

SEBI releases accreditation norms of investors for the purpose of Innovators Growth Platform

Accredited Investors (AIs) for the limited purpose of Innovators Growth Platform (“IGP”), are investors whose holding in the Issuer Company, is eligible for the computation of at least 25% of the pre-issue capital in accordance with Regulation 283.(1) of the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”). Accordingly, the framework for the process of accreditation of investors is detailed below:

Eligibility: Any individual with total gross income of ₹ 50 lakhs annually and who has minimum liquid net worth of ₹ 5 crores; or anybody corporate with net worth of ₹ 25 crores.

Procedure for accreditation: Responsibility of Stock Exchanges/Depositories - The investor, having a demat account with a Depository, will make an application to the Stock Exchanges/Depositories in the manner prescribed by them for recognition as an AI. The Stock Exchanges /Depositories may use the services of Brokers/Depository participants respectively for such purpose. However, Stock Exchanges/Depositories shall be responsible for verification and maintenance of the AI data

Validity of Accreditation: The accreditation granted by the Stock Exchange/Depository shall be valid for a period of three years from the date of issue of such accreditation unless the AI becomes ineligible due to change in his/her/its financial status in which case such AI shall inform the Stock Exchange/Depository of such ineligibility.

Responsibility of Merchant Bankers at the time of listing on IGP with regard to AIs: At the time of application by a Company for listing on IGP, the merchant bankers shall ensure due diligence with regard to eligibility of AIs and that their holding in the Company desirous of listing on IGP is in accordance with the Regulation 283.(1) of the ICDR Regulations.

SEBI has directed Exchanges / Depositories to Implement the procedure for accreditation within 45 days from the date of issue of this circular and communicate to SEBI, the status of the implementation of the provisions of this circular. Exchanges/Depositories are advised to make necessary amendments to the relevant bye-laws, rules and regulations.

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Warm Regards,

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