

Highlights of Rules on Listing of Equity shares in Permissible jurisdictions

1. Unlisted public companies and listed public companies which do not have partly paid-up shares may issue equity shares for listing on permitted stock exchange in permissible jurisdiction. Issuance of equity shares include offer for sale by existing shareholders of unlisted public company.
2. Permissible jurisdiction means such jurisdiction as specified in First Schedule of the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024 rules (“**the Rules**”). As of now the International Financial Services Centre in India has been specified in the said schedule.
3. India International Exchange and NSE International Exchange have been notified as Permitted Stock Exchanges under First Schedule of the Rules.
4. An Unlisted public company listing its equity shares in permissible jurisdiction and which also intends to list its shares on any recognised stock exchange shall comply with such conditions as may be specified by SEBI.
5. Form LEAP-1 has been notified for submission of prospectus with the Registrar by Unlisted public companies. The prospectus for listing of equity shares in permissible jurisdiction shall be filed within 7 days of finalization.
6. IND-AS shall be followed mandatorily for preparation of financial statements after listing of equity shares in permissible jurisdiction in addition to compliance of any other accounting standard that may be applicable as per the stock exchange concerned.
7. Certain companies that are not eligible for listing of equity shares in permissible jurisdiction:
 - Section 8 companies
 - Nidhi Companies
 - Company limited by guarantee and also having share capital
 - Companies having any outstanding public deposits as per the Companies Act, 2013 (“**the Act**”)
 - Companies having negative net worth
 - Companies that have defaulted in payment of dues to bank or public financial institutions or NCDs or any other secured creditor. If two years have lapsed from making good of default, the company will be permitted to list.
 - Filed an application for winding up under the Act or IBC or proceedings are pending under the respective legislations.
 - Companies that have defaulted in filing Annual Return or Financial Statements under the Act within the specified period.

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