

# SEBI

## Board Meeting Outcome

### Key Reforms for SME IPOs

8. **NII Allocation Method-** Allocation via draw of lots.

7. **Public Review-** 21-day public review period for IPO offer documents.

6. **Related Party Transaction Norms-** RPTs considered material if 10% of annual consolidated turnover or ₹50 Cr, whichever is lower.

5. **Restrictions on Loan Repayment-** SME issues for repayment of promoter loans not permitted.

4. **General Corporate Purpose Limit-** Restricted to 15% of amount raised or ₹10 Cr, whichever is lower.

3. **Promoter Lock-in Period-** Excess of MPC released after 1 year and Balance 50% released after 2 years.

2. **OFS Restrictions-** OFS portion limited to 20% of issue size. Selling shareholders restricted to selling 50% of their shareholding.

1. **Review of SME IPO Framework-** SMEs with ₹1 Cr operating profit for 2 out of 3 years allowed to bring an IPO.