

SECURITIES AND EXCHANGE BOARD OF INDIA

CIRCULAR

CIR/CFD/POLICYCELL/11/2015

November 10, 2015

To
Recognised Stock Exchanges
Depositories
Registered Stock Brokers
Registered Merchant Bankers
Registered Registrars to an Issue and Share Transfer Agents
Registered Depository Participants
Registered Bankers to an Issue

Dear Sir/Madam,

Sub: Streamlining the Process of Public Issue of Equity Shares and Convertibles

1. As a part of the continuing endeavor to streamline the process of public issue of equity shares and convertibles, it has been decided, in consultation with the market participants -

(i) to reduce the time taken for listing after the closure of issue to 6 working days as against the present requirement of 12 working days, and

(ii) to broad-base the reach of investors by substantially enhancing the points for submission of applications.

In this regard, necessary amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 have already been notified

2. The operational details to implement the above are outlined below:

2.1. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. just writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms, thus obviating the need of writing the cheques.

2.2. In addition to the Self Certified Syndicate Banks (SCSBs), Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with

SEBI are now permitted to accept application forms (both physical as well as online) in public issues.

2.3. The RTAs and DPs shall provide their contact details, where the application forms shall be collected by them, to the recognized stock exchanges by November 30, 2015 as per the format specified at **Annexure-A** and the same shall be disclosed by the stock exchanges on their websites. RTAs and DPs shall regularly update the said details by furnishing current information to the stock exchanges which shall be disclosed by the stock exchanges.

Processing of Applications by Intermediaries

2.4. Intermediaries accepting the application forms shall be responsible for uploading the bid along with other relevant details in application forms on the electronic bidding system of stock exchange(s) and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). They shall undertake the various activities in accordance with indicative timelines as specified in this circular.

2.5. All applications shall be stamped and thereby acknowledged by the intermediary at the time of receipt.

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

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Alerts by Stock Exchanges

2.6. Similar to the systems prevalent in case of secondary market transactions, the stock exchanges shall develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of applications and allotments through SMS and E-mail alerts to the investors.

Timelines

2.7. The revised indicative timelines for various activities are specified at **Annexure-B** to this circular.

2.8. All intermediaries shall co-ordinate with one another to ensure completion of listing of shares and commencement of trading by T+6.

Other Requirements

2.9. Amount of commission payable to RTA / DP shall be determined on the basis of applications which have been considered eligible for the purpose of allotment. In order to determine to which RTA / DP the commission is payable to, the terminal from which the bid has been uploaded will be taken into account.

2.10. The details of commission and processing fees payable to each intermediary and the timelines for payment shall be disclosed in the offer document and this shall be implemented strictly

3. The intermediaries shall provide guidance to their investors on making applications in public issues.

4. The merchant bankers shall ensure that appropriate disclosures are made in offer documents in accordance with this circular.

5. All intermediaries are advised to take necessary steps to ensure compliance with this circular.

6. The responsibilities of various intermediaries and indicative timelines, prescribed vide the following circulars, shall stand modified to the extent stated under this circular:

- i. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009;
- ii. CIR/CFD/DIL/2/2010 dated April 06, 2010;
- iii. CIR/CFD/DIL/3/2010 dated April 22, 2010;
- iv. CIR/CFD/DIL/7/2010 dated July 13, 2010;
- v. CIR/CFD/DIL/8/2010 dated October 12, 2010;
- vi. CIR/CFD/DIL/1/2011 dated April 29, 2011;
- vii. CIR/CFD/DIL/2/2011 dated May 16, 2011;
- viii. CIR/CFD/DIL/12/2012 dated September 13, 2012;
- ix. CIR/CFD/DIL/13/2012 dated September 25, 2012;
- x. CIR/CFD/14/2012 dated October 04, 2012;
- xi. CIR/CFD/DIL/1/2013 dated January 02, 2013; and
- xii. CIR/CFD/DIL/4/2013 dated January 23, 2013.

7. This circular shall be applicable for all public issues **opening on or after January 01, 2016**.

8. This circular is being issued in exercise of the powers under section 11 read with section 11A of the Securities and Exchange Board of India Act, 1992.

9. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Harini S Balaji
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