

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

Mumbai, the 5th May, 2021

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND
DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT) REGULATIONS, 2021**

No. SEBI/LAD-NRO/GN/2021/18. – 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, 2021.
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 282, -

- i. in sub-regulation (3), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.
- ii. after sub-regulation (3), the following new sub-regulation shall be inserted, namely, -

“(4) If an issuer has issued SR equity shares to its promoters/ founders, the said issuer shall be allowed to make an initial public offer of only ordinary shares for listing on the Innovators Growth Platform subject to compliance with the provisions of this Chapter and continued compliance with the provisions for SR equity shares in accordance with sub-regulation (3) of regulation 6.”

II. in regulation 283, in sub-regulation (1), -

- i. the words “two years” shall be substituted with the words “one year”.
- ii. the clause (II) shall be omitted and the existing clauses (III) and (IV) shall be renumbered as (II) and (III), respectively.
- iii. a new clause shall be inserted after the renumbered clause (III), namely, -

“(IV) Any other class of investors as specified by Securities and Exchange Board of India from time to time.”

- iv. for the words “Accredited Investors”, wherever it occurs, the words “Innovators Growth Platform Investors” shall be substituted.
- v. under Explanation (a), the following shall be inserted after point (ii), namely,-

“(iii) any family trust with net worth of twenty five crore rupees”.

- vi. the existing Explanation (b) shall be substituted with the following, namely,-
- “(b) Pre-issue capital held by promoters/promoter groups, even if they are registered as Innovators Growth Platform Investors, shall not be considered for the 25% pre-issue capital eligibility requirement specified under sub-regulation (1) of regulation 283.”
- III. in regulation 283, in sub-regulation (2), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.
- IV. in regulation 287, after the existing sub-regulation (3), the following new sub-regulation shall be inserted, namely, -
- “(4) The issuer may allocate up to sixty per cent of the issue size on a discretionary basis, prior to the issue opening, to eligible investors as identified under sub-regulation (1) of regulation 283, in accordance with the requirements with respect to anchor investors for public issue made on the SME exchange as specified in Part A of Schedule XIII:
- Provided that the price of the specified securities offered to eligible investors shall not be lower than the price offered to other applicants.
- Provided further that eligible investors shall make an application of a value of at least fifty lakh rupees.”
- V. in regulation 288,
- i. in sub-regulation (1), in the proviso, in clause (c), the words and symbols “or Category II” shall be inserted after the words and symbols “Category I”.
- ii. after sub-regulation (4), the following new sub-regulation shall be inserted, namely, -

“(5) The SR equity shares shall be locked-in till conversion into equity shares with voting rights similar to that of ordinary shares or shall be locked-in for a period specified in sub-regulations (1), whichever is later.”

VI. after regulation 290 and prior to regulation 291, the following new regulation shall be inserted, namely, -

“Exit of issuers whose securities are listed and trading on the Innovators Growth Platform pursuant to an initial public offer.

290A (1) The provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in respect of the matters not specifically dealt or excluded under this regulation, shall apply *mutatis mutandis* to delisting of specified securities under these regulations:

Provided that the following provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 shall not apply:

- (a) clause (a) and (b) of sub-regulation (1) of regulation 8 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, relating to conditions and procedure for delisting where exit opportunity is required;
- (b) regulation 15 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, relating to offer price; and
- (c) regulation 17 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, relating to minimum number of equity shares to be acquired.

(2) An issuer company whose specified securities are traded on the Innovators Growth Platform pursuant to an initial public offer may exit from the Innovators Growth Platform, if -

- (a) such an exit is approved by the board of directors of the company in its meeting;

- (b) such an exit is approved by the shareholders of the company by a special resolution passed through postal ballot or e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution:

Provided further that the special resolution shall be acted upon only if the votes cast by the majority of public shareholders are in favor of such exit proposal;

- (c) delisting price is based on a floor price determined in terms of regulation 8 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as may be applicable, and an additional delisting premium justified by the acquirer / promoter;
- (d) the post offer acquirer / promoter shareholding (along with the persons acting in concert with the acquirer / promoter), taken together with the shares tendered reaches seventy five per cent of the total issued shares of that class and at least fifty per cent shares of the public shareholders as on date of the meeting referred to in clause (a) of this sub-regulation are tendered and accepted; and
- (e) recognised stock exchange(s) where its shares are listed approves of such an exit.”

VII. in regulations 292, the existing sub-regulation (3) shall be substituted with the following, namely, -

“(3) A company not satisfying the conditions laid down under sub-regulation (2) of regulation 292, shall, as on date of application for migration under the regular category, have fifty per cent of its capital held by Qualified Institutional Buyers.”

Sd/-

AJAY TYAGI
CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 was published in the Gazette of India on September 11, 2018, vide notification No. SEBI/LAD-NRO/GN/2018/31.
2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 was subsequently amended on -
 - (a) December 31, 2018 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2018, vide notification No. SEBI/LAD-NRO/GN/2018/57.
 - (b) March 29, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/05.
 - (c) April 5, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/08.
 - (d) July 29, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/29.
 - (e) September 23, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/35.
 - (f) December 06, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/42.
 - (g) December 26, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2019/47.
 - (h) January 01, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Seventh Amendment) Regulations, 2019, vide notification No. SEBI/LAD-NRO/GN/2020/01.

- (i) April 17, 2020 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020 vide notification No. SEBI/LAD-NRO/GN/2020/10.
- (j) May 08, 2020 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/11.
- (k) June 16, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/17.
- (l) June 22, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/18.
- (m) July 01, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/21.
- (n) September 28, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/31.
- (o) January 08, 2021 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2021, vide notification No. SEBI/LAD-NRO/GN/2021/03.
