MERCHANT BANKING ADVISORY | LISTING SERVICES

DIRECT LISTING ON ANOTHER STOCK EXCHANGE

A Quick-Reference Checklist for Main Board Companies Seeking Additional Listing

> *A company already listed on the Main Board of one recognised stock exchange (say, BSE) can seek an additional listing of its existing equity shares on another recognised stock exchange (say, NSE) without making a fresh public issue. This is known as 'Direct Listing'. Below is a simplified checklist covering what's involved, from eligibility to post-listing compliance.*

1. Eligibility Checklist

- ✓ Company is listed on a recognised Main Board Stock Exchange.
- ✓ Company's securities have not been suspended from trading, and there is no history of continuous non-compliance on the exchange where it is currently listed.
- ✓ No outstanding regulatory or enforcement action by SEBI or the existing exchange(s) against the company, its promoters, or directors.
- ✓ Company meets the eligibility norms prescribed under the listing/direct listing framework of the exchange being approached (e.g. minimum market capitalisation, public shareholding, financial track record).
- ✓ No pending investor grievances or arbitration references beyond the permissible limit.
- ✓ Company is compliant with SEBI (LODR) Regulations on its existing exchange as of the date of application.

2. Corporate Approvals

- ✓ Board Resolution approving the proposal to seek listing on the additional stock exchange.
- ✓ Authorisation for filing the application and executing documents.
- ✓ Any other approvals from any regulatory Authority.

3. Application & Regulatory Process

- ✓ Engage a SEBI-registered Merchant Banker / compliance advisor to coordinate the direct listing process (recommended, though not always mandatory).
- ✓ Submit application for In-Principle Approval to the new stock exchange, along with the prescribed listing application and supporting documents.
- ✓ Provide company disclosures — Memorandum & Articles of Association, latest shareholding pattern, financial statements, and compliance history from the existing exchange.
- ✓ Obtain a No Objection / confirmation from the existing exchange and depositories confirming the shares are freely tradable and in dematerialised form.
- ✓ Execute a Listing Agreement / undertaking with the new exchange.
- ✓ Pay applicable listing fees and other charges as prescribed by the new exchange.
- ✓ Obtain final listing and trading approval from the new exchange.

4. Post-Listing Compliance

- ✓ Commencement of trading of the company's shares on the new exchange alongside the existing exchange.

- ✓ Ensure consistent disclosures (financial results, corporate announcements, shareholding pattern) to both stock exchanges going forward.
- ✓ Update depositories, RTA, and internal records to reflect the additional listing.
- ✓ Continue to comply with SEBI (LODR) Regulations, and corporate governance norms across both exchanges.
- ✓ Monitor and reconcile trading data, price and volume disclosures across exchanges as required.

Frequently Asked Questions

Q What is 'Direct Listing' on another stock exchange?

It refers to a company already listed on one recognised stock exchange getting its existing shares additionally listed on another recognised stock exchange, without issuing new shares or raising fresh capital.

Q Does the company need to raise fresh capital or do an IPO for this?

No. Direct listing only involves listing the company's existing, already-issued shares on the new exchange for trading — it is not a capital-raising exercise.

Q Is shareholder approval required?

Generally, since no new shares are issued, a shareholders' special resolution is typically not required. A Board Resolution approving the proposal is usually sufficient, though this should be confirmed against the specific exchange's current requirements.

Q What are the key eligibility conditions?

The company should have a clean compliance record on its existing exchange, no suspension of trading, no major regulatory action pending, and should meet the specific eligibility criteria (such as minimum listing period, market capitalisation, or public shareholding) prescribed by the exchange being approached.

Q How long does the direct listing process usually take?

Timelines vary depending on the exchange's processing and the completeness of documentation, but the process typically takes a few weeks to a couple of months from application to final listing approval.

Q Will the company continue to be listed on its original exchange as well?

Yes. Direct listing adds a new exchange for trading; it does not require delisting from the original exchange. The company remains listed on both.

Q Who should manage this process for the company?

While not always mandatory, engaging a Merchant Banker or experienced compliance advisor is recommended to prepare the application, coordinate with both exchanges, and ensure a smooth, well-documented process.

How We Can Help

Our Merchant Banking team provides comprehensive assistance, including:

- ✓ Eligibility assessment
- ✓ Compliance and due diligence review
- ✓ Preparation of application and documentation
- ✓ Coordination with Stock Exchanges
- ✓ Regulatory support and clarification management

Direct Listing — Revised Eligibility Criteria

Securities Listed on Other Nationwide Stock Exchanges — Quick-Reference Pointers

DOWNLOAD REF NO.	NSE/CML/65136	**CIRCULAR REF. NO.**	2200/2024
DATE OF CIRCULAR	November 19, 2024	**EFFECTIVE FROM**	December 01, 2024

NSE has revised the eligibility criteria for companies already listed on other Nationwide Stock Exchanges that wish to directly list their securities on the NSE main board. The revised criteria (Annexure I) are summarised below.

1. **Paid-up Capital**
Not less than INR 10 crore at the time of filing the application.

2. **Revenue / EBITDA**
Revenue from Operations > INR 1,000 crore in each of the preceding 3 FYs, **OR** positive EBITDA in each of the preceding 3 FYs.

3. **Net worth / Market Capitalisation**
Net worth > INR 75 crore in each of the preceding 3 FYs (with statutory auditor's certificate), **OR** average daily market cap > INR 1,500 crore for the preceding 6 months.

4. **Listing Period**
Company should have been listed for at least 3 years.

5. **Trading Parameters (last 6 months)**
Avg. daily turnover ≥ INR 10 lakh; avg. daily trades ≥ 50; 2-month cooling-off from trade-to-trade/surveillance action (ASM excluded); trading above face value throughout the period.

6. **Public Shareholders**
At least 1,000 public shareholders as on the last day of the preceding quarter.

7. **Other Conditions**
Not referred to BIFR and no admitted insolvency proceedings; no admitted winding-up petition.

8. **Investor Grievance Redressal**
Pending grievances (company/promoters/group cos.) not more than 30 days; no defaults on debenture/bond/fixed-deposit interest or principal — auditor's certificate required; listing withheld till obligations are cleared.

9. **Rejection Cooling-off Period**
Application should not have been rejected in the preceding 6 months.

This is a brief, at-a-glance summary for internal reference. Please refer to the full circular (NSE/CML/65136) and Annexure I for complete conditions, explanations and applicability.

SME Migration & Direct Listing on BSE Main Board

Eligibility Criteria — Quick-Reference Pointers

APPLICABLE TO	SME companies migrating to Main Board; companies on other exchanges seeking Direct Listing
EFFECTIVE DATE	March 1, 2026

Eligibility criteria for SME companies seeking migration to the Main Board, and for companies listed on other recognised stock exchanges seeking Direct Listing on the Main Board (BSE). Summarised below for quick reference.

1 **Paid-up Capital**
At least Rs. 10 crore.

2 **Market Capitalisation**
6-month avg. market cap — Direct Listing: Rs. 1,000 crore; SME Migration: Rs. 100 crore. **OR** revenue from operations ≥ Rs. 100 crore in each of the preceding 3 FYs.

3 **Market Liquidity**
≥5% of weighted avg. shares traded in 6 months; traded on ≥80% of days; avg. daily turnover ≥ Rs. 10 lakh (min Rs. 5 lakh/day); avg. daily trades ≥ 50 (min 25/day). **OR** revenue ≥ Rs. 100 crore in each of the preceding 3 FYs.

4 **Operating Profit (EBITDA)**
Avg. Rs. 15 crore (restated, consolidated) over preceding 3 years, positive in each year, min. Rs. 10 crore each year. If name changed within the last year, ≥50% revenue must be from the new activity.

5 **Networth**
At least Rs. 1 crore in each of the preceding 3 full years (restated, consolidated basis).

6 **Net Tangible Assets**
At least Rs. 3 crore (restated, consolidated) in each of the preceding 3 years; not more than 50% held in monetary assets (unless firm commitment exists to utilise the excess).

7 **Promoter Holding**
At least 20% at the time of application (promoter group holding may cover any shortfall). Relaxed for diversified/no-identifiable-promoter companies already meeting other criteria.

8 **Lock-in of Promoter Shares**
6 months from the date of listing on BSE. Not applicable if already listed on a nationwide exchange and meeting all other eligibility criteria.

9 **Regulatory Action**
No continuing SEBI debarment against the company/promoters/directors; not a wilful defaulter or fraudulent borrower; no fugitive economic offender; not under NCLT winding-up/IBC-CIRP; not suspended for non-compliance (other than procedural) in the last 12 months.

10 **Promoter Shareholding**
100% held in dematerialised form.

11 **Compliance with SEBI LODR**
3-year track record with no pending non-compliance at the time of application.

12 **Listing Track Record**
Listed for at least 3 years.

13 **Public Shareholders**
Minimum 1,000, as per the latest shareholding pattern.

14 **Other Parameters**
No pending defaults on bonds/debt instruments/FDs (company, promoters, group, subsidiaries); CRA/auditor certificate for utilisation of IPO proceeds; not under ESM/ASM/GSM/T2T at filing; 2-month cooling-off from exit of T2T or graded surveillance action.

SME Migration & Direct Listing on BSE Main Board

Eligibility Criteria — Quick-Reference Pointers

15	**SCORES ID** No pending investor complaints on SCORES.
16	**Business Consistency** Same line of business for at least 3 years, with ≥50% revenue from that continued activity.
17	**Audit Qualification** No continuing audit qualification relating to going concern or any material financial implication, at the time of application.

Words and expressions used above carry the same meaning as assigned in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'). This is a brief, at-a-glance summary for internal reference — please refer to the full BSE criteria document for complete conditions, explanations and applicability.