

THE GAZETTE OF INDIA
EXTRAORDINARY
PART – III – SECTION 4
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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION

Mumbai, the 5th April, 2019

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND
DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT) REGULATIONS, 2019**

No. SEBI/LAD-NRO/GN/2019/08. – In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2019.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 -

- I. in regulation 2, in sub-regulation (1),-
 - i. clause (x), shall be substituted with the following, namely,-

“ “innovators growth platform” means the trading platform for listing and trading of specified securities of issuers that comply with the eligibility criteria specified in regulation 283;”
 - ii. in clause (y), the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.
- II. in regulation 3, in clause (i), the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.
- III. in CHAPTER X, in the heading, the words “INSTITUTIONAL TRADING PLATFORM” shall be substituted with the words “INNOVATORS GROWTH PLATFORM”.
- IV. in regulation 282, in sub-regulation (3), the words “and not to retail individual investors” shall be omitted.
- V. in regulation 283,-
 - i. sub-regulations (1) and (2) shall be substituted with the following, namely,-

“(1) An issuer which is intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-

technology to provide products, services or business platforms with substantial value addition shall be eligible for listing on the innovators growth platform, provided that as on the date of filing of draft information document or draft offer document with the Board, as the case may be, twenty five per cent of the pre-issue capital of the Issuer Company for at least a period of two years, should have been held by:

- I. Qualified Institutional Buyers;
- II. Family trust with net-worth of more than five hundred crore rupees, as per the last audited financial statements;
- III. Accredited Investors for the purpose of Innovators Growth Platform;
- IV. The following regulated entities:
 - a. Category III Foreign Portfolio Investor;
 - b. An entity meeting all the following criteria:
 - i. It is a pooled investment fund with minimum assets under management of one hundred and fifty million USD;
 - ii. It is registered with a financial sector regulator in the jurisdiction of which it is a resident;
 - iii. It is resident of a country whose securities market regulator is a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to Bilateral Memorandum of Understanding with the Board;

- iv. It is not resident in a country identified in the public statement of Financial Action Task Force as:
 - a) a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.

Explanation:

- (a) The following entities shall be eligible to be considered as accredited investors for the purpose of innovators growth platform:
 - (i) any individual with total gross income of fifty lakhs rupees annually and who has minimum liquid net worth of five crore rupees; or
 - (ii) any body corporate with net worth of twenty five crore rupees.
- (b) Not more than ten per cent of the pre-issue capital may be held by Accredited Investors.
- (c) For the purpose of accreditation: The persons /corporate bodies who wish to get accreditation for the purpose of innovators growth platform, shall approach the stock exchanges or depositories and follow the procedures prescribed by the Board and / or such stock exchange or depository for the purpose of accreditation as an Accredited Investor, from time to time.”

ii. sub-regulation (3) shall be renumbered as sub-regulation (2).

VI. in regulation 284, in sub-regulation (6), the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.

VII. after regulation 285 and prior to regulation 286, the following new regulation shall be inserted, namely,-

"Minimum public shareholding norms and minimum offer size

285A.(1) The issuer shall be in compliance with minimum public shareholding requirements specified in the Securities Contracts (Regulation) Rules, 1957.

(2) The minimum offer size shall be ten crore rupees.”

VIII. in regulation 286, the words “ten lakh rupees” shall be substituted with the words “two lakh rupees and in multiples thereof”.

IX. in regulation 287,-

(i) in sub-regulation (1), the words “two hundred” shall be substituted with the words “fifty”.

(ii) sub-regulation (2) shall be substituted with the following, namely,-

“The allotment to institutional investors as well as non-institutional investors shall be on a proportionate basis.”

(iii) sub-regulations (3), (4) and (5) shall be omitted.

- (iv) the existing sub-regulation (6) shall be renumbered as sub-regulation (3).
- X. in regulation 289, the words “ten lakh rupees” shall be substituted with the words “two lakh rupees and in multiples thereof”
- XI. in regulation 290, the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.
- XII. in regulation 291, in sub-regulation (2), the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.
- XIII. in Schedule V, Form A, in paragraph (13), the words “institutional trading platform” shall be substituted with the words “innovators growth platform”.

Sd/

AJAY TYAGI

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 were published in the Gazette of India on September 11, 2018 vide No. SEBI/LAD-NRO/GN/2018/31.

2. The Principal Regulations were subsequently amended on:
 - (a) December 31, 2018 by SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2018 No. SEBI/LAD-NRO/GN/2018/57.
 - (b) March 29, 2019 by SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2019 No. SEBI/LAD-NRO/GN/2019/05.
