Review of framework of Innovators Growth Platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

1.0 Objective

1.1. This memorandum seeks to propose:

(i) Amendments to the regulations pertaining to Innovators Growth Platform (IGP) under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, to make the platform more accessible to companies in view of the evolving start-up ecosystem.

(ii) Amendments to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations"), SEBI (Delisting of Equity Shares) Regulations, 2009 ("Delisting Regulations") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") to facilitate and encourage IGP listings.

2.0 Background, Need for review and the Consultation Process

2.1. In 2015, regulatory framework for Institutional Trading Platform (ITP) was put in place vide amendment to SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009, ("erstwhile ICDR Regulations, 2009"), with a view to facilitate listing of new age start-ups. However, the ITP framework failed to evince interest.

2.2. In 2019, SEBI attempted to revive the platform by introducing certain amendments to the ITP framework and renamed it as the Innovators Growth Platform (IGP). However, market interest in the platform continued to be tepid.

2.3. IGP is aimed at issuers which are intensive in use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology. The chapter X of SEBI ICDR Regulations, 2018, inter alia, provides guidelines for IGP issuers including eligibility conditions, listing of securities, lock in requirements, minimum trading lot etc. and conditions for migration to Main Board.

2.4. Activity in the start-up space in India has been on the rise. During various interactions with start-ups and market participants, SEBI has received certain feedback and suggestions for revisiting the IGP norms.

2.5. The suggestions received, were placed before Primary Market Advisory Committee (PMAC) of SEBI through circulation on December 04, 2020, to broadly consider the proposals for review of IGP framework.

2.6. Pursuant to deliberations, the PMAC recommended relaxations relating to eligibility conditions, listing of securities, lock in requirements, minimum trading lot etc. under the IGP framework.

2.7. Based on the recommendations of PMAC, a consultation paper outlining the proposals for amendment to the IGP framework was placed on SEBI website on December 14, 2020, for public comments to be submitted by January 11, 2021. The consultation paper is placed at **Annexure A**.

2.8. 54 comments were received from 11 entities / persons including variety of stakeholders such as industry participants, stock exchanges, merchant bankers, SEBI registered AIF, charted accountants, NASSCOM etc.

Further, the consultation paper was also shared with NITI Aayog pursuant to a web-meeting held by NITI Aayog in December 2020 on issues related to startups. NITI Aayog received inputs from Ministry of Corporate Affairs (MCA) and the same were then forwarded to SEBI vide email dated February 16, 2021. MCA is in

agreement with all proposals laid out in the consultation paper except for proposal relating to minimum holding of QIBs at the time of migration to the main board. This comment has been dealt with in the issue covered at para 3.5.

2.9. The public comments received have been analyzed and tabulated at **Annexure B**. All the public comments received are broadly in agreement with the proposals laid out in the Consultation paper.

3.0 Proposals

3.1. Eligibility requirements – Relaxation in existing criteria

3.1.1. Existing provision

In terms of the Regulation 283 (1) of the ICDR Regulations, 25% of pre-issue capital of Issuer Company is required to be held for at least a period of 2 years as on date of filing of draft offer / information document, by eligible investors as identified under Regulation 283 (1).

3.1.2. Proposal

The period of holding of 25% of pre-issue capital to be held by eligible investors for 2 years, may be reduced to 1 year.

3.1.3. Rationale

Early stage investors in start-ups make entry and exit given the various stages of their investment. There is a fair amount of churn in their investments. In high growth companies, composition of eligible investors may be well above 25% but the 2 year eligibility may not be met, as investors get regular exits and are replaced by new investors.

Further, a mandatory 2 year hold period acts as a deterrent for new investors to invest in start-ups, who are inclined for an early listing at the time of investing. Reducing the hold period would help start-up companies in

attracting such new investors. Also, this will potentially make more number of companies eligible for IGP listing.

3.1.4. Recommendation

Accordingly, the period of holding of 25% of pre-issue capital to be held by eligible investors for 2 years, may be reduced to 1 year.

3.2. Accredited Investors (AI)

3.2.1. Existing provision

a. In terms of the explanation provided under Regulation 283 (1) of the ICDR Regulations, the shareholding of AIs is considered for only upto 10% of pre-issue capital out of eligibility requirement of minimum 25% to be held by eligible investors.

b. In terms of the explanation provided under Regulation 283 (1) of the ICDR Regulations, present definition of AI includes individuals and body corporate. Further, under the same regulation, the list of eligible investors, includes Family Trusts with net worth > INR 500 crore and AIs as separate sub categories.

3.2.2. Proposal

a. AIs' pre-issue shareholding may be considered for entire 25% of the pre-issue capital required for meeting eligibility condition norms.

Further, clarification may be provided for pre-issue capital held by promoters/promoter groups, that even if they are registered as AIs, they shall not be considered for the 25% pre-issue capital eligibility requirement prescribed under Regulation 283(1).

b. Family trust with net worth of INR 25 crores and more to be subsumed in AI definition and consequently Family trust shall be deleted as a separate sub-category under the list of prescribed eligible investors.

c. The term 'Accredited Investor' for the purpose of IGP may be amended and termed as 'IGP Investor'.

3.2.3. Rationale

As AIs, are informed investors, therefore, the said limit of 10% on AIs may be removed and AIs' pre-issue shareholding may be considered for entire 25% of the pre-issue capital required for meeting eligibility condition norms.

The said requirement of having minimum 25% pre-issue capital with institutions/eligible investors (includes AIs) was prescribed to ensure that informed investors also hold shares in start-ups other than founders/promoters, at the time of listing under IGP. Therefore, pre-issue capital held by promoters/promoters Groups, even if they are registered as AIs shall not be considered for 25% eligibility requirement.

To expand the universe of family trusts eligible for investing in companies aspiring to list under IGP, the net worth requirement of family trusts may be reduced from INR 500 cr. to INR 25 cr. Currently, body corporates with net worth of INR 25 cr., are considered eligible as part of accredited investors. The reduction in the net worth stipulation for family trusts will align these requirements.

Since the term 'Accredited Investor' is used varyingly, therefore, to make the term more relevant and identify eligible investors which are defined only for the purpose of IGP, term 'Accredited Investor' may be substituted with 'IGP Investor'.

3.2.4. Recommendation

Accordingly, the proposals at para 3.2.2 may be accepted.

3.3. Lock –In criteria under IGP

3.3.1. Existing provision

In terms of the Regulation 288 (1) (c) of the ICDR Regulations, equity shares held by a venture capital fund or alternative investment fund of Category I or a foreign venture capital investor are exempt from 6 months lock-in requirements prescribed under Regulation 288 (1), provided that such equity shares shall be locked-in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

3.3.2. Proposal

The said current dispensation available to AIF Cat –I investors may also be extended to AIF Cat II investors

3.3.3. Rationale

Even in the Main Board, post issue lock-in requirements are not applicable for AIF Cat-II, provided that the shares are held for a period of 1 year from date of purchase. These are treated at par with AIF Cat-I. There is no rationale to treat the AIF Cat-II differently in the IGP. Thus, similar treatment may be provided in IGP framework also.

3.3.4. Recommendation

Accordingly, the proposals at para 3.3.2 may be accepted.

3.4. Discretionary Allotment – for Anchor investors

3.4.1. Existing provision

Under IGP, in terms of the Regulation 287 (2) of the ICDR Regulations, the allotment to institutional investors as well as non-institutional investors shall be on a proportionate basis.

In IGP, there is no provision for a separate allocation for Anchor investors on discretionary basis, as available in the Main Board IPO under ICDR Regulations, where 60% of the QIBs portion of the issue size can be allocated to Anchor investors on a discretionary basis prior to issue opening provided that there is lock-in of 30 days on the shares allotted to the Anchor investors from the date of allotment.

As specified in **Part A** of **Schedule XIII** of ICDR Regulation, an anchor investor shall make an application of a value of at least ten crore rupees in a public issue on the main board made through the book building process or an application for a value of at least two crore rupees in case of a public issue on the SME exchange.

3.4.2. Proposal

Under IGP framework, Issuer Company may be allowed to allocate upto 60% of the issue size on a discretionary basis, prior to issue opening, to eligible investors as identified under Regulation 283 (1) of ICDR Regulation.

All specified securities allotted on a discretionary basis shall be locked-in for 30 days, in accordance with the requirements for lock-in for the anchor investors on the main board of the stock exchange, as specified under Part A of **Schedule XIII**.

Minimum application size for pre-issue discretionary allotment shall be kept as fifty lakhs rupees, under IGP platform

3.4.3. Rationale

Anchor investors are institutional investors that subscribe for shares ahead of the IPO and thus also provide confidence to potential IPO investors.

On the same lines, discretionary allotment may be allowed in the IGP framework. However, unlike the Main Board, under IGP, there is no reservation of shares for QIBs as a part of the public issue and the issuance is open to all investors including QIBs subject to minimum application size of INR 2 lacs. Therefore, threshold for discretionary allotment cannot be linked as a p.c. of portion available for QIBs as is done in case of Main Board issuance and thus the issuer company may be allowed to allocate upto 60% of the issue size on a discretionary basis. Further, to expand the options available for the issuer, such discretionary allotment may be allowed to all eligible investors as identified under the IGP framework.

Minimum application size for pre-issue discretionary allotment is proposed to be kept as fifty lakhs rupees, as minimum offer size in IGP is relatively smaller and can be as low as 10 crore rupees which means size for discretionary allotment (60% of offer size) under IGP can be as low as 6 crore rupees.

3.4.4. Recommendation

Accordingly, the proposals at para 3.4.2 may be accepted. Toward this, a new sub regulation (4) under the Regulation 287 shall be inserted to incorporate the proposal and conditions there in.

3.5. Migration to Main Board

3.5.1. Existing provision

In terms of the Regulation 292 (1) of the ICDR Regulations, a company listed on IGP shall be eligible to trade on the main board of the stock exchange provided it fulfills conditions of the stock exchange and conditions mentioned under Regulation 292 (1) and Regulation 292(2) viz. listing on IGP for minimum period of one year, minimum two hundred shareholders, profits of at least INR fifteen crores, net tangible asset of at least INR three crores & net worth of at least INR one crore, during the last three years etc.

In terms of Regulation 292 (3), in case the IGP company does not satisfy the requirements of profitability, net worth, net assets etc., such IGP company can migrate to the main board provided 75 percent of its capital as on the date of application of migration to the main board is held by QIBs.

3.5.2. Proposal

Eligibility requirements for migration to Main Board under Regulation 292 (3), requiring 75% of its capital to be held by QIBs, as on date of application for migration, may be reduced from 75% to 50%.

3.5.3. Rationale

For issuer not meeting the profitability criteria on the main board public issue, it needs to issue at least 75% of its issue to the QIBs, whereas for IGP companies the 75% stipulation is for the capital and not to the issue size as mentioned for Main Board IPO. Thus, this stipulation for an IGP company to have 75% its capital with QIBs, at the time of migration to Main Board, is more stringent than the requirement for companies listed / preparing to list on the Main Board.

As post listing on IGP, shares are freely traded in the market it would be practically difficult for a company to ensure 75% QIB holding. Therefore, proposal in the consultation paper was that eligibility requirements to have 75% of its capital to be held by QIBs, as on date of application for migration, be reduced from 75% to 40%.

Further, MCA has commented that the 40% dilution is too low and must be reviewed so that the Company do not take unfair advantage of having first listing with IGP and then getting move to Mainboard.

In view of the comments from MCA, for a company listed on IGP and not meeting the eligibility criteria of profitability, net worth, net assets etc. at the time of migration, we may reduce this stipulation of 75% of capital with QIBs to 50% instead of 40% as proposed in the consultation paper. As stated

above, it may be practically difficult for a company to ensure that 75% its capital is with QIBs post listing on IGP as the shares are freely traded and also considering that promoters/ founders of the company would be retaining some meaningful holding in the company, which makes requirement of 75% with QIBs very stringent. Further, proposed stipulation of 50% capital with QIBs at the time of migration to Main Board, will ensure that the company has sizeable presence of institutional investors at the time of migration on Main Board.

It may be mentioned that all public comments are in favour of the proposal.

3.5.4. Recommendation

Accordingly, the proposal at para 3.5.2 may be accepted.

3.6. Superior Voting Right (SR) equity shares

3.6.1. Existing provision

IGP framework does not allow issuer companies to do an initial public offer of only ordinary shares for listing on the IGP, if an issuer has issued SR equity shares to its promoters/ founders.

However, on the Main Board, in terms of Regulation 6(3), if an issuer has issued SR equity shares to its promoters/ founders, the said issuer shall be allowed to do an initial public offer of only ordinary shares for listing on the Main Board subject to compliance with the provisions related to SR equity shares.

3.6.2. Proposal

Issuer companies which have issued SR equity shares to promoters / founders may be allowed to do listing under IGP.

3.6.3. Rationale

On Main Board, issuer companies, which have issued SR equity shares to promoters /founders, are allowed to do IPO of ordinary shares, subject to compliance of provisions under ICDR Regulations. SR equity shares were introduced on the Main Board for technology based companies where promoters/ founders do not intend to give away their say or voting rights despite equity dilution. Therefore, on same lines, Issuer companies which have issued SR equity shares to promoters / founders may be allowed to do listing under IGP. Safeguards as already created for SR equity shares on Main Board may be extended for IGP also.

3.6.4. Recommendation

Accordingly, the proposal at para 3.6.2 may be accepted.

3.7. Takeover requirements

3.7.1. Existing provisions

In terms of Regulation 3(1) of Takeover Regulations, acquirer has to make public announcement of an open offer for acquiring shares of target company on breaching 25% threshold.

In terms of Regulation 4 of Takeover Regulations, irrespective of acquisition or holding of shares or voting rights in a target company, no acquirer shall acquire, directly or indirectly, control over such target company unless the acquirer makes a public announcement of an open offer for acquiring shares of such target company in accordance with Takeover Regulations.

In terms of Regulation 29 (1) and 29 (2) of Takeover Regulations, any acquirer along with PACs needs to disclose their aggregate shareholding, whenever their shareholding reaches 5% and whenever there is subsequent change of ± 2% in their shareholding respectively.

3.7.2. Proposal

For companies listed under IGP, the stipulation for triggering open offer under Takeover Regulations may be relaxed from existing 25% to 49%. However, irrespective of acquisition or holding of shares or voting rights in a target company, any change in control directly or indirectly over target company will trigger open offer.

For companies listed under IGP, the threshold for disclosure of the aggregate shareholding may be increased from the present 5% to 10% and whenever there is subsequent change of ± 5% (instead of present ± 2%) in the shareholding

3.7.3. Rationale

Since, in IGP only institutions and high net-worth investors are eligible to participate and there is a higher degree of churn in the investors in these companies, therefore stringent takeover requirements will increase the compliance burden on the investors. Start-up companies continuously seek larger quantum of funding for its capital expansion plans and strategic investors may like to take higher shareholding in such companies. Thus a lower threshold for trigger of open offer would restrict the flexibility of the investors to move in and out of investments.

Relaxation in takeover requirements will also allow existing financial investors to invest in subsequent fund raising rounds of the Company in case they decide to invest together which may otherwise be deemed as to be Persons acting in concert and trigger open offer.

3.7.4. Recommendation

Accordingly, the proposals at para 3.7.2 may be accepted.

3.8. Delisting

3.8.1. Existing provision

Conditions of delisting: In terms of Regulation 8(1) of Delisting Regulations, any company desirous of delisting its equity shares shall,-

(a) obtain the prior approval of the board of directors of the company in its meeting;

(b) obtain the prior approval of shareholders of the company by special resolution passed through postal ballot, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution:

Provided that the special resolution shall be acted upon only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it.

Offer Price: In terms of Regulation 15(1) and 15 (2) of Delisting Regulations,-

(1) The offer price shall be determined through book building in the manner specified in Schedule II, after fixation of floor price under sub-regulation (2) and disclosure of the same in the public announcement and the letter of offer.

(2) The floor price shall be 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.

Minimum number of equity shares to be acquired: In terms of Regulation 17(1) of Delisting Regulations, offer shall be deemed successful only if,-

(a) the post offer promoter shareholding (along with the persons acting in concert with the promoter) taken together with the shares accepted through eligible bids at the final price determined as per Schedule II, reaches ninety per cent. of the total issued shares of that class excluding the shares which are held by a custodian and against which depository receipts have been issued overseas;

3.8.2. Proposal

An issuer company whose specified securities are traded on the IGP pursuant to an initial public offer may exit from that platform, if -

a) such an exit is approved by the board of directors of the company;

b) such an exit is approved by the shareholders of the company by 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 that the special resolution shall be acted upon only if the votes cast by 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 and accepted, reaches seventy five per cent. of the total issued shares of that class; and at least fifty percent. shares of the public shareholders as on date of the board meeting referred to in (a) are tendered and accepted; and

e) the recognised stock exchange where its shares are listed approves of such an exit.

3.8.3. Rationale

The investors in IGP are high net worth informed investors having a risk appetite for investments in start-ups. Thus, it may be considered that while delisting the floor price may be determined in terms of regulation 8 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, along with a new mandatory provision for an additional delisting premium justified by the acquirer / promoter.

Since, life cycle of start-up companies eventually require them to get merged or acquired by a larger company, stringent delisting requirements, may become a roadblock in such scenarios. Relaxation of Delisting norms may be considered as current requirement of reverse book building process (RBB) for delisting is too onerous.

3.8.4. Recommendation

Accordingly, the proposal at para 3.8.2 may be accepted. Toward this, a new Regulation 290A in the ICDR Regulation may be inserted to incorporate the proposal and conditions there-in.

3.9. Change of name from 'Institutional Trading Platform' to 'Innovators Growth Platform' in various places under LODR, Takeover, Delisting and ICDR Regulations.

3.9.1. Recommendation

(i) In Regulation 3 (a), Regulation 15 (1) and Regulation 38 of the LODR Regulations, words "Institutional Trading Platform" to be substituted with words "Innovators Growth Platform".

(ii) In proviso provided under sub-regulation 3 of Regulation 1 of the Takeover Regulations, words "Institutional Trading Platform" to be substituted with words "Innovators Growth Platform".

(iii) In proviso provided under sub-regulation 1 of Regulation 3, of the Delisting Regulations, words "Institutional Trading Platform" to be substituted with words "Innovators Growth Platform".

(iv) In Regulation 282 (3) and 283 (2) of the ICDR Regulations, words "Institutional Trading Platform" to be substituted with words "Innovators Growth Platform".

4.0 Proposed amendment to SEBI Regulations:

4.1. Regulations 282, 283, 287, 288, 292 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Insertion of new regulation 290A in SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Proposed amendments are placed at **Annexure C**.

4.2. Regulation 1 (3), 3, 6, 29 (1) and 29 (2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Proposed amendments are placed at **Annexure D**.

4.3. Regulation 3 (1) of the SEBI (Delisting of Equity Shares) Regulations, 2009. Proposed amendments are placed at **Annexure E**.

4.4. Regulation 3(a), 15(1) and 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Proposed amendments are placed at **Annexure F**.

5.0 Proposal

5.1. The Board is requested to consider and approve the proposals under paragraph 3 and amendments to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and SEBI (Delisting of Equity Shares) Regulations, 2009 as proposed at paragraph 4 above.

5.2. Authorize the Chairman to take consequential and incidental steps to give effect to the decisions of the Board.

Annexure A

Consultation paper on Review of IGP is a publicly available document and same is placed on SEBI website.

Annexure B

(This has been excised for reasons of confidentiality)

Annexure C

Proposed amendments in ICDR Regulations

1. In regulation 283, in sub-regulation (1), the words “two years” shall be substituted with the words “one year”.

2. In regulation 283, in sub-regulation (1) under explanation (a), the following shall be inserted after point (ii), namely,- “(iii) any family trust with net worth of twenty five crore rupees”.

3. In Regulation 283, in sub-regulation (1),clause II shall be omitted and the existing clauses“III” & “IV” shall be renumbered as “II” & “III”, respectively.

4. In Regulation 283, in sub-regulation (1), 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(1).”

5. In Regulation 283, in sub-regulation (1), for the words “Accredited Investors”wherever it occurs, the words “Innovators Growth Platform Investors” shall be substituted

6. In Regulation 283 in sub-regulation (1), a new clause shall be inserted after the renumbered clause ‘III’, namely - “IV. Any other class of investors asspecified by SEBI from time to time”.

7. In Regulation 288 in sub-regulation (1), under clause (c) the words “or Category II” shall be inserted after words “Category I”.

8. In Regulation 287, after the existing sub-regulation (3), the following new sub-regulation (4) 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 Regulation 283 (1), in accordance with the requirements for anchor investors 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 that eligible investors shall make an application of a value of at least fifty lakh rupees."

9. 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."

10. In Regulation 282, 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 do 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."

11. In Regulation 288, after sub-regulation (4), the following new sub-regulation) shall be inserted, namely, -
"(5) The SR equity shares shall be locked-intill 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."

12. 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 SEBI (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 SEBI (Delisting of Equity Shares) Regulations, 2009 shall not apply:

(a) clause (a) and (b) of sub-regulation (1) of regulation 8 of theSEBI (Delisting of Equity Shares) Regulations, 2009, relating to conditions and procedure for delisting where exit opportunity is required;

(b) regulation 15 of the SEBI (Delisting of Equity Shares) Regulations, 2009, relating to offer price; and

(c) regulation 17 of the SEBI (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;

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 board meeting referred to in clause (a) of sub –regulation 2 of regulation 290A, are tendered and accepted; and

e) recognised stock exchange(s) where its shares are listed approves of such an exit."

13. in regulation 282, in sub-regulation (3), the words "Institutional Trading Platform" shall be substituted with the words "Innovators Growth Platform".

14. in regulation 283, in sub-regulation (2), the words "Institutional Trading Platform" shall be substituted with the words "Innovators Growth Platform".

Annexure D

Proposed amendments in Takeover Regulations

(i) In regulation 3, after the existing sub-regulation (4), a new sub-regulation shall be inserted, namely, -

"(5) For the purpose of this regulation, any reference to "twenty-five per cent" in case of listed entity which have listed their specified securities on Innovators Growth Platform shall respectively be read as "forty-nine per cent"."

(ii) In regulation 6, after the existing sub-regulation (3), a new sub-regulation shall be inserted, namely, -

"(4) For the purpose of this regulation, any reference to "twenty-five per cent" in case of listed entity which have listed their specified securities on Innovators Growth Platform shall respectively be read as "forty-nine per cent"."

(iii) In regulation 29, after the existing sub-regulation (1), the following new proviso shall be inserted, namely, -

"Provided that in case of listed entity which have listed their specified securities on Innovators Growth Platform any reference to "five per cent" shall respectively be read as "ten per cent"."

(iv) In regulation 29,after the existing sub-regulation (2), the following new proviso shall be inserted, namely, -

"Provided that in case of listed entity which have listed their specified securities on Innovators Growth Platform any reference to "five per cent" shall respectively be read as "ten per cent" and any reference to "two per cent" shall respectively be read as "five per cent"."

(v) In Regulation 1,in the proviso under sub-regulation (3), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.

Annexure E

Proposed amendments in Delisting Regulations

1. In regulation 3, in the existing proviso under sub-regulation (1), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.

Annexure F

Proposed amendments in LODR Regulations

1. in regulation 3, under the existing clause (a), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.

2. in regulation 15, under the existing sub-regulation (1), the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.

3. under the existing proviso in regulation 38, the words “Institutional Trading Platform” shall be substituted with the words “Innovators Growth Platform”.