

Eligibility Criteria for listing on SME Platform of BSE

Sr. No	Eligibility Criteria	Details
1.	Post Issue Paid up Capital	Not more than Rs. 25 crores
2.	Networth	<p>Atleast Rs. 1 crore for 2 preceding full financial years.</p> <p><i>Note: Cases in which a company is formed pursuant to conversion of registered Proprietorship /partnership/LLP then partnership firm/LLP needs to have Net Worth of Rs. 1 crores for preceding 2 (full) financial years</i></p>
3.	Net Tangible Asset	Rs 3 crores in last preceding (full) financial year.
4.	Track Record	<p>The track record of applicant company seeking listing should be atleast 3 years. Where the applicant company has taken over a proprietorship concern/ registered partnership firm/ LLP, then the track record together with such proprietorship concern/ registered firm/ LLP should be atleast 3 years.</p> <p><i>Provided, the applicant company seeking listing should have a track record of operations for atleast one full financial year and audited financial results for one full financial year.</i></p> <p>Or</p> <p>Where the applicant company does not have a track record of 3 years, then the Project for which IPO is being proposed should be appraised and funded by NABARD, SIDBI, Banks (other than co-operative banks), Financial Institutions.</p> <p><i>Provided, the applicant company seeking listing should have a track record of operations for atleast one full financial year and audited financial results for one full financial year.</i></p>
5.	Earnings before Interest, Depreciation and tax	<p>The company/ proprietorship concern/ registered firm/ LLP should have operating profit (earnings before interest, depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.</p> <p>Provided the company should have operating profit (earnings before interest, depreciation and tax) from operations for one full financial year preceding the application date.</p> <p>For companies seeking listing where the project has been appraised and funded by NABARD, SIDBI, Banks (other than co-operative banks), Financial Institutions, it shall have positive operating profit (earnings before interest, depreciation and tax) from operations in one full preceding financial year.</p>

6.	Leverage Ratio	Leverage ratio of not more than 3:1. Relaxation may be granted to finance companies.
7.	Disciplinary action	<ul style="list-style-type: none"> • No regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals. • The Promoter(s) or directors shall not be promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance. • Director should not be disqualified/ debarred by any of the Regulatory Authority.
8.	Default	No pending defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.
9.	Name change	<ul style="list-style-type: none"> • In case of name change within the last one year, at least 50% of the revenue calculated on a restated and consolidated basis for the preceding 1 full financial year has been earned by it from the activity indicated by its new name. • The activity suggesting name should have contributed to at least 50% of the revenue, calculated on a restated and consolidated basis, for the preceding one full financial year.

A. Additional Criteria for broking companies applying for SME IPO:

1. Networth and profit

Net worth of minimum Rs. 5 crores with profit before tax of atleast Rs. 5 crores in any 2 years out of 3 financial years.

Or

Net worth of atleast Rs. 25 crores in any 3 years out of 5 financial years.

The Financial year should be for a period of 12 months. Extraordinary income will not be considered for the purpose of profits.

2. Net Tangible Assets:

The Net Tangible assets of at least Rs. 3 Crores as per the latest audited financial results.

3. Post issued Paid up capital:

Post issue paid up capital of the Broking Member should be minimum Rs. 3 crores.

B. Additional Criteria for Micro Finance Companies:

Micro finance companies, in addition to the existing criteria for all SME companies, should have a Asset Under Management of at least Rs. 100 Crores, client base of 10000 & above and it should not have accepted / held public deposit.

Other Requirements (for all companies):

- It is mandatory for a company to have a functional website.
- 100% of the Promoter's shareholding in the Company should be in Dematerialised form.
- It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.
- There should not be any change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
- The Net worth computation will be as per the definition given in SEBI (ICDR) Regulations
- The Company has not been referred to NCLT under IBC.
- There is no winding up petition against the company, which has been admitted by the court.

Note: Cooling off period: Gap of at least 6 months from date of withdrawal/ rejection of issue from SEBI/Exchanges.