

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UN-STARRED QUESTION NO. 758**

ANSWERED ON MONDAY, 12th DECEMBER, 2022

VALUATION OF STARTUPS

QUESTION

758. SHRIMATI MALA RAJYA LAXMI SHAH:

SHRI KUNWAR PUSHPENDRA SINGH CHANDEL:

Will the Minister of CORPORATE AFFAIRS

be pleased to state:

(a) whether the Government has come out with new regulations for valuation of startups particularly to be listed on the stock exchange;

(b) if so, the details thereof;

(c) whether the Government is considering/has contemplated the review of business for companies, particularly those operating in the capital market, so as to protect the investment of investors; and

(d) if so, the details thereof?

ANSWER

Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.

(Rao Inderjit Singh)

(a) and (b): - No Sir. The Government has not come out with any regulations for valuation of startups. Listing of startups companies is subject to compliance of LODR (Listing Obligations and Disclosure Requirements) which are regulated by Securities and Exchange Board of India. SEBI has informed that for Initial Public Offer (IPO), the issuer company determines the price of equity shares, in consultation with the lead manager(s) or through the book building process, in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018-Regulation 28(1).

Under the Disclosure based regime, SEBI does not determine or mandate any guidance on pricing and valuation of issuer company to be listed on the stock exchange.

(c) and (d): - The Ministry enforces the provisions of the Companies Act, 2013 and verifies that the companies carry out the business as given in their Memorandum. Insofar as Capital Markets are concerned, these are regulated by Securities and Exchange Board of India (SEBI) which has informed that, in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has mandated the listed entities to comply with corporate governance norms and disclosure requirements for ensuring timely and accurate disclosure on all material matters including financials and governance of the listed entity.
