

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

RAJYA SABHA
UN-STARRED QUESTION NO. 1799
ANSWERED ON TUESDAY, DECEMBER 19, 2023

DIRECT LISTING ON FOREIGN EXCHANGES

QUESTION

1799. SHRI RAJEEV SHUKLA:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

- (a) the details of the recent Government order that permitted certain Indian companies to directly list on select foreign stock exchanges, which will allow these companies to access global capital and boost capital outflows;
- (b) the benefits expected due to the same
- (c) the potential challenges arising from the same in terms of instability; and
- (d) the measures to be taken to address such challenges thereof?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS

[RAO INDERJIT SINGH]

(a) to (d): Through the Companies (Amendment) Act, 2020 enabling provisions have been included in the Companies Act, 2013 [CA-2013] to allow direct listing of prescribed class(es) of securities of prescribed class(es) of public companies incorporated in India on permitted stock exchanges in permissible foreign jurisdictions or other prescribed jurisdictions. Through section 5 of such Amendment Act, provisions of section 23 of the CA-2013 have been amended for this purpose. These provisions aim at providing alternative source of capital and broadening investor base. Section 5 of the Companies (Amendment) Act, 2020 has been brought into force on 30th October, 2023. The implementation of these provisions would *inter-alia* include considerations related to containment of risk and protection of interests of concerned stakeholders.
