

**THE GAZETTE OF INDIA**  
**EXTRAORDINARY**  
**PART – III – SECTION 4**  
**PUBLISHED BY AUTHORITY**  
**NEW DELHI, AUGUST 14, 2015**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**NOTIFICATION**  
**Mumbai, the 14<sup>th</sup> August, 2015**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)**  
**(FOURTH AMENDMENT) REGULATIONS, 2015**

No. SEBI/LAD-NRO/GN/2015-16/008.— In exercise of the powers conferred by 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, 2009, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015.
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, 2009, -

(i) in regulation 60, after sub-regulation (3) and before sub-regulation (4), the following proviso shall be inserted, namely:-

"Provided that requirements of this sub-regulation shall not be applicable in case of product advertisements of the issuer."

(ii) for Chapter XC, the following shall be substituted, namely:-

**"CHAPTER XC**

**LISTING ON INSTITUTIONAL TRADING PLATFORM**

**Applicability.**

**106W.** (1) The provisions of this chapter shall apply to entities which seek listing of their specified securities exclusively on the institutional trading platform either pursuant to a public issue or otherwise.

(2) The provisions of these regulations, in respect of the matters not specifically dealt or excluded under this Chapter, shall apply *mutatis mutandis* to any listing of specified securities under this Chapter:

Provided that the provisions of sub-regulation (4) of regulation 4, sub-regulations (1) and (2) of regulation 26 of these regulations shall not apply to listing of specified securities made under this Chapter.

(3) The institutional trading platform shall be accessible to institutional investors and non-institutional investors.

**Definitions.**

**106X.** (1) In this chapter, unless the context otherwise requires,-

- (a) "institutional trading platform" means the trading platform for listing and trading of specified securities of entities that comply with the eligibility criteria specified in regulation 106Y;
- (b) "institutional investor" means:
  - (i) qualified institutional buyer; or
  - (ii) family trust or systematically important NBFCs registered with Reserve Bank of India or intermediaries registered with the Board, all with net-worth of more than five hundred crore rupees, as per the last audited financial statements;
- (c) "persons acting in concert" shall have the same meaning as assigned to it under regulation 2(1)(q) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

(2) All other words and expressions used in this Chapter but not defined under sub-regulation (1) shall derive their meaning from regulation 2 of these regulations.

**Eligibility.**

**106Y.** (1) The following entities shall be eligible for listing on the institutional trading platform,-

- (a) an entity 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 and at least twenty five per cent of its pre-issue capital is held by qualified institutional buyer(s)

as on the date of filing of draft information document or draft offer document with the Board, as the case may be; or

(b) any other entity in which at least fifty per cent of the pre-issue capital is held by qualified institutional buyers as on the date of filing of draft information document or draft offer document with the Board, as the case may be.

(2) No person, individually or collectively with persons acting in concert, shall hold twenty five per cent or more of the post-issue share capital in an entity specified in sub-regulation (1).

**Listing without public issue.**

**106Z.** (1) An entity seeking listing of its specified securities without making a public issue shall file a draft information document along with necessary documents with the Board in accordance with these regulations along with fee as specified in Schedule IV of these regulations.

(2) The draft information document shall contain the disclosures as specified for draft offer document in these regulations.

(3) Regulations relating to the following shall not be applicable in case of listing without public issue:

- (i) allotment;
- (ii) issue opening / closing;
- (iii) advertisement;
- (iv) underwriting;
- (v) sub-regulation (5) of regulation 26;
- (vi) pricing;
- (vii) dispatch of issue material;
- (viii) and other such provisions related to offer of specified securities to public.

(4) The entity shall obtain in-principle approval from the recognised stock exchanges on which it proposes to get its specified securities listed.

(5) The entity shall list its specified securities on the recognised stock exchange(s) within thirty days:

- (a) from the date of issuance of observations by the Board; or

- (b) from the expiry of the period stipulated in sub-regulation (2) of regulation 6, if the Board has not issued any such observations.
- (6) The entity which has received in-principle approval from the recognised stock exchange for listing of its specified securities on the institutional trading platform, without making a public issue, shall be deemed to have been waived by the Board under sub-rule (7) of rule 19 from the requirement of clause (b) of sub-rule (2) of rule 19 of Securities Contracts (Regulation) Rules, 1957 for the limited purpose of listing on the institutional trading platform.
- (7) Provisions relating to minimum public shareholding shall not apply to entities listed on institutional trading platform without making a public issue.
- (8) The draft and final information document shall be approved by the board of directors of the entity and shall be signed by all directors, the Chief Executive Officer, i.e., the Managing Director or Manager within the meaning of the Companies Act, 2013 and the Chief Financial Officer, i.e., the Whole-time Finance Director or any other person heading the finance function and discharging that function.
- (9) The signatories shall also certify that all disclosures made in the information document are true and correct.
- (10) In case of mis-statement in the information document or any omission therein, any person who has authorized the issue of information document shall be liable in accordance with the provisions of the SEBI Act, 1992 and regulations made thereunder.

**Listing pursuant to public issue.**

**106ZA.** (1) An entity seeking issue and listing of its specified securities shall file a draft offer document along with necessary documents with the Board in accordance with these regulations along with fees as specified in Schedule IV of these regulations.

- (2) The minimum application size shall be ten lakh rupees.
- (3) The number of allottees shall be more than two hundred.
- (4) The allocation in the net offer to public category shall be as follows:
- (a) seventy-five per cent to institutional investors:

Provided that there shall be no separate allocation for Anchor Investors;

(b) twenty-five per cent to non-institutional investors;

(5) Any under-subscription in the non-institutional investor category shall be available for subscription under the institutional investors' category.

(6) The allotment to institutional investors may be on a discretionary basis whereas the allotment to non-institutional investors shall be on a proportionate basis.

(7) The mode of allotment to institutional investors, i.e., whether discretionary or proportionate, shall be disclosed prior to or at the time of filing of the Red Herring Prospectus.

(8) In case of discretionary allotment to institutional investors, no institutional investor shall be allotted more than ten per cent of the issue size.

(9) The offer document shall disclose the broad objects of the issue.

(10) The basis of issue price may include disclosures, except projections, as deemed fit by the issuers in order to enable investors to take informed decisions and the disclosures shall suitably caution the investors about basis of valuation.

**Lock-in.**

**106ZB.** (1) The entire pre-issue capital of the shareholders shall be locked-in for a period of six months from the date of allotment in case of listing pursuant to public issue or date of listing in case of listing without public issue:

Provided that nothing contained in this regulation shall apply to:

(i) equity shares allotted to employees under an employee stock option or employee stock purchase scheme of the entity prior to the initial public offer, if the entity has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VIII;

(ii) equity shares held by a venture capital fund or alternative investment fund of Category I or a foreign venture capital investor:

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.

(iii) equity shares held by persons other than promoters, continuously for a period of at least one year prior to the date of listing in case of listing without public issue:

Explanation.- For the purpose of clause (ii) and (iii), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and the convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid at the time of their conversion.

(2) The specified securities held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution if the pledge of specified securities is one of the terms of sanction of the loan.

(3) The specified securities that are locked-in may be transferable in accordance with regulation 40 of these regulations.

(4) All specified securities allotted on a discretionary basis shall be locked-in in accordance with the requirements for lock-in by Anchor Investors on main board of the stock exchange, as specified under clause 10(j) in Part A of Schedule XI.

**Trading lot.**

**106ZC.** The minimum trading lot shall be ten lakh rupees.

**Exit of entities listed without making a public issue.**

**106ZD.** (1) An entity whose specified securities are listed on the institutional trading platform without making a public issue may exit from that platform, if-

- (a) its shareholders approve such exit by passing a special resolution through postal ballot where ninety per cent of the total votes and the majority of non-promoter votes have been cast in favor of such proposal; and
- (b) the recognised stock exchange where its shares are listed approve of such an exit.

(2) The recognised stock exchange may delist the specified securities of an entity listed without making a public issue upon non-compliance of the conditions of listing and in the manner as specified by the stock exchange.

(3) No entity promoted by promoters and directors of an entity delisted under sub-regulation (2), shall be permitted to list on institutional trading platform for a period of five years from the date of such delisting:

Provided that the provisions of this regulation shall not apply to another entity promoted by the independent directors of such a delisted entity.

**Migration to main board.**

**106ZE.** An entity that has listed its specified securities on a recognised stock exchange in accordance with the provisions of this Chapter may at its option migrate to the main board of that recognised stock exchange after expiry of three years from the date of listing subject to compliance with the eligibility requirements of the stock exchange.

**Repeal and saving.**

**106ZF.** The provisions of Chapter XC and all directions, guidelines, instructions or circulars, issued by the Board as applicable to small and medium enterprises which are listed on the institutional trading platform, as on the date of commencement of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015 shall continue to remain in force for the period such companies are listed on the institutional trading platform or till such time as specified by the Board, whichever is earlier, as if Chapter XC had not been repealed.

Explanation.- Under this Chapter, the phrases ‘pre-issue’ and ‘post-issue’, wherever they occur shall be construed as ‘pre-listing’ and ‘post-listing’, respectively, in case of listing without public issue.

(iii) in Schedule IV,-

- (a) in reference title, the word, number and symbol “ and 91E(3)”, shall be substituted with the word, numbers and symbols ",91E(3), 106Z(1) and 106ZA(1)";
- (b) in Part A, in para (1), after sub-para (b), the following shall be inserted, namely:-

**(c) In case of listing without public issue:**

<b>Paid up capital of the entity</b>	<b>Amount / Rate of fees</b>
Less than or equal to ten crore rupees.	A flat charge of one lakh rupees (₹1,00,000/-).
More than ten crore rupees, but less than or equal to five thousand crore rupees.	0.1 per cent of the paid up capital
More than five thousand crore rupees.	Five crore rupees (₹5,00,00,000/-) plus 0.025 percent of the portion of the paid up capital in excess of five thousand crore rupees (₹5000,00,00,000/-).

(iv) in Schedule VI, in Form A, after clause 17, the following shall be inserted, namely:-

“(18) We certify that the entity is eligible under 106Y (1) (a) or (b) (as the case may be) to list on the institutional trading platform, under Chapter XC of these regulations. (if applicable)”

(v) in Schedule VIII, -

(a) the recital before Part A, shall be substituted with the following, namely:-

"(i) The words "group companies", wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the issuer.

(ii) The policy on materiality shall be disclosed in the offer document."

(b) in Part A, in para (2), in sub-para (X), in clause (A), -

(I) sub-clauses (1) and (2) shall be substituted with the following, namely:-

"(I) Litigations involving the issuer/ its directors/promoters/group companies/ subsidiaries:

(i) All criminal proceedings;

(ii) All actions by statutory / regulatory authorities;

(iii) Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;

(iv) Other pending litigations - As per policy of materiality defined by the board of the issuer and disclosed in the offer document.

(2) Outstanding dues to creditors:

(i) Based on the policy on materiality of the board of the issuer and as disclosed in the offer document, disclosure for such creditors;

(ii) Consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved;

(iii) Complete details about outstanding dues to creditors as per (i) and (ii) above shall be disclosed on the webpage of the company with a web link thereto in the offer document."

(II) sub-clause (3) shall be omitted.

(vi) Schedule XIX A shall be omitted.

**U.K. SINHA**  
**CHAIRMAN**  
**SECURITIES AND EXCHANGE BOARD OF INDIA**

**Footnote:**

1. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 were published in the Gazette of India on 26th August, 2009 vide No. LAD-NRO/GN/2009- 10/15/174471.

2. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 were subsequently amended on:-

(1) 11th December, 2009 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2009 vide No. LAD-NRO/GN/2009- 10/23/186926.

(2) 1st January, 2010 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2010 vide No. LAD-NRO/GN/2009- 2010/25/189240.

(3) 8th January, 2010 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2010 vide No. LADNRO/GN/2009- 10/26/190146.

- (4) 13th April, 2010 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2010 vide No. LADNRO/GN/2010-11/03/1104.
- (5) 12th November, 2010 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2010 vide No. LADNRO/GN/2010-11/19/26456.
- (6) 29th April, 2011 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2011 vide F. No. LADNRO/GN/2011-12/05/13907.
- (7) 23rd September, 2011 by Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 vide No. LADNRO/GN/2011-12/24/30181.
- (8) 23rd September, 2011 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2011 vide F. No. LADNRO/GN/2011- 12/25/30309.
- (9) 30th January, 2012 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2012 vide No. LADNRO/GN/2011-12/34/2499.
- (10) 7th February, 2012 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2012 vide No. LADNRO/GN/2011-12/35/3186.
- (11) 21st May, 2012 by Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 vide No. LAD-NRO/GN/2012-13/04/11262.
- (12) 24th August, 2012 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2012 vide No. LADNRO/GN/2012-13/12/18951.
- (13) 12th October, 2012 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012 vide No. LADNRO/GN/2012-13/18/5391.
- (14) 27th February, 2013 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Amendment) Regulations, 2013 vide No. LADNRO/GN/2012-13/32/4947.

- (15) 26th August, 2013 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Second Amendment) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/19/6422.
- (16) 8th October, 2013 by Securities and Exchange Board of India (Listing of Specified Securities on Institutional Trading Platform) Regulations, 2013 vide No. LAD-NRO/GN/2013-14/28/6720.
- (17) 7th January, 2014 by Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 vide No. LAD-NRO/GN/2013-14/36/12.
- (18) 4th February, 2014 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2013-14/44/226.
- (19) 23rd May, 2014 by Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/03/1089.
- (20) 25th August, 2014 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/06/1372.
- (21) 24th March 2015 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2015 vide No. LAD-NRO/GN/2014-15/24/538.
- (22) 5th May 2015 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2015 vide No. No.SEBI-NRO/OIAE/GN/2015-16/003.
- (23) 11th August 2015 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2015 vide No. SEBI/LAD-NRO/GN/2015-16/007.