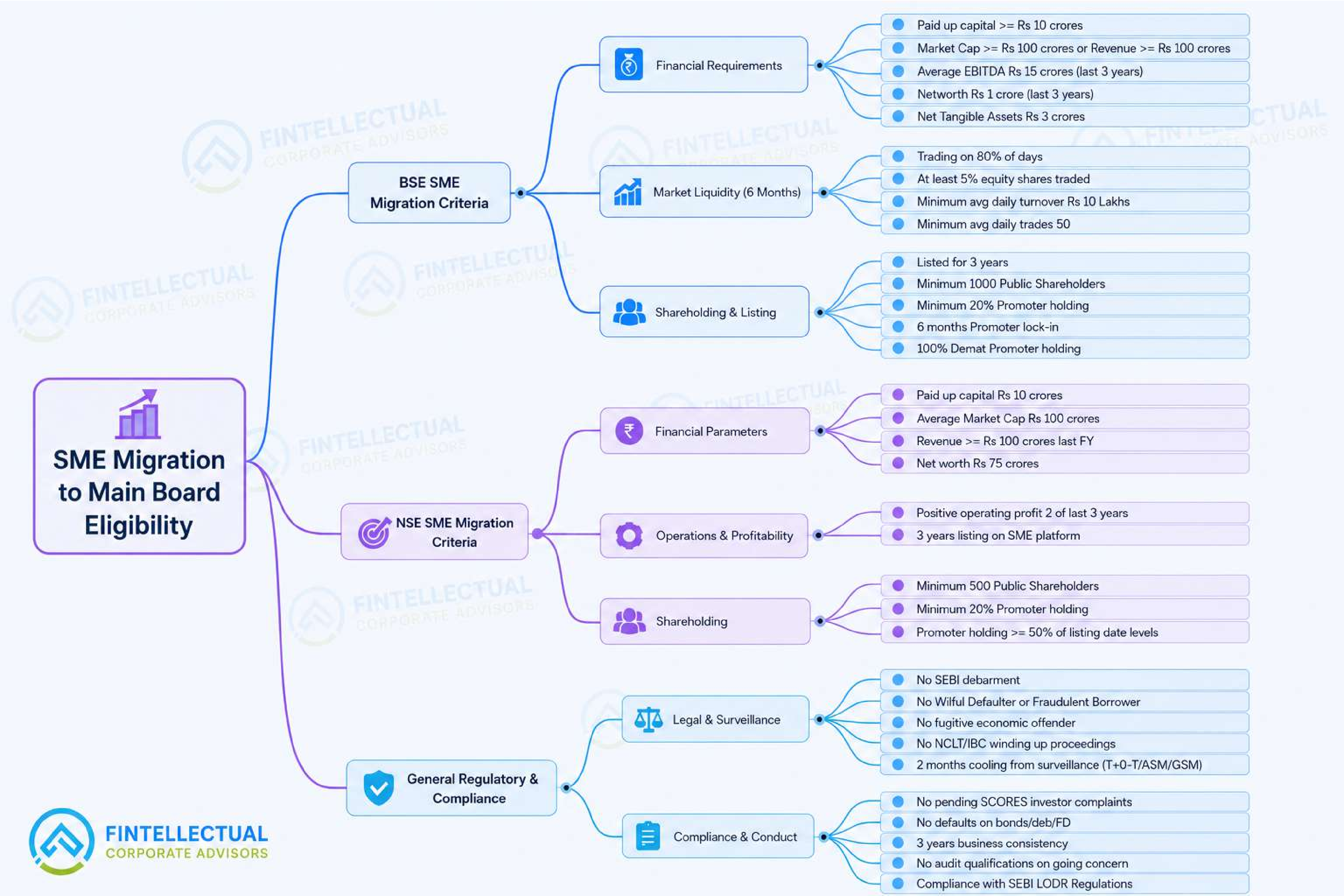
SME Migration to Main Board Eligibility
BSE SME Migration Criteria
Financial Requirements
Paid up capital >= Rs 10 crores
Market Cap >= Rs 100 crores or Revenue >= Rs 100 crores
Average EBITDA Rs 15 crores (last 3 years)
Networth Rs 1 crore (last 3 years)
Net Tangible Assets Rs 3 crores
Market Liquidity (6 Months)
Trading on 80% of days
At least 5% equity shares traded
Minimum avg daily turnover Rs 10 Lakhs
Minimum avg daily trades 50
Shareholding & Listing
Listed for 3 years
Minimum 1000 Public Shareholders
Minimum 20% Promoter holding
6 months Promoter lock-in
100% Demat Promoter holding
NSE SME Migration Criteria
Financial Parameters
Paid up capital Rs 10 crores
Average Market Cap Rs 100 crores
Revenue >= Rs 100 crores last FY
Net worth Rs 75 crores
Operations & Profitability
Positive operating profit 2 of last 3 years
3 years listing on SME platform
Shareholding
Minimum 500 Public Shareholders
Minimum 20% Promoter holding
Promoter holding >= 50% of listing date levels
General Regulatory & Compliance
Legal & Surveillance
No SEBI debarment
No Wilful Defaulter or Fraudulent Borrower
No fugitive economic offender
No NCLT/IBC winding up proceedings
2 months cooling from surveillance (T+0-T/ASM/GSM)
Compliance & Conduct
No pending SCORES investor complaints
No defaults on bonds/deb/FD
3 years business consistency
No audit qualifications on going concern
Compliance with SEBI LODR Regulations
FINTELLECTUAL
CORPORATE ADVISORS

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BSE SME TO MAIN BOARD MIGRATION

50 FREQUENTLY ASKED QUESTIONS (FAQs)

EFFECTIVE FROM 1 MARCH 2026

50 FAQs	6 Categories	Effective 1 March 2026	Based on BSE Circular	Professional Compliance Guide

1 CAPITAL & FINANCIAL CRITERIA

Q1 Objective of eligibility criteria?
To prescribe conditions for SME migration to Main Board and direct listing.

Q2 From when are these provisions applicable?
Effective from 1 March 2026.

Q3 What is the minimum paid-up capital?
At least ₹10 crore.

Q4 What is the minimum market capitalization?
Average of ₹100 crore during the preceding six months.

Q5 What is the market capitalization requirement for direct listing?
Average of ₹1,000 crore during the preceding six months.

Q6 Is there an alternative to market capitalization requirement?
Yes. Revenue from operations of ₹100 crore or more in each of the preceding 3 years.

Q7 What market liquidity condition must be satisfied?
At least 5% of weighted average listed equity shares traded in 6 months.

Q8 How many trading days are required?
Trading on at least 80% of the trading days in 6 months.

Q9 What is the minimum average daily turnover?
Minimum average daily turnover should be ₹10 lakh.

Q10 What is the minimum daily turnover?
At least ₹5 lakh per trading day.

2 MARKET PERFORMANCE

Q11 What is the required average number of daily trades?
Minimum average of 50 trades per day.

Q12 What is the minimum daily number of trades?
At least 25 trades per day.

Q13 How is average turnover calculated?
Total turnover on traded days divided by total number of trading days in 6 months.

Q14 What is the EBITDA requirement?
Average EBITDA of ₹15 crore over the preceding 3 years.

Q15 Is profit required in every year?
Yes. Operating profit must exist in each of the 3 years.

Q16 What is the minimum EBITDA in each year?
At least ₹10 crore in each of the preceding 3 years.

Q17 What if the name has changed recently?
At least 50% of revenue in the previous year from business indicated by new name.

Q18 What is the minimum net worth requirement?
₹1 crore in each of the preceding 3 years.

Q19 What is the minimum net tangible assets requirement?
At least ₹3 crore in each of the preceding 3 years.

Q20 Can monetary assets exceed 50% of net tangible assets?
Yes, if excess is utilised or committed for business/project purpose.

3 PROMOTERS & SHAREHOLDING

Q21 What promoter holding is required?
Minimum 20% at the time of application.

Q22 Can promoter group holding be considered?
Yes. Promoter group holding may be considered for any shortfall.

Q23 Are there exceptions to promoter holding requirements?
Yes, in case of diversified holdings or no identifiable promoters.

Q24 What is the lock-in period for promoters?
6 months from the date of listing on BSE.

Q25 Are there exemptions from lock-in?
Yes, for companies already listed on recognized exchanges with nationwide trading terminals.

Q26 Is an active SEBI debarment order allowed?
No.

Q27 Can wilful defaulters migrate?
No.

Q28 Can fraudulent borrowers migrate?
No.

Q29 Can fugitive economic offenders be associated?
No.

Q30 Can a company under CIRP or winding-up proceedings apply?
No.

KEY TAKEAWAYS

- Meet capital & financial thresholds and market performance criteria.
- Ensure strong liquidity and trading consistency.
- Maintain minimum promoter holding and lock-in compliance.
- Comply with all regulatory requirements (LODR, ASM, GSM, CIRP, etc.).
- Maintain clean compliance track record for 3 years.
- Ensure proper documentation and governance.

SME TO MAIN BOARD MIGRATION PROCESS

SME Listed Co. → Eligibility Review → Merchant Banker Due Diligence → Application to BSE → Exchange Review → Migration Approval

All conditions must be fulfilled on the date of filing the application and continue till migration.

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BSE SME TO MAIN BOARD MIGRATION

50 FREQUENTLY ASKED QUESTIONS (FAQs)

EFFECTIVE FROM 1 MARCH 2026

4 REGULATORY COMPLIANCE

Q31 Is suspended for LODR non-compliance?
No, if suspended during last 12 months for such reasons.

Q32 Must promoter shareholding be in demat form?
Yes, 100% must be in dematerialized form.

Q33 How many years of LODR compliance are required?
A clean compliance track record of 3 years.

Q34 Can pending LODR non-compliances exist?
No.

Q35 How long should company be listed?
Minimum 3 years.

Q36 What is the minimum number of public shareholders?
1,000 public shareholders.

Q37 Can a company with default in bonds or deposits migrate?
No.

Q38 Is a certificate regarding IPO proceeds required?
Yes, from CRA and/or Statutory Auditor, where applicable.

Q39 Can companies under ASM, GSM or ESM apply?
No.

Q40 Is there a cooling-off period after surveillance measures?
Yes, 2 months after exiting T-To-T/GSM/ ASM surveillance.

5 DOCUMENTATION & GOVERNANCE

Q41 Are pending SCORES complaints allowed?
No.

Q42 What is meant by business consistency?
Same line of business should continue for 3 years.

Q43 What is the minimum revenue from continuing business?
At least 50% of operational revenue.

Q44 Are audit qualifications permitted?
Material going concern or financial implication qualifications should not continue at the time of application.

Q45 On what basis are financial figures calculated?
On a restated consolidated basis, wherever prescribed.

KEY DOCUMENTS / CERTIFICATES

- ✓ Merchant Banker Certificate
- ✓ Auditor Certificate
- ✓ Company Secretary Certificate
- ✓ Board Resolution
- ✓ Compliance Certificate
- ✓ Any other exchange specific requirement

6 BUSINESS PERFORMANCE & FINAL REVIEW

Q46 Which regulation governs undefined terms?
SEBI (ICDR) Regulations, 2018.

Q47 Is satisfying only one eligibility criterion sufficient?
No. All applicable conditions must be fulfilled unless exempted.

Q48 Who should verify compliance before filing?
Company Secretary, Compliance Officer, Statutory Auditor and Merchant Banker.

Q49 What are major compliance risks before migration?
Market cap, liquidity, promoter holding, regulatory actions, LODR compliance, surveillance, investor complaints.

Q50 What before submission of migration application?
Conduct eligibility review, obtain certifications, rectify non-compliances and ensure all conditions are satisfied before filing.

APPLICABLE FRAMEWORK

- BSE Circular – Eligibility Criteria for SME Migration to Main Board (1 March 2026)
- SEBI (ICDR) Regulations, 2018
- SEBI (LODR) Regulations, 2015
- Companies Act, 2013

NOTE

- All criteria must be satisfied continuously.
- Any non-compliance may lead to rejection / delisting action.
- This guide is for educational and information purpose only.
- Please refer to the BSE circular for complete details and updated requirements.

Scan QR Code for BSE Circular

Prepared For: Board Meetings | Investor Presentations | Professional Training | Compliance Discussions

Source: BSE Circular – Eligibility Criteria for SME Migration to Main Board (1 March 2026)

NSE SME TO MAIN BOARD MIGRATION

50 COMPLIANCE FAQs – REVISED ELIGIBILITY CRITERIA (ANNEXURE I)

SHEET 1 OF 2 (FAQs 1–25)

1 CAPITAL & MARKET CAPITALISATION (1–5)

No.	QUESTION	ANSWER
1	What is the minimum paid-up equity capital?	₹10 Crore
2	Is paid-up capital alone sufficient?	No, all conditions apply
3	What is the minimum average market cap?	₹100 Crore
4	How is market capitalization calculated?	Avg. weekly high & low × post-issue shares
5	Which period is considered for market cap?	Last 3 months

2 REVENUE & EBITDA (6–10)

No.	QUESTION	ANSWER
6	What is the minimum revenue requirement?	> ₹100 Crore (last FY)
7	Which revenue is considered?	Only revenue from operations
8	Is other income considered?	No
9	What EBITDA condition is applicable?	Positive operating profit in 2 of last 3 FYs
10	Can a company with one profitable year qualify?	No

3 LISTING & SHAREHOLDERS (11–15)

No.	QUESTION	ANSWER
11	How long should it be listed on NSE SME?	Minimum 3 years
12	Is continuous listing required?	Yes, minimum 3 years
13	What is the minimum public shareholders?	At least 500
14	On which date is shareholder count verified?	Date of application
15	Is public holding required?	Yes, at least 500 shareholders

4 PROMOTER HOLDING (16–20)

No.	QUESTION	ANSWER
16	What minimum promoter holding is required?	At least 20%
17	Can promoter holding fall below 20%?	No
18	Is historical promoter holding examined?	Yes
19	What historical holding should be maintained?	≥50% of holding on SME listing date
20	Why is promoter holding important?	Ensures promoter commitment

5 OTHER LISTING CONDITIONS (21–25)

No.	QUESTION	ANSWER
21	What other listing conditions exist?	See points 22–25
22	No insolvency proceedings admitted?	Not allowed
23	No admitted winding-up petition?	Not allowed (NCLT/IBC)
24	Net worth requirement?	At least ₹75 Crore
25	Any material regulatory action in last 3 years?	None allowed

MIGRATION ELIGIBILITY SNAPSHOT

Paid-up Capital ≥ ₹10 Crore	Market Capitalisation ≥ ₹100 Crore
Revenue (Last FY) > ₹100 Crore	Positive EBITDA (2 of Last 3 FYs)
Listed on SME ≥ 3 Years	Public Shareholders ≥ 500
Promoter Holding ≥ 20%	Promoter Retention ≥ 50% of Original Holding
Net Worth ≥ ₹75 Crore	No IBC / NCLT Proceedings No Winding-Up Petition
No SEBI Debarment No Director Disqualification	No Pending SCORES Complaints
No Default to Debenture / Fixed Deposit Holders	Cooling Period 2 Months

6 REGULATORY & GOVERNANCE (26–30)

No.	QUESTION	ANSWER
26	No suspension of trading in past 3 years?	Yes
27	No SEBI debarment for company/promoter?	Not allowed
28	No debarment of subsidiaries?	Not allowed
29	No director disqualification?	Not allowed
30	Disqualification by any authority?	Not allowed

IMPORTANT NOTE

All eligibility criteria must be fulfilled at the time of application. NSE reserves the right to reject an application for any reason as deemed fit.

NSE SME TO MAIN BOARD MIGRATION

50 COMPLIANCE FAQs – REVISED ELIGIBILITY CRITERIA (ANNEXURE I)

7 INVESTOR & COMPLAINTS (31–35)

No.	QUESTION	ANSWER
31	No pending investor complaints in SCORES?	None allowed
32	What is SCORES?	SEBI Complaint Redress System
33	Why is it important?	Ensures investor protection
34	Can there be pending complaints?	No
35	Any other investor-related condition?	No pending grievances

8 TRADE-TO-TRADE & DEFAULT CONDITIONS (36–40)

No.	QUESTION	ANSWER
36	Cooling period requirement?	2 months
37	Why cooling period?	Ensures stable trading
38	Applies if other exchange imposed surveillance?	Yes
39	Default to debenture holders allowed?	No
40	Includes interest and principal?	Yes

9 APPLICANT & SUBSIDIARY COVERAGE (41–45)

No.	QUESTION	ANSWER
41	Includes debenture/FD holders?	Yes
42	Applies to subsidiaries?	Yes
43	Can NSE reject application even if submitted?	Yes
44	Can incomplete application be rejected?	Yes
45	Can NSE seek additional information?	Yes

10 NSE DISCRETION & REJECTION GROUNDS (46–50)

No.	QUESTION	ANSWER
46	Incorrect information consequences?	NSE may reject
47	Does NSE have discretionary power?	Yes, for any reason
48	Is meeting financial criteria enough?	No, all conditions must be met
49	What should companies do before applying?	Due diligence & compliance
50	Key takeaway?	Strong financials + Compliance + Governance + Shareholder Strength = Successful Migration

ADDITIONAL EXPLANATORY NOTES (CRITERIA SUMMARY)

Insolvency & Winding-up
No proceedings admitted under IBC against Applicant or Promoting Company.

Director Disqualification
No disqualification/debarment of director by any regulatory authority.

Net Worth
Net worth of the company should be at least ₹75 Crore.

SCORES Complaints
No pending investor complaints in SCORES.

Regulatory Actions
No material regulatory action in the past 3 years like suspension of trading.

Cooling Period
Two months cooling period after exiting Trade-to-Trade or surveillance category.

Debarment
No debarment of Company/Promoter/Subsidiary by SEBI.

No Default
No default in payment of interest and/or principal to debenture/bond/FD holders.

NSE MAY REJECT APPLICATION ON FOLLOWING GROUNDS

1. Applicant does not conform to eligibility requirements.
2. Application incomplete and/or not conforming to requirements.
3. Does not contain additional information as required by NSE.
4. Application is false and/or misleading in any manner.
5. Any other reason as NSE may deem fit.

STRONG FOUNDATION. COMPLIANT GOVERNANCE. SUCCESSFUL MIGRATION.

Compliance | Transparency | Financial Strength | Investor Confidence | Sustainable Growth

Prepared for Board / Audit Committee / Compliance Committee Presentation