

Sebi to bring in easier listing norms for start-ups

Regulator will carve out a set of lenient IPO norms for easier listing of start-ups and discouraging them from going abroad to get listed, said U.K. Sinha



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Mumbai: The Securities and Exchange Board of India (Sebi) will put out a discussion paper on easy listings for start-up companies as early as this week, with final regulations likely by the end of June.

Speaking at a Confederation of Indian Industry capital market summit in Mumbai on Monday, U.K. Sinha, chairman, Sebi said that the regulator will carve out a set of lenient IPO (initial public offering) norms for easier listing of start-ups and discouraging them from going abroad to get listed.

Sinha added that the regulator may consider a relaxation in terms of the profitability track record, the definition of promoter, lock-in period for promoters and disclosure requirements.

The market regulator held discussions with bankers and executives from start-ups last Friday ahead of the release of the discussion paper.

However, as a way to protect retail investors from volatility, the Sebi chairman said only institutional investors may be allowed to participate in start-up IPOs with a minimum subscription amount of

₹10 lakh. Also, such start-ups will be listed on the special institutional trading platform of stock exchanges and not on the main board.