

Sebi proposes relaxed norms for startup listing

The Securities and Exchange Board of India has proposed to tweak listing norms for start-ups, in an attempt to make it more attractive for companies in sectors like e-commerce, data analytics and bio-technology.

The regulator has renamed the Institutional Trading Platform (ITP) as 'Innovators Growth Platform'(IGP), after it failed to gain interest since its introduction in 2015.

"Lately, there has been a lot of activity in the start-up space in India and interest

has been evinced with regard to listing on the ITP by various stakeholders and industry bodies,"Sebi said in a discussion paper posted on its website on Friday and has sought public comments before November 16,2018.

The regulator proposed that IGP would be designated as a main board platform for start-ups with an option to trade under regular category after completion of one year of listing. Current rules say an entity listed on ITP can migrate to the main board after expiry of three years from the date of listing.

Sebi has also proposed to reduce the minimum trading lot size to Rs 2 lakh from the existing Rs 10 lakh and also proposed lock-in of six months for all categories of pre-IPO public shareholders, unlike the current rule which exempts private equity funds from lock-in.

The minimum number of allottees has also been reduced to 50 from the existing 200.Besides, it has proposed to remove minimum reservation of allocation to any specific category of investors and is considering allocation on a proportionate basis. At present, rules allow 75% of the net offer to public to be allocated to institutional investors and the remaining 25% to non-institutional investors.

(Economic Times)