

BSE to launch SME Exchange on March 13

BCB Finance will be the first stock to be listed

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The BSE SME Exchange will formally be launched on March 13, with the listing of the first public issue of BCB Finance. The Chief Executive Officer of BSE SME, Mr Lakshman Gugulothu, while confirming the development, declined to give further details.

BCB Finance recently raised Rs 8.85 crore through an initial public offering (IPO) that was open between February 23 and 27. The IPO was subscribed by 1.5 times.

According to sources, two more public issues are in the

pipeline within 10 days. Six other issues are slated to come up by May, the sources added.

BCB Finance is engaged in the business of advancing loans and investing/trading in securities.

Issues on the SME platform of the BSE also require a market maker for a minimum period of three years. Market maker quotes both a buy and a sell price in a financial instrument held in inventory. Currently, there are 30 registered market makers at the exchange. IKAB Securities & Investment is the market maker for BCB Finance.

The funds raised from the

IPO will be used by BCB Finance to expand its capital base and scale up its NBFC activities.

MARKET LOT

With SEBI's new prescription, BCB Finance will have a lot size of 6,000 shares considering the IPO price of Rs 25 a share.

SEBI had recently prescribed "lot sizes" for shares in an initial public offering for SME platform.

Accordingly, for a price band of up to Rs 14, the lot size would be 10,000 shares. For a band of Rs 14-18, the lot size has been fixed at 8,000 shares and for Rs 18 and 25, the lot size is 6,000

shares. As the value of the price band progressively increases from Rs 14 to above Rs 1,000, the number of shares in the lot size decreases from 10,000 shares to 100 shares.

"The stock exchanges can review the lot size once in every six months or whenever warranted, by giving an advance notice of at least one month to the market. Further, the stock exchanges should ensure that the lot size will be the same for securities traded across the exchanges," said SEBI circular.

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