

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

**Mumbai, the 23<sup>rd</sup> September, 2019**

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

**No. SEBI/LAD-NRO/GN/2019/35.** — 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 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) (Fourth 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, -
  - l. In regulation 2, in sub-regulation (1):
    - (a) In clause (oo), in sub-clause (iii), the words and symbols “foreign portfolio investor other than Category III foreign portfolio investor” shall be substituted with the words “foreign portfolio investor other than individuals, corporate bodies and family offices”.

- (b) In clause (pp), in sub-clause (v), the words and symbols “foreign portfolio investor other than Category III foreign portfolio investor” wherever found shall be substituted with the words “foreign portfolio investor other than individuals, corporate bodies and family offices”.
- (c) In clause (ss), sub-clause (ii) the words and symbols “a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board” shall be substituted with the words “a foreign portfolio investor other than individuals, corporate bodies and family offices.”
- II. In regulation 283, in sub-regulation (1), in clause (IV), in sub-clause (a), the words and symbols “Category III Foreign Portfolio Investor” shall be substituted with the words “foreign portfolio investor.”
- III. In Chapter X after Part IV, a new Part shall be inserted and Regulation 292 shall be substituted with the following, namely,-

**“PART V: MIGRATION TO THE MAIN BOARD**

**Granting companies listed on the Innovators Growth Platform pursuant to an initial public offer, an option to trade under the regular category of the main board of the stock exchange**

292. (1) A company shall be eligible to trade under the regular category of the main board of the stock exchanges, subject to fulfillment of the conditions of the stock exchanges, if any, and the fulfillment of the following conditions:

- (a) It has listed its specified securities for a minimum period of one year on the Innovators Growth Platform of a recognised stock exchange;
- (b) It has minimum of two hundred shareholders, at the time of making the application for trading under the regular category;
- (c) The company, any of its promoters, promoter group or directors are not debarred from accessing the capital market by the Board;
- (d) None of the promoters or directors of the company is a promoter or director of any other company which is debarred from accessing the capital market by the Board;

- (e) The company or any of its promoters or directors is not a wilful defaulter; and
- (f) None of the promoters or directors of the Company is a fugitive economic offender.

**Explanation:** The restrictions under (c) and (d) above shall not apply to persons or entities mentioned therein, who were debarred in the past by the Board and the period of debarment is over as on the date of application for migration of trading to the regular category of the main board of the stock exchange.

### **Eligibility requirements**

(2) A company shall be eligible to trade under the regular category of the main board of the stock exchanges, only if:

- (a) it has net tangible assets of at least three crore rupees, calculated on a consolidated basis, in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets;
- (b) it has an average operating profit of at least fifteen crore rupees, calculated on a consolidated basis, during the preceding three years (of twelve months each), with operating profit in each of these preceding three years;
- (c) it has a net worth of at least one crore rupees in each of the preceding three full years (of twelve months each), calculated on a consolidated basis; and
- (d) in case it has changed its name within the last one year, at least fifty per cent of the revenue, calculated on a consolidated basis, for the preceding one full year has been earned by it from the activity indicated by its new name.

(3) A company not satisfying the conditions laid down under sub-regulation (2) of regulation 292, shall, at the time of applying to trade under the regular category, have seventy five per cent. of its capital, as on date of application for migration, held by Qualified Institutional Buyers.

### **Minimum promoters' contribution**

(4) The promoters of the company shall hold at least twenty per cent of the total capital: Provided that in case the total capital held by the promoters is less than twenty per cent, alternative investment funds or foreign venture capital investors or

scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India may contribute to meet the shortfall in minimum contribution as specified, subject to a maximum of ten per cent of the total capital without being identified as promoter(s):

Provided further that the requirement of minimum promoters' contribution shall not apply in case a company does not have any identifiable promoter.

### **Lock-in period**

(5) (a) The minimum promoters' contribution including contribution made by alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with the Insurance Regulatory and Development Authority of India, shall be locked in for a period of three years from the date on which trading approval in regular category of main board is granted, and any excess over and above the 20% of promoter's holding shall be locked-in for a period of one year.

(b) Wherever the contributions made by such entities had been locked-in for a period of six months at the time of listing of shares of the Company on the Innovators Growth Platform, and the company is desirous of migrating to the regular trade category of the main board after completion of listing on the Innovators Growth Platform for one year, such period shall be deducted from the stipulated lock-in requirement of three years and one year, as may be applicable.

(c) The condition of lock in would not apply to a Company which has been listed on the Innovators Growth Platform for a minimum period of three years or more."

- IV. In Schedule XIII, in Part A, in clause 10, in sub-clause k, the words and symbols "FPIs other than Category III" shall be replaced with the words "a foreign portfolio investor other than individuals, corporate bodies and family offices."

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 Principal Regulation 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.

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