing of SME Stocks; Broadbase SME Capital Markets

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Dual listing, in today's context, is listing of a stock on both BSE and NSE. Main Board companies usually get listed on both BSE and NSE. However, this is not the case with SME stocks. So far, out of 129 SME stocks listed on SME platforms (118 on BSE SME Exchange and 11 on NSE Emerge platform), none of the stock is listed on both the SME platforms of BSE and NSE.

In order to have integrity in the market and for the benefits of stakeholders, dual listing should not only be permitted rather be encouraged. A few advantages of dual listing are enumerated below:

Benefits to Investors : Dual listing would alternate trading platform and attract wider set of market intermediaries. In turn, it would provide fillip to liquidity levels and broadbase SME capital markets.

Benefits to Markets : Dual listing would lead to the orderly development of SME market in an integrated manner. Moreover, wider network of market intermediaries like market maker, brokers etc. would help spread awareness about SME stocks.

Benefits to Issuers : The companies may be able to have greater visibility when the stock quotes are available on both the Exchanges. It helps companies, with listing on dual platforms, to have broader base of investors. SMEs when listed on both the exchanges could be expected to have greater credibility from Investors.

### **Recommendation**

Dual listing engages wider number of market intermediaries and investors. It popularizes the stock amongst wider population. Moreover, it integrates the entire eco-system more effectively and seamlessly.

In my view, dual listing would be a major boost for SME capital markets as it would help achieve multifarious benefits to all key constituents of market eco-system, such as Investors, Issuer, Market Participants and Market at large. As SME listed companies could migrate to Main Board, it would be in sync with the overall framework too.

Companies seeking listing could reap the best of benefits from alternate trading platform and broad-based investor pool. More and more participants would get involved in SME capital markets leading to a broadbased participation and efficient price discovery. Thus, dual listing would help orderly development of SME markets in an integrated manner. Regulators should encourage stock exchanges to permit dual listing on immediate basis.

Details about SME IPO and ITP listing can be found at [www.smeipo.net](http://www.smeipo.net)