

## National Stock Exchange of India

### Circular

**Department: LISTING**

**Download Ref. No.: NSE/CML/65739**

**Date: December 23, 2024**

**Circular Ref. No.: 2447/2024**

To All Participants,

**Sub: Additional Eligibility criteria for listing on NSE Emerge**

This is in furtherance to our circular no. NSE/SME/65701 dated December 20, 2024.

In view of the Press Release No. 36/2024 dated December 18, 2024 issued by the Securities and Exchange Board of India (SEBI), NSE is prescribing the following additional conditions for listing on NSE Emerge:

S.No	Particulars
1	An issuer shall have an operating profit (earnings before interest, depreciation and tax) of INR 1 crore from operations for any 2 out of 3 previous financial years .
2	Offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding.
3	SME issues shall not be permitted, where objects of the issue consist of Repayment of Loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly.

The revised Eligibility criteria for listing on NSE Emerge Platform is as per Annexure to this circular .

The other decisions emanating from the SEBI Board Meeting in connection companies listed/getting listed on NSE Emerge shall be implemented after amendment of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

**For and on behalf of  
National Stock Exchange of India Limited**

Yukti Sharma  
Head – Listing

**Annexure – Revised Eligibility criteria for listing on NSE Emerge Platform**

PARAMETER	LISTING CRITERION
INCORPORATION	The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.
POST ISSUE PAID UP CAPITAL	The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crore.
TRACK RECORD	<ul style="list-style-type: none"> <li>• Track record of at-least three years of either -                             <ul style="list-style-type: none"> <li>i. the applicant seeking listing; or</li> <li>ii. the promoters****/promoting company, incorporated in or outside India or</li> <li>iii. Proprietary / Partnership firm and subsequently converted into a Company (not in existence as a Company for three years) and approaches the Exchange for listing.</li> </ul> </li> </ul> <p>****Promoters mean one or more persons with minimum 3 years of experience in the same line of business and shall be holding at least 20% of the post issue equity share capital individually or severally</p>
FINANCIAL	<ul style="list-style-type: none"> <li>• An issuer shall has an operating profit (earnings before interest, depreciation and tax) of INR 1 crore from operations for any 2 out of 3 previous financial years.</li> <li>• Net-worth should be positive.</li> <li>• The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.</li> </ul>
OFFER FOR SALE	<ul style="list-style-type: none"> <li>• Offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding.</li> </ul>
OTHER LISTING CONDITIONS	<ul style="list-style-type: none"> <li>• The applicant company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>• The company has not received any winding up petition admitted by a NCLT / Court.</li> <li>• No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.</li> </ul>

PARAMETER	LISTING CRITERION
	<ul style="list-style-type: none"> <li>• Issuer seeking listing shall ensure that none of the merchant bankers involved in the IPO should have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of application. For this purpose, the left lead merchant banker and any other merchant banker if applicable who shall be responsible for due diligence activity and drafting of the draft offer document / offer document in terms of the Lead Managers' Inter-se Allocation of Responsibilities shall be considered.</li> <li>• SME issues shall not be permitted, where objects of the issue consist of Repayment of Loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly.</li> </ul>
DISCLOSURES	<p>The following matters should be disclosed in the offer document:</p> <ol style="list-style-type: none"> <li>1. Any material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company.</li> <li>2. Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years.</li> <li>3. The applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation.</li> <li>4. In respect of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences.</li> </ol>
REJECTION COOLING PERIOD OFF	<p>The application of the applicant company should not have been rejected by the Exchange in last 6 complete months.</p>