

N D A Update – Listing of equity shares by unlisted public companies

MCA vide this notification dated 24th January, 2024, has notified the **Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024** with immediate effect.

For the purpose of this rule, Permissible Jurisdiction means International Financial Services Centre in India and Permitted Stock Exchange means India International Exchange, NSE International Exchange.

Companies eligible for Listing:

- Unlisted public companies
- Listed public companies, as long as they are in accordance with regulations framed or directions issued in this regard by the Securities and Exchange Board or the Authority, which issue their securities for the purposes of listing on permitted stock exchanges in permissible jurisdictions.

Companies not eligible for Listing:

- Section 8 companies,
- Nidhi companies under Section 406 of the Companies Act, 2013 (“The Act”);
- Company limited by guarantee and also having share capital;
- Company having any outstanding deposits accepted from the public as per Chapter V of the Act;
- Company having negative net worth;
- Company which has defaulted in payment of dues to any bank or public financial institution or NCD holder or any other secured creditor. This shall not apply if the default has been made good and two years had lapsed since then;
- Company which has applied for winding-up or for resolution or winding-up under the IBC, 2016 and in case any of its proceedings are pending;
- In case a company has defaulted in filing of annual return or financial statement within due timelines.

Other Conditions for Listing:

- An eligible public company (not having partly paid-up shares) can issue equity shares (including offer for sale of equity shares by existing shareholders) for the purposes of listing on a permitted stock exchange in a permissible jurisdiction. Such a company shall file the prospectus in e-Form **LEAP-1** specified in the Second Schedule of the said Rules within 7 days after the same has been finalised and filed in the permitted exchange.
- Post listing of its equity shares on any of the stock exchanges in a permissible jurisdiction, the company shall comply with IND-AS in preparation of their financial statements, in addition to any other accounting standard, as may be applicable.
- an unlisted public company which also intends to get its equity shares listed with any recognized stock exchange besides listing of equity shares on permitted stock exchanges in permissible jurisdiction shall also comply with the conditions as may be specified by the SEBI.

<https://www.mca.gov.in/bin/dms/getdocument?mds=qclDsiX0Le%252F2EMv7m1iyEw%253D%253D&type=open>