

Neelam Bhardwaj

General Manager

Corporation Finance Department

Division of Issues and Listing

Phone: +91 22 26449350 (D), +91 22 2644 9000

Email: neelamb@sebi.gov.in

SEBI/CFD/MB/IS/2/2008/07/04

April 7, 2008

To All Registered Merchant Bankers

Dear Sirs,

Sub.: Reduction in filing fees for offer documents.

- 1.0 In exercise of the powers conferred by section 30 read with clause (k) of sub-section (2) of section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), SEBI has amended paragraph (1) of Schedule IV of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, clause (1) of Schedule IV of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and sub-regulation (3) of regulation (4) and sub-regulation (3) of regulation (18) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, thereby revising the fees payable on offer documents filed with SEBI.
- 2.0 The amendments have come into force on April 01, 2008.
- 3.0 A copy of the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2008 issued in this regard, vide notification no. F. No. 11/LC/GN/2008/21669 dated March 31, 2008 and published in the Official Gazette, is enclosed at Annexure I.
- 4.0 All merchant bankers are advised to take note of the aforementioned amendments and ensure compliance.

Yours faithfully,

Neelam Bhardwaj

Encl.: As above.

THE GAZETTE OF INDIA

EXTRAORDINARY

PART –III – SECTION 4

PUBLISHED BY AUTHORITY

NEW DELHI, MARCH 31, 2008

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 31st March, 2008

**SECURITIES AND EXCHANGE BOARD OF INDIA (PAYMENT OF
FEES) (AMENDMENT) REGULATIONS, 2008**

F. No. 11/LC/GN/2008/21669 - In exercise of the powers conferred by section 30 read with clause (k) of sub-section (2) of section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998, Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, namely :-

Short title

1. These regulations may be called the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2008.

Commencement

2. They shall come into force on April 1st, 2008.

Amendment to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998

3. In the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 in Schedule IV, for paragraph (1), the following paragraph shall be substituted, namely:-
“(1). Every merchant banker shall while submitting the offer document or a copy of the public announcement to the Board, pay fees as set out below:-

Offer size	Fee (Rs.)
Less than or equal to ten crore rupees.	One lakh rupees (Rs. 1,00,000/-).
More than ten crore rupees, but less than or equal to one thousand crore rupees.	0.125% of the offer size.
More than one thousand crore rupees, but less than or equal to five thousand crore rupees.	One Crore twenty five lakh rupees (Rs. 1,25,00,000/-)plus 0.03125 per cent of the portion of the offer size in excess of one thousand crore rupees (Rs. 1000,00,00,000/-)
More than five thousand crore rupees.	A flat charge of three crore rupees (Rs. 3,00,00,000/-).”

Amendment to the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.

4. In the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, in Second Schedule, in Part A, for the figures “0.001%”, the figures “0.0005%” shall be substituted.

Amendment to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

5. In the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, in Schedule IV, for clause 1, the following clause shall be substituted, namely:-

“1. There shall be charged on every draft offer document submitted by a merchant banker to the Board, a fee at the following rates:

A. Public Issues

Size of the issue, including intended retention of oversubscription	Amount / Rate of fees
Less than or equal to ten crore rupees.	A flat charge of twenty five thousand rupees (Rs.25,000/-).
More than ten crore rupees, but less than or equal to five thousand crore rupees.	0.025 per cent. of the issue size.
More than five thousand crore rupees, but less than or equal to twenty five thousand crore rupees.	One crore twenty five lakh rupees (Rs.1,25,00,000/-) plus 0.00625 per cent of the portion of the issue size in excess of five thousand crore rupees (Rs.5000,00,00,000/-).
More than twenty five thousand crore rupees.	A flat charge of three crore rupees (Rs.3,00,00,000/-).

B. Rights Issues

Size of the issue, including intended retention of oversubscription	Amount / Rate of fees
Less than or equal to ten crore rupees.	A flat charge of twenty five thousand rupees (Rs.25,000/-).
More than ten crores rupees and less than or equal to five hundred crore rupees.	0.005 per cent. of the issue size.
More than five hundred crore rupees.	A flat charge of five lakh rupees (Rs.5,00,000/-)."

Amendment to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996,

6. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, -

- (i) In the Second Schedule, in paragraph I, in item B, for the words "fifty lakhs", the following words shall be substituted, namely:-

"twenty five lakhs"

- (ii) In the Second Schedule, in paragraph I, for item D, the following item shall be substituted, namely:-

“D. Filing fees for offer documents 0.005 per cent of the amount raised in the new fund offer, subject to a minimum of rupees one lakh and a maximum of rupees fifty lakhs.”

Amendment to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

7. In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997:-

- i) in regulation 4, in sub-regulation (3), for the words “one lakh rupees”, the words “fifty thousand rupees” shall be substituted;
- ii) in regulation 18, for sub-regulation (3), the following sub-regulation shall be substituted, namely:-

“(3) The acquirer shall, while filing the draft letter of offer with the Board under sub-regulation (1), pay a fee as mentioned in the following table, by bankers’ cheque or demand draft drawn in favour of the ‘Securities and Exchange Board of India’, payable at Mumbai:

Offer size	Fee (Rs.)
Less than or equal to ten crore rupees.	One lakh rupees (Rs. 1,00,000/-).
More than ten crore rupees, but less than or equal to one thousand crore rupees.	0.125% of the offer size.
More than one thousand crore rupees, but less than or equal to five thousand crore rupees.	One Crore twenty five lakh rupees (Rs. 1,25,00,000/-)plus 0.03125 per cent of the portion of the offer size in excess of one thousand crore rupees (Rs. 1000,00,00,000/-).
More than five thousand crore rupees.	A flat charge of three crore rupees (Rs. 3,00,00,000/-).”

Amendment to Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

8. In the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, in Second Schedule, in Part A, for the word and figure “Rs. 10,00,000”, the word and figure “Rs. 5,00,000” shall be substituted.

C. B. BHAVE

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

[ADVT. III/IV/69ZB/2008/Exty.]