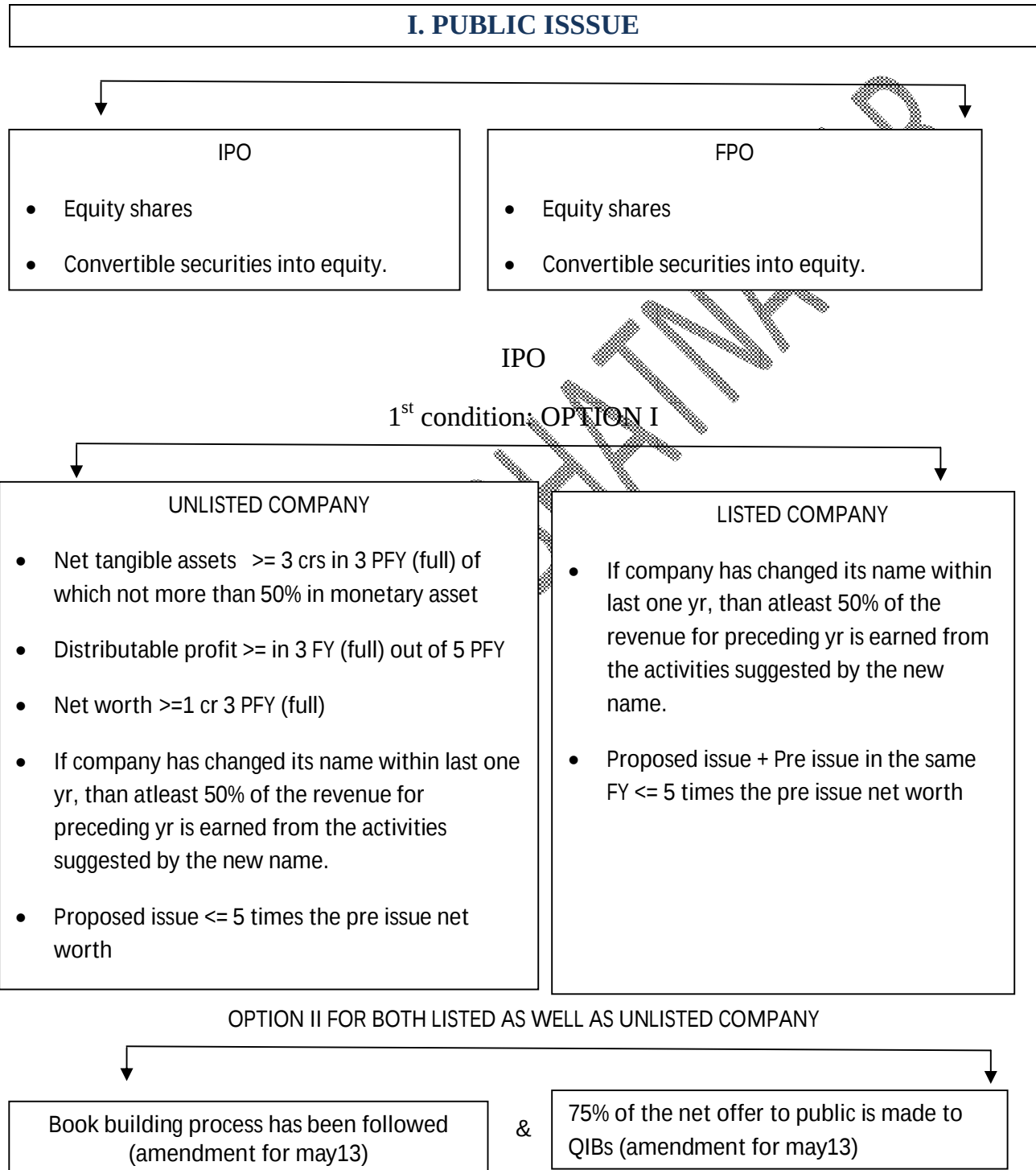


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SEBI (ISSUE OF CAPITAL & DISCLOSURE REQUIREMENT) REGULATION 2009



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2nd condition: prospective allottees ≥ 1000

3rd condition: no outstanding conversion of debt instrument.

4th condition: credit rating has been obtained.

5th condition: if the seller (normally promoter) wishes to offer his securities for sale to public if such equity shares are held by him for atleast one yr prior to the date of filing of offer document with SEBI.

FPO

OPTION 1:

- If company has changed its name within last one yr, than atleast 50% of the revenue for preceding yr is earned from the activities suggested by the new name.
- Proposed issue + Pre issue in the same FY ≤ 5 times the pre issue net worth

OPTION 2

- Book building process has been followed.
- Net offer to public $\geq 75\%$ to QIBs

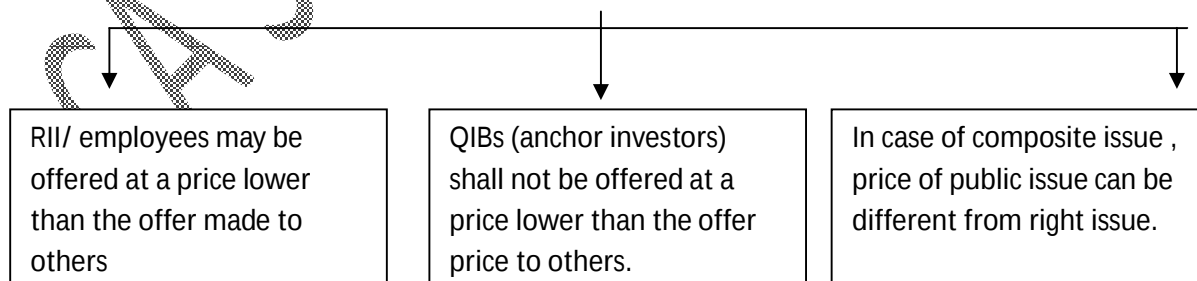
II PRICING

Issuer is free to determine the price of the securities

+

Issuer fixes the price in consultation with lead merchant banker_s

1. Differential pricing



2. PRICE

To be specified in the prospectus

+

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If not specified then to be announced

- In case of IPO: atleast 5 working days prior to opening of offer. (amendment for may13)
- In case of FPO : atleast 1 working days prior to opening of offer.

In all the newspapers in which the pre issue advertisement was given.

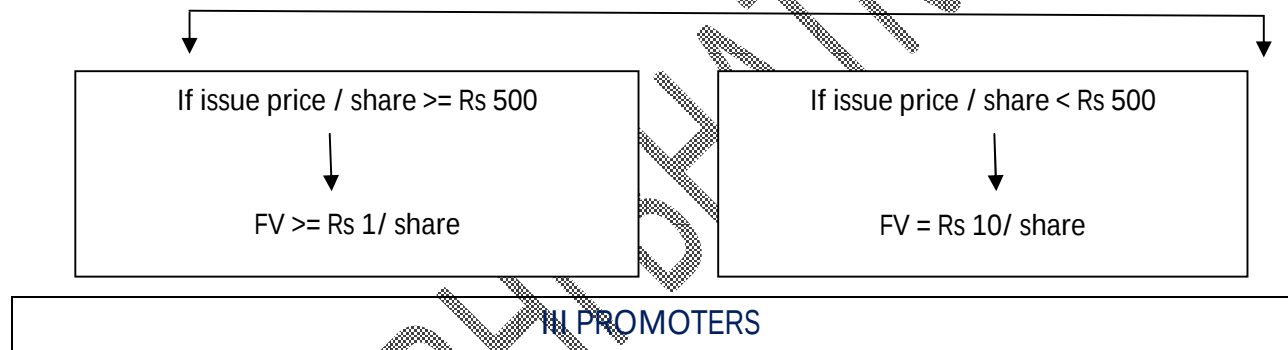
3. PRICE BAND

The cap on price band shall not be more than 120% of the floor price.

+

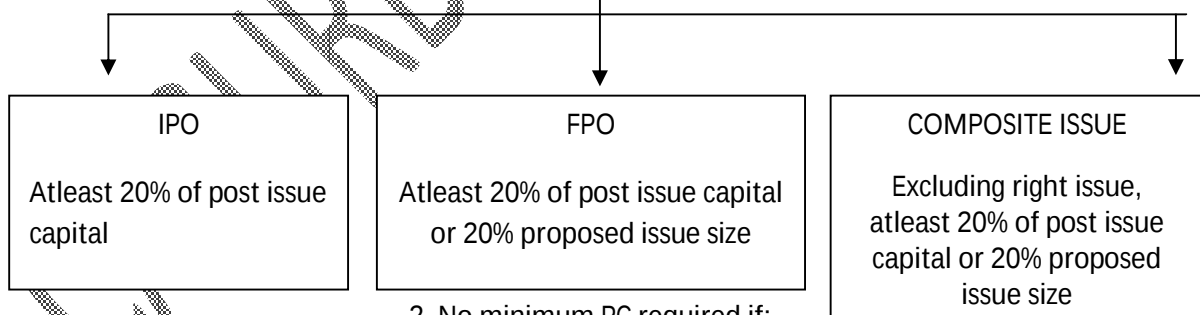
Floor price $\geq$ face value of securities.

4 FACE VALUE OF SHARES



III PROMOTERS

1. Minimum promoter's contribution

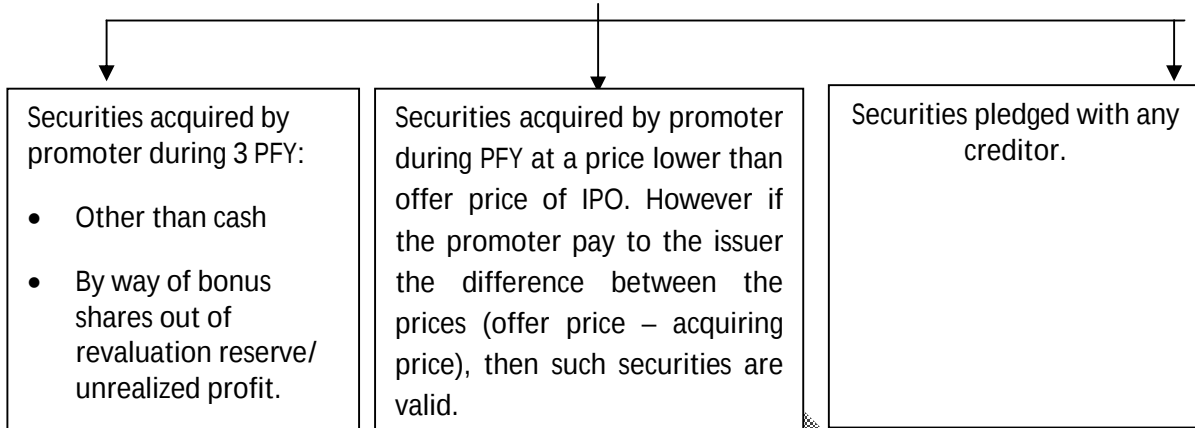


2. No minimum PC required if:

- No identifiable promoter available.
- FPO is by way of conversion of securities.

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3. Securities ineligible for minimum PC



Note: The entire promoter contribution including premium shall be received atleast 1 day before the issue opening date & kept with the schedule bank.

4. Lock in period

- Minimum PC = lock in period = 3 yrs from the date of allotment
- Holding beyond minimum PC = lock in period = 1 yr from the date of allotment.
- Promoters can pledge the securities with
 - o Schedule banks
 - o Commercial banks
 - o PFIs.
- Securities held by the promoter can be transferred to another promoter during lock in period.

IV GREEN SHOE OPTION

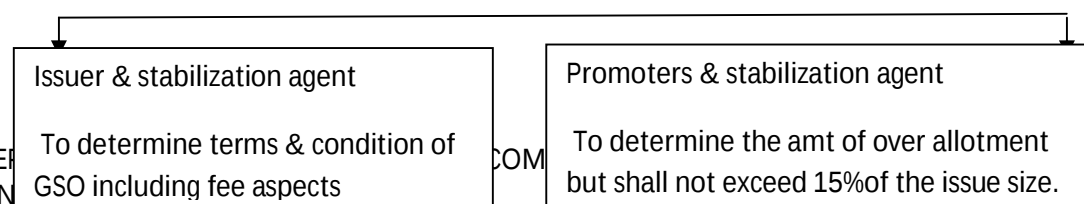
To stabilize the post list price

1. Resolution in GM

- a. For allotment of securities
- b. For appointment of stabilization agent

2. Merchant banker shall act as stabilization agent.

3. Prior to filing of offer document, an agreement shall be entered between-



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4. The offer document contains all material disclosure about GSO.
5. The stabilization agent shall determine the time & qty of securities & the price of buying from the mkt.
6. Stabilization process shall be available for 30 days from the date of trading permission.
7. The securities bought from the mkt shall be deposited in a special a/c & money related to over allotment shall also be kept in separate a/c by stabilization agent.
8. Securities so bought shall be returned to the promoters within 2 days after stabilization process.
9. Any balance in separate a/c shall be remitted to the company.
10. Stabilization agent shall submit a report on daily basis during stabilizing process & a final report to SEBI.

V RIGHT ISSUE

No right issue:

- There are no outstanding convertible debt instrument.
- If any, then similar benefits are reserved for them as well.

Procedure:

Application form

+

Abridged letter of offer



Send to all the existing shareholders.

+

Subscription is open for

Min - 15 days

Max - 30 days

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Pre issue advertisement for right issue

Following details shall be given in advertisement-

- Details of dispatch of letter of offer.
- Center from where duplicate application form can be obtained.
- If a shareholder has not received application form & not in a position to obtain duplicate application form then he can apply on plain paper but the format is prescribed in the advertisement.
- Grounds for rejection shall be mentioned.
- Advertisement to be given in
 - o One English NP.
 - o One hindi NP.
 - o One regional NP.

VI PREFERENTIAL ISSUE

1. NON APPLICABILITY:

- Conversion of loan/ debt into shares
- Schemes approved by high court u/s 391 to 394 of Co. Act
- Scheme approved by BIFR.

2. RELEVANT DATE

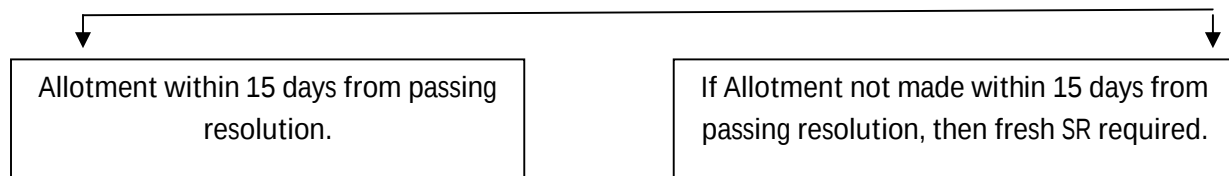
30 days prior to the date on which meeting of shareholders is held for considering preferential issue.

3. CONDITIONS

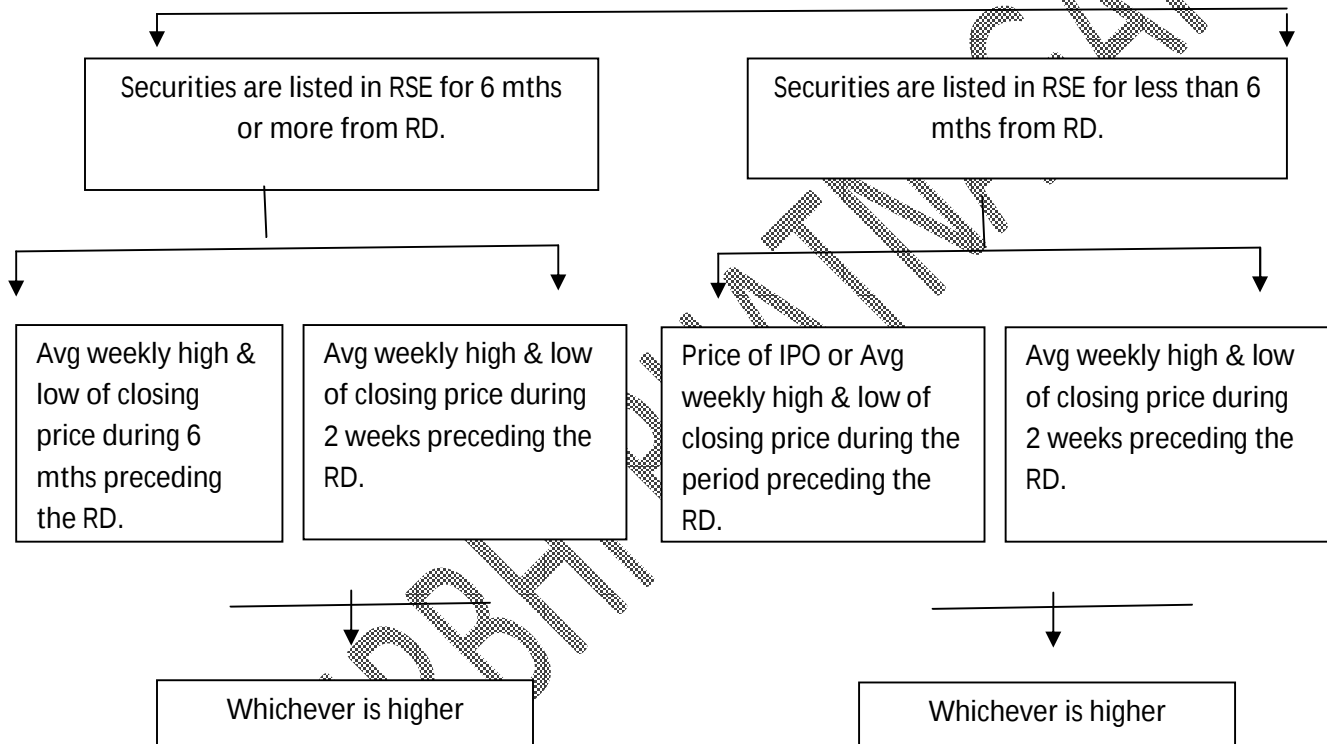
- SR in GM. Disclosure in notice of GM of the following:
 - o Object of preferential issue.
 - o Proposal details.
 - o Shareholding pattern before & after preferential issue.
 - o Details of proposed allottee.
 - o Recomputed price.
 - o Statutory auditor certificate - as regard compliance of conditions related to preferential issue.
- Shares in DEMAT form only.
- Complied listing agreement.
- PAN of proposed allottee has been received by issuer.
- No preferential issue to a person who has sold equity shares of issuer during 6 mths prior to RD.

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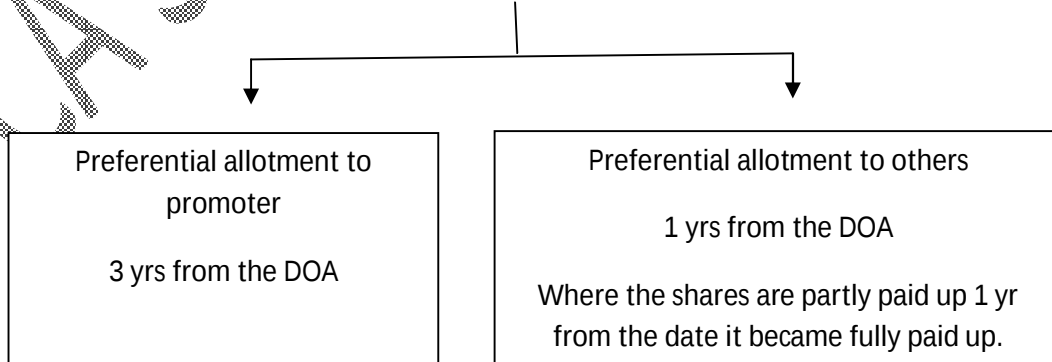
4 ALLOTMENT PERSUANT TO SR



5. PRICING OF EQUITY SHARES



6. LOCK IN PERIOD



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VII BONUS SHARES

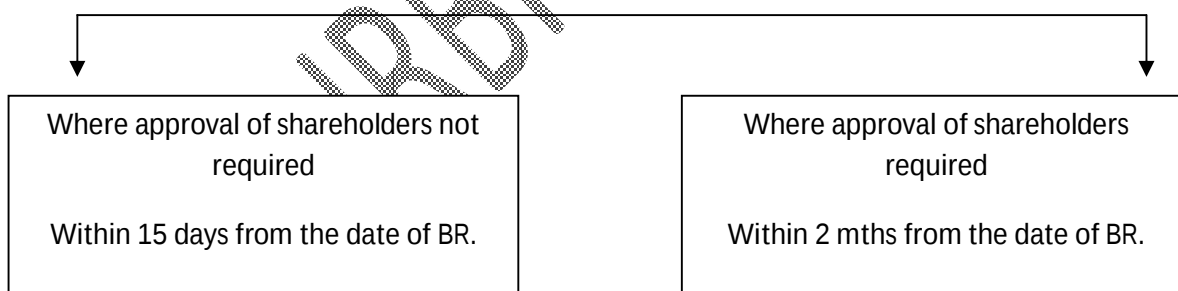
Following are the conditions to be satisfied:

- Authorized by AOA.
- No default in
 - o Interest
 - o Principal

Of fixed deposit & debt securities.

- No issue pending conversion of debt instrument unless similar benefit is reserved for them.
- No default in statutory dues.
- Bonus shares shall be made out of free reserve (not from revaluation reserve or non cash profits)
- No bonus shares in lieu of dividend.
- Announced in BM.
- No partly paid up shares.
- Once declared it cannot be withdrawn unless with the consent of shareholders.

Implementation of bonus shares



- The bonus shares shall be issued within 6 mths from the date of BR.

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VIII BOOK BUILDING

- Cap of price band $\leq 20\%$
- Where the price band is to be revised, floor price can be moved up or down by 20% & the higher amt is adjusted accordingly.
- Revised price band should be-
 - o Informed to RSEs
 - o Displayed on website
 - o Press release
 - o The bidding period shall be extended by 3 days.

ALLOTMENT IN NET OFFER TO PUBLIC THROUGH BOOK BUILDING

