

**Norms for Companies from Dissemination Board seeking listing under Direct Listing Norms with BSE**

Norms for Direct Listing of the companies which have been moved to the Dissemination Board of nation-wide Stock Exchange/s and applying for Direct Listing in accordance with SEBI Circular CIR/MRD/DSA/05/2015 dated April 17, 2015 & SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016. Norms applicable from **March 02, 2020**.

Sr. No.	Norms Heading	Norms for companies which have been moved to the Dissemination Board by exiting / De-recognized Regional Stock Exchange
1	Issued and Paid up capital.	The minimum issued, paid up and listed equity capital of the applicant company shall not be less than Rs.10 crores at the time of making application.
2	Net worth requirement	<p>The net worth of the applicant company (after adjusting against the accumulated losses, if any) shall not be less than Rs.10 crores at the time of making application.</p> <p>(Net worth would consist of the issued capital at any exchange + Free Reserves). Note: Net worth certificate from Statutory Auditor to be provided.</p>
3	Profit making track record for companies	<p>Net Profit before tax (NPBT) greater than or equal to Rs.1 crore cumulative for 3 previous financial years of the entity that has applied for Direct Listing.</p> <p>Current year NPBT may be considered based on certificate from Statutory Auditor with atleast six months of operations.</p> <p>The applicant company would be required to produce certificate from statutory auditor giving sectoral wise break-up of the turnover.</p>
4	Dividend Record / Distributable Profits	<p>The Company has paid dividend in at least 2 out of last 3 financial years including the current financial year in which listing application has been made.</p> <p>Or</p> <p>If the Company has not paid any Dividend in last 2 out of 3 financial years (including the current financial year in which listing application has been made) then such Company should have Distributable Profits* in at least 2 out of last 3 preceding financial years immediately preceding the year in which application has been made.</p> <p>*Distributable Profit would be as defined in Section 2(35) of the Companies Act, 2013.</p>

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		Note: The company would be required to submit a certificate from a practicing Chartered Accountant/ Practicing Company Secretary certifying the Distributable Profits.
5	Appearing on Dissemination Board	Name of the company must be appearing on the Dissemination Board of any recognized Nationwide Stock Exchange as defined.
6	Public Shareholding	The company shall be in compliance with Regulation 38 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with regard to Minimum level of public shareholding.
7	No. of public shareholders	Minimum 500 public shareholders
8	Signing with both the depositories	<p>The company must enter into an agreement with both the depositories' copies of the same to be submitted with ISIN activation letter.</p> <p style="text-align: center;">Or</p> <p>Provide a copy of SEBI circular (transfer to normal segment) wherein company's name is mentioned.</p>
9	Trading in Compulsory Demat	Company should have Minimum 50% of Public Shareholding in dematerialized mode and 100% of Promoters' Shareholding in demat mode, else trading and settlement of the securities of the company will permitted only on Trade-for-Trade basis till compliance of the above referred requirement. Company shall submit certified true copies of tripartite agreement executed with both the depositories and copy of ISIN activation letter.
10	Company Profile	Company Profile based on the format as provided in checklist, as certified by the Company Secretary / MD of the Company.

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11	Withdrawal/ Rejection	Once companies that have approached for listing are denied listing for any reason whatsoever, they may re-apply for listing after a Minimum period of 6 months (6 months after date of rejection). If rejected second time, the company would not be eligible to apply again.
12	<p>Confirmation from practicing Chartered Accountant (CA) /Company Secretary (CS):</p> <p>The confirmation given by CA / CS must match with the listed capital on MCA website. Should there be a mismatch the company would be liable to give a suitable explanation.</p> <p>These confirmation to be taken by the professional (CA / CS) as well as the company secretary of the Company.</p> <p>The capital confirmation by professionals (CA / CS) must be in accordance and satisfy the provisions of SEBI Circular CIR/MRD/DSA/05/2015 dated April 17, 2015.</p>	<p>The company shall submit a confirmation from Practicing Chartered Accountant / Practicing Company Secretary stating that</p> <p>a. Entire issued capital consisting of _____ shares of face value _____ of the company was listed on the _____ stock Exchange since_____.</p> <p>b. The company has not undergone any changes in its shareholding pattern which suggests change of control of the company at the time of listing on nationwide stock exchanges. Any change in shareholding, due to raise of capital as is prescribed in SEBI circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.</p> <p>c. Confirm whether the company or the promoters or promoter group entities or the directors are have been debarred or disciplinary action taken by SEBI or a recognized stock exchange, if yes, then the name of the person/entity along with the period of debarment.</p> <p>d. Confirm, whether the proposed company is identified as ‘Vanishing’ by MCA or RoC.</p> <p>e. The allotments of equity shares made during the preceding two year from the date of de-recognition of the RSE has been made in compliance with the applicable rules and regulations including the provisions of SEBI (ICDR) Regulations, 2009 and the amendments, thereof.</p> <p>Further, the allotments or changes in the shareholding (if any) were in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.</p>

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		<p><b>Note:</b> The share capital mentioned by CS / CA must match with share capital transferred by the RSE to the Dissemination Board.</p>
13	Confirmation from MD & Company Secretary	Confirmation from MD and CS that Company has not been de-listed from BSE at any time under delisting regulation 2003 /2009. Where a company has been delisted from BSE, a period of at least 10 years should have elapsed since the delisting and the company should have continued to remain listed with at least one Stock Exchange.
14	Compliance Status by Company	<p>The company shall furnish the compliance status with (SEBI (Listing Obligation and Disclosure requirement) Regulation, 2015) (Regulation 6, 7, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 31,33, 34,38,40,42 and 46) and, Reconciliation of share capital audit report and Sec Audit, filings under SEBI regulations/ circulars, SCRA and SCRR for the last 1 year</p>
15	Action against company/ promoters/ promoter group entities/ directors	The company or the promoters or the Directors have been debarred or disciplinary action has been taken against them by SEBI, then the period of debarment should have elapsed at the time of making application.
16	Reference under the Insolvency and Bankruptcy Code	At the time of filing an application for listing with BSE, neither any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 nor has winding up proceeding been commenced against the Company under any other laws.
17	Company website	<p>The company shall have its own functional website which is in compliance with (Regulation 46) of the (SEBI (Listing Obligation and Disclosure requirement) Regulation, 2015) containing information about products, management team, annual reports for last three financial years, shareholding pattern, quarterly results, report on corporate governance, code of conduct, name of the company secretary &amp; compliance officer and contact details, RTA - name and contact details etc.</p> <p>The company registered office mentioned in application and mentioned in the SCORES shall be the same.</p>

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18	SCORES authentication	<p>The company shall submit the “NIL” Investors Complaints Report extracted from SCORES.</p> <p>The company registered office mentioned in application and mentioned on SCORES should be the same. The address of the RTA must also be mentioned in SCORES.</p>
19	Site Visit	<p>Site visit will be mandatorily conducted by Exchange official(s) and report submitted.</p> <p>The site visit would be carried out mainly at the company’s registered office which is mentioned in Direct Listing Application. Registered office of the company must be operational.</p> <p>Company shall not shift its registered office after submitting the application for listing under Direct Listing to BSE till commencement of trading.</p>
20	Shareholding	<p>There shall not be any change in following once company is on Dissemination board of the Exchange and application under Direct Listing till the shares of the company get listed at BSE. Point 3(b) of the SEBI circular states that there should not be any change in shareholding.</p> <ul style="list-style-type: none"> <li>A. No changes in promoter holding of the company</li> <li>B. Any fresh issuance of equity shares (including preference shares) from the date of de-recognition of the RSE till the date of listing.</li> </ul> <p>Except shares issued as prescribed in SEBI circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016.</p>

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21	Company Secretary	<p>Every company applying for Listing under Direct Listing must have appointed a full time qualified company secretary on its payroll. The company shall submit the following documents:</p> <p>Certified true copy of Form 32 / DIR 8 filed with the Registrar of Companies and submit the acknowledged copy of the said forms.</p>
22	Amalgamation / Merger / Takeover / Acquisition	<p>Should there be any instance of Amalgamation / Merger / Takeover / Acquisition in the current or previous two financial years of company filling Direct Listing Application the company would be required to submit following documents.</p> <ul style="list-style-type: none"> <li>• Scheme of amalgamation and proof of filing of scheme with High Court</li> <li>• Approval from Stock Exchange where the company was earlier listed or documents filled with such stock exchange for approval</li> <li>• Copy of board resolutions and of shareholders resolution &amp; Proof of notice sent to shareholders</li> </ul>
23	Changes in the capital of the company and Change in Shareholding	<p>There shall be no change in the capital of the company in the last one year prior to the date of application till the commencement of trading at BSE.</p> <p>Change in capital due to stock split, issuance of preferential basis, bonus shares, forfeiture of shares, consolidation/reduction of capital are exempted.</p> <p>Entire promoter holding shall be kept under lock-in for a period of one year from the date of commencement of Trading at BSE.</p> <p>(Note: Those shares which are required to be kept under locked under regulations shall remained locked)</p>

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		<p>Except change in capital due to shares issued as prescribed in SEBI circular of October 10, 2016.</p> <p>Further in case the company has made preferential issue in last 1 year, the following requirements shall be complied with by the company:</p> <p>Entire shares issued under preferential issue to be locked in for a period of 1 year from the date of listing at BSE</p> <p>All the preferential shares issued should have been in demat mode only.</p> <p>Company to submit the details of names of allottees with their PAN and Residential / Registered office address, category of allottees, no of shares allotted, price at which allotted, from and to lock – in date, distinctive numbers for each preferential issues.</p> <p>Undertaking from CS / MD of the company and the Statutory Auditor certifying compliance with Section 42 of The Companies Act 2013.</p>
24	Closure of application	<p>If the documents and clarification received from the applicant company are not to the satisfaction of BSE, then BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.</p>
25	Promoter's Holding in case of change of capital and / or Change in Shareholding in last one year	<p>Should there be change in capital of the company in the last one year then promoter together with promoter group must hold at least 25% of equity shares in the applicant company at the time of making an application for listing.</p> <p>Entire promoter shareholding should be in demat mode.</p> <p>However, the company shall be in compliance with Regulation 38 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding Minimum public shareholding (MPS).</p>

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26	Lock-in of Promoter Holding	Entire promoter shareholding to be kept under lock-in for a period of 3 years from date of listing at BSE.
27	Company's Business	A letter from the company Managing Director / CS also certified by company Statutory Auditor giving the present main business activity of the company, break-up of revenue generated from present line of business activity, at least 50% of the revenue must be generated from main business activity of the company in last two completed Financial Year. Details of changes in main business carried out by the company in last three financial years.
28	Name of the company	The name of the company must reflect the nature of main business activity which the company is carrying out.
29	Specimen signatures	Company must submit specimen signatures of authorized signatories who are authorized by the company board of directors to sign documents on behalf of the company for Direct Listing activity.
30	Appointment of advisor / merchant banker / professionals	Should the company desire to appoint an advisor / merchant banker to carry out Direct Listing activity, the company shall provide 1) Copy of the board resolution appointing such advisor / merchant banker 2) Letter giving details of the advisor like name, address, contact details, PAN, specimen signature 3) Letter from such advisor accepting the assignment



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31	Company contact details	In addition to advisor / merchant banker / professional, company must give contact details of company officials. The contact details must include name, address, specimen signature, telephone number and mail id from company domain.

**Notes:-**

- The equity shares of the companies applying for listing under these revised Direct Listing criteria will be listed and traded as per BSE circular 20151015 -7 dated 15 October 2015.
- BSE has the right to change / modify / delete any or all the above norms with or without giving any prior intimation to the company. The companies are required to submit documents and comply with the extant norms.
- The company shall also provide information about the last traded price and date of trade at the RSE where it was last traded.
- BSE reserves the rights to call for in person appearance of company officials (promoters, directors, CS) before the BSE officials, as deem fit.
- Kindly note that the application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing by BSE. The company would be making application to seek in-principle approval by forwarding the documents only as per checklist available on BSE website. BSE reserves the right to request additional documents and clarifications as necessary.
- The Exchange may reject application for new listing at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities or for any reason in the interest of Investors and market integrity. The Exchange may also reject / differ the application if the company is found not fulfilling internal BSE standards.

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- The group companies / subsidiary companies of the applicant company should not appear in the list of defaulter in payment of BSE Annual Listing Fees and are in compliance with all the SEBI Listing Regulations.
  
- All applicant companies which have carried out private placement including conversion of loan etc. (i.e. allotments made other than Public/Right issue, Bonus, ESOP/ESPS, ADR/GDR/FCCB etc.) after April 1, 2014. Such applicant companies shall forward the following undertakings
  - i) Compliance Certificate of Sec 42(6) of the Companies Act 2013 from the Statutory Auditor of the company. (Format as per attachment)
  - ii) Compliance of Sec 42 of the Companies Act 2013 for preferential allotments made post April 1, 2014 by the Managing Director/Company Secretary of the Company. (Format as per attachment)
  
- BSE decision w.r.t admission of securities for listing and trading is final.

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**Processing fees payable:-**

- Non-refundable scrutiny fee of Rs. 50,000/- (Rupees Fifty Thousand Only), which the company would submit at the time of making initial Direct Listing application.
- Exchange would scrutinize the application.
- Exchange will revert to the company for deficiencies in the documents, if any, within two weeks.
- Exchange would give reasonable time of 2 to 3 weeks to the companies to correct the deficiencies in the application.
- Should the company fail in providing the documents / clarification to the satisfaction of BSE in the stipulated time, the minimum fees of Rs 50,000/- (Rupees Fifty Thousand Only) shall be forfeited and the company would be required to give fresh application, along with scrutiny fee of Rs. 50,000/-.
- If all documents are found to be in order, the Company shall be required to pay a non-refundable processing fee as detailed below :-

Normal Direct Listing Application		Companies which were earlier de-listed from BSE but seeking re-listing under Direct Listing
Particulars	Listing Processing Fee* (In Rs)	Listing Processing Fee* (In Rs)
Scrutiny fee /	50,000	50,000
Admission fee	Not Applicable	5,00,000 (applicable to companies which were earlier delisted from BSE and are now seeking relisting under Direct Listing Norms)
Processing fee	10,00,000	10,00,000
<b>Total</b>	<b>10,50,000</b>	<b>15,50,000</b>

\*Plus applicable Taxes

- Further, such Companies will have to pay three years of the Annual Listing Fees in advance at the stage of Listing as per the prevailing rate.

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For the companies which were earlier delisted from BSE but continued to be listed on Recognized Stock Exchange (RSE) / other Stock Exchanges which propose to list at BSE under the direct listing route, in addition to the aforementioned criteria, the following norms will also apply:-

- Applies to Companies whose equity shares were earlier delisted voluntarily / compulsorily or under SEBI (Delisting of Securities) Guidelines, 2003 / SEBI (Delisting of Equity Shares) Regulations, 2009 on BSE but continued to be listed on other Stock Exchanges
- Such delisted Companies should have completed at least 10 years, from date of compulsory delisting, while applying for re-listing under Direct Listing norms of the Exchange
- The Promoters shares holding would be placed under lock-in as per IPO norms ie. Min. 20% of the capital proposed to be listed for three years and remaining promoters' holding for one year.
- Such delisted companies would have to provide details of delisting letter/notice issued by BSE along with old scrip code allotted.
- Such delisted Companies applying under Direct Listing Norms would have to pay non-refundable Admission Fees in addition to the non-refundable processing fees to the Exchange as applicable.

The norms will not be applicable to companies that are listed on recognized nationwide stock Exchanges but seeking listing through further public offering (FPOs), in such cases, the IPO norms of the Exchange will apply.