

Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024

UNION OF INDIA

India

Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024

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In exercise of the powers conferred by sub-section (3) of section 23 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely:-

1. Short title and commencement.

(1) These rules may be called the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024.(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.

(1) In these rules, unless the context otherwise requires,-(a) "Act" means the Companies Act, 2013 (18 of 2013);(b) "Authority" means the International Financial Services Centres Authority established under section 4 of the International Financial Services Centres Authority Act, 2019 (50 of 2019);(c) "fees" means fees as specified under the Companies (Registration Offices and Fees) Rules, 2014;(d) "permissible jurisdiction" means a jurisdiction specified in the First Schedule;(e) "Schedule" means the Schedule annexed to these rules;(f) "Scheme" means the Direct Listing of Equity Shares of Companies Incorporated in India on International Exchanges Scheme made by the Central Government in the Ministry of Finance.(2) The words and expressions used herein and not defined in these rules but defined in the Act or in the Companies (Specification of Definitions Details) Rules, 2014 or the Scheme, shall have the meanings as respectively assigned to them in the Act, Rules or in the Scheme.

3. Application.

The provisions of these rules shall apply to -(a) unlisted public companies;(b) listed public companies, so far 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.

4. Listing on permitted stock exchanges in permissible jurisdictions.

(1) An unlisted public company, which does not fall under rule 5 and which has no partly paid-up shares, may issue equity shares for the purposes of listing on a stock exchange in a permissible jurisdiction.Explanation. - For the purposes of this sub-rule, issue of equity shares shall include, offer for sale of equity shares by existing shareholders of the unlisted public company for listing on a stock exchange in a permissible jurisdiction.(2) The unlisted public company or its existing shareholders referred to in sub-rule (1) shall also comply with the requirements of the Scheme.(3) Listing of equity shares on permitted stock exchanges in permissible jurisdiction by an unlisted public company which also intends to get its equity shares listed with any recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) shall also be in compliance with such conditions as may be specified by the Securities and Exchange Board of India.(4) The unlisted public company shall file the prospectus in e-Form LEAP-1 specified in the Second Schedule along with the fees within a period of seven days after the same has been finalised and filed in the permitted exchange.(5) After the listing of the equity shares of a company on any of the stock exchanges in a permissible jurisdiction, the company shall comply with Indian Accounting Standards as specified in the Annexure to the Companies (Indian Accounting Standards) Rules, 2015 in preparation of their financial statements, in addition to any other accounting standard, which they may be required to comply for the preparation of the financial statements filed before the securities regulator concerned, or with the stock exchange concerned, as the case may be.

5. Certain companies not eligible.

A company shall not be eligible for issuing its equity shares for listing in accordance with these rules, in case it -(a) has been registered under section 8 or declared as Nidhi under section 406 of the Act;(b) is a company limited by guarantee and also having share capital;(c) has any outstanding deposits accepted from the public as per Chapter V of the Act and rules made thereunder;(d) has a negative net worth;Explanation. - For the purposes of this clause, the expression "net worth" shall have the same meaning as assigned to it under clause (57) of section 2 of the Act;(e) has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holder or any other secured creditor:Provided that this clause shall not apply if the company had made good the default and a period of two years had lapsed since the date of making good the default;(f) has made any application for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) and in case any proceedings against the company for winding-up under the Act or for resolution or winding-up under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) is pending;(g) has defaulted in filing of an annual return under

section 92 or financial statement under section 137 of the Act within the specified period. **The First Schedule**[See rule 2 (1) (d) and (e)](1) Permissible Jurisdiction. India International Exchange, NSE Centre in India. (2) Permitted Stock Exchange. International Financial Services International Exchange. The Second Schedule[See rule 4(4)]

FORM NO. LEAP-1(Listing of equity shares in permissible jurisdictions-1)[*Pursuant to sub-section (3) of section 23 of the Companies Act, 2013 and rule 4 of the Companies (Listing of equity shares in permissible jurisdictions) Rules, 2024*]

Form for submission of Prospectus with the Registrar