



Frequently Asked Questions (FAQs) on Issue of Capital and Disclosure Requirements, Regulations 2018 ('ICDR Regulations')

DISCLAIMER • This is not a legal document. • These FAQs are prepared with a view to guide market participants/investors on ICDR Regulations. For full particulars of laws governing the issuance of securities by unlisted Indian companies offering the shares to public and raising of further capital by listed companies, please refer to the Acts/Regulations/Guidelines/Circulars etc. appearing under the Legal tab of SEBI website i.e. www.sebi.gov.in • The contents of these FAQs are updated as on May 15, 2025.

Section – I

Issues by Indian Companies in India

FAQs in this section are presented under following 13 broad headings:

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1. Different kinds of Issues

1.1. What are the different kinds of issues which can be made by an Indian company in India?

Primarily, issues made by an Indian company can be classified as Public, Rights, Bonus and Private Placement. While public issues involve a detailed procedure but right issues, bonus issues and private placements by a listed company are relatively simpler. The classification of issues is as illustrated below:

a) Public issue

- i. Initial Public Offer (IPO)
- ii. Further Public Offer (FPO)

b) Rights Issue

c) Composite Issue

d) Bonus Issue

e) Private placement

- i. Preferential Issue
- ii. Qualified Institutions Placement

(a) **Public issue:** When an issue / offer of equity shares or convertible securities is made to new investors for becoming part of issuer company (Entity making an issue is referred as “Issuer”) it is called a public issue. Public issue can be further classified into Initial public offer (IPO) and Further public offer (FPO). The significant features of each type of public issue are illustrated below:

- i. **Initial Public Offer (IPO):** When an unlisted company makes either a fresh issue of shares or convertible securities or offers its existing shares or convertible securities for sale or both for the first time to the public, it is called an IPO. This paves way for listing and trading of the issuer’s shares or convertible securities on the Stock Exchanges.
- ii. **Further public offer (FPO):** When an already listed company makes a fresh issue of shares or convertible securities either to the public or an offer for sale to the public, it is called a FPO.

(b) **Rights issue (RI):** When an issue of equity shares or convertible securities is made by an issuer to its existing shareholders as on a particular date fixed by the issuer (i.e. record date), it is called a rights issue. The rights are offered in a

particular ratio to the number of shares or convertible securities held as on the record date.

- (c) **Composite issue:** means an issue of specified securities by a listed issuer on public-cum-rights basis, wherein the allotment in both public issue and rights issue is proposed to be made simultaneously.
- (d) **Bonus issue:** When an issuer makes an issue of shares to its existing shareholders without any consideration based on the number of shares already held by them as on a record date it is called a bonus issue. The shares are issued out of the Company's free reserve or share premium or capital redemption account in a particular ratio to the number of securities held on a record date.
- (e) **Private placement:** When an issuer makes an issue of shares or convertible securities to a select group of persons not exceeding 200, and which is neither a rights issue nor a public issue, it is called a private placement. Private placement of shares or convertible securities by listed issuer can be of two types:
 - i. **Preferential Issue:** When a listed issuer issues equity shares or convertible securities, to any select group of persons in terms of provisions of Chapter V of SEBI (ICDR) Regulations, 2018, it is called a preferential Issue. The issuer is required to comply with various provisions which inter-alia include pricing, disclosures in the notice, lock-in etc. in addition to the requirements specified in the Companies Act 2013.
 - ii. **Qualified institutions placement (QIP):** When a listed issuer issues equity shares or non-convertible debt instruments along with warrants and convertible securities other than warrants to Qualified Institutional Buyers only, in terms of provisions of Chapter VI of SEBI (ICDR) Regulations, 2018, it is called a QIP.

2. Types of Offer Documents (ODs)

2.1. What is an offer document?

‘Offer document’ is a document which contains all the relevant information about the company, promoters, projects, financial details, objects of raising the money, terms of the issue, etc. and is used for inviting subscription to the issue being made by the issuer.

‘Offer Document’ is called “Prospectus” & “Red herring prospectus” in case of a public issue and “Letter of Offer” in case of a rights issue.

2.2. I hear various terms like draft offer document, Red Herring prospectus, etc. what are they and how are they different from each other?

Terms used for offer documents vary depending upon the stage or type of the issue where the document is used. The terms used for offer documents are defined below:

- i. **Draft offer document** is an offer document filed with SEBI or with Stock Exchanges in case of SME issues for specifying changes, if any, in it, before it is filed with the Registrar of companies (ROCs). Draft offer document is made available in public domain including websites of SEBI, concerned stock exchanges, or concerned Merchant Banker and Issuer Company for enabling public to give comments, if any, on the draft offer document within specified period of time.
- ii. **Red herring prospectus** is an offer document used in case of a book built public issue. It contains all the relevant details except that of price or number of shares being offered. It is filed with RoC before the issue opens.
- iii. **Prospectus** is an offer document in case of a public issue, which has all relevant details including price and number of shares or convertible securities being offered. This document is registered with RoC before the issue opens in case of a fixed price issue and after the closure of the issue in case of a book built issue.
- iv. **Draft Letter of offer** is an offer document in case of a Rights issue of shares or convertible securities and is filed with Stock exchanges before the issue opens.
- v. **Abridged prospectus** is an abridged version of offer document and is issued along with the application form of a public issue. It contains all the salient features from the prospectus.



- vi. **Shelf prospectus** is a prospectus which enables an issuer to make a series of issues within a period of 1 year without the need of filing a fresh prospectus every time. This facility is available to public sector banks, scheduled banks and Public Financial Institutions.
- vii. **Placement document** is an offer document for the purpose of Qualified Institutional Placement and contains all the relevant and material disclosures.

3. Issue Requirements

3.1. Are there any entry requirements for an issuer to make an issue / offer to public? If yes, what are these?

SEBI has laid down entry norms for entities making a public issue/ offer. The same are detailed below

Entry Norms: Entry norms are different routes available to an issuer for accessing the capital market by way of a public issue. They are meant for protecting the investors by restricting fund raising by companies if they do not satisfy the entry requirements.

i. An unlisted issuer making a Public Issue (i.e. IPO) is required to satisfy the following provisions:

Entry Norm I (commonly known as “Profitability Route”)

The Issuer Company shall meet the following requirements:

- (a) Net Tangible Assets of at least Rs. 3 crores in each of the preceding three full years of which not more than 50% are held in monetary assets. However, the limit of fifty percent on monetary assets shall not be applicable in case the public offer is made entirely through offer for sale.
- (b) Minimum of Rs. 15 crores as average pre-tax operating profit in during last three financial of the immediately preceding five years
- (c) Net worth of at least Rs. 1 crore in each of the preceding three full years.
- (d) If the company has changed its name within the last one year, at least 50% revenue for the preceding 1 year should be from the activity suggested by the new name.

To provide sufficient flexibility and also to ensure that genuine companies are not limited from fund raising on account of strict parameters, SEBI has provided the alternative route to the companies not satisfying any of the above conditions, for accessing the primary Market, as under:

Entry Norm II (Commonly known as “QIB Route”)

Issue shall be through book building route, with at least 75% of net offer to the public to be mandatory allotted to the Qualified Institutional Buyers

(QIBs). The company shall refund the subscription money if the minimum subscription of QIBs is not attained.

ii. **A listed issuer making a public issue (i.e. FPO) is required to satisfy the following requirements:**

- (a) If the company has changed its name within the last one year, at least 50% revenue for the preceding 1 year should be from the activity suggested by the new name.

Any listed company not fulfilling above condition shall be eligible to make a public issue (i.e. FPO) by complying with QIB Route as specified for IPOs i.e. issue shall be through book building route, with at least 75% to be mandatory allotted to the Qualified Institutional Buyers (QIBs).

3.2. Is a listed company making a rights issue required to satisfy any entry norm?

No, there is no entry norm for a listed company making a rights issue.

3.3. Besides entry norms, are there any mandatory provisions which an issuer is expected to comply before making an issue?

An issuer making a public issue is required to inter-alia comply with the following provisions:

Minimum Promoter's contribution and lock-in:

In a public issue by an unlisted issuer, the promoters shall contribute not less than 20% of the post issue capital which should be locked in for a period of 1.5 years. "Lock-in" indicates a freeze on the shares.

Provided that in case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be three years from the date of allotment in the initial public offer.

The remaining pre issue capital of the promoters should also be locked in for a period of 6 months from the date of listing.

In case the majority of the issue proceeds excluding the portion of offer for sale is proposed to be utilized for capital expenditure, then the lock-in period shall be one year from the date of allotment in the initial public offer.

In case of public issue by a listed issuer [i.e. FPO], the promoters shall contribute not less than 20% of the post issue capital or 20% of the issue size. In cases where the promoters contribution has been brought in and utilized, then a cash flow statement disclosing the use of funds in the offer document should be included.

This provision ensures that promoters of the company have some minimum stake in the company for a minimum period after the issue or after the project for which funds have been raised from the public is commenced.

3.4. Whether I will get allotment of shares/convertible securities in case sufficient number of prospective allottees is not found?

No, the company cannot allot any shares or convertible securities unless there are at least 1000 prospective allottees in the public issue.

3.5. Can I be entitled to make an application for convertible securities in the company, if the company has not issued equity shares to the public and get it listed in stock exchange?

Yes, you can make application for public issue of convertible securities even if the company has not listed its equity shares.

3.6. In terms of regulation 17 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the entire pre-issue capital held by persons other than promoters needs to be locked-in for a period of 6 months, subject to certain exemptions provided thereunder including that for equity shares allotted to employees under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer. Can the Trusts meant for implementing the employee stock option schemes (ESOS) or employee stock purchase schemes (ESPS) transfer equity shares to employees in pursuance of such schemes, during the said lock-in period?

The Trusts meant for implementing the aforesaid schemes may transfer the equity shares to employees, upon exercise of vested option or under an ESPS, during the period of lock-in. However, the equity shares so received by the employees shall be subject to lock-in provisions as specified under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3.7. What is Offer for Sale?

"Offer for Sale" (OFS) refers to a process where existing shareholders (usually promoters or large investors) sell their shares in a listed company to the public through the stock exchange.

4. Pricing of an Issue

4.1. Who fixes the price of securities in an issue?

Indian primary market ushered in an era of free pricing in 1992. SEBI does not play any role in price fixation. The issuer in consultation with the merchant banker on the basis of market demand decides the price. The offer document contains full disclosures of the parameters which are taken in to account by Merchant Banker and the issuer for deciding the price. The Parameters include EPS, PE multiple, return on net worth and comparison of these parameters with peer group companies.

4.2. What is the difference between “Fixed price issue” and “Book Built issue”?

On the basis of Pricing, an issue can be further classified into Fixed Price issue or Book Built issue.

Fixed Price Issue: When the issuer at the outset decides the issue price and mentions it in the Offer Document, it is commonly known as “Fixed price issue”.

Book built Issue: When the price of an issue is discovered on the basis of demand received from the prospective investors at various price levels, it is called “Book Built issue”.

4.3. Where can I see the price and price band?

Issuer may disclose them in prospectus in case of a fixed price issue and floor price or price band in the red herring prospectus in case of a book built issue. The issuer is required to announce the floor price or price band at least two working days before the opening of the issue (in case of an initial public offer) and at least one working day before the opening of the issue (in case of a further public offer), in all the newspapers in which the pre issue advertisement was released.

4.4. How many days before the opening of issue, price band should be published by the issuer?

Issuers are required to disclose information pertaining to the price band at least 2 working days prior to opening of an issue.

4.5. How does it aid in decision making by the investors?

By providing the price band information sufficient number of days before issue opening, the market gets adequate time to absorb the same and factor that in the decision making process.



4.6. I came across an offer from the Issuer at initial public offer stating that it is issuing shares/ convertible securities to retail individual investors and employees of the company at a price 10% lesser than the price offered to others, Can I apply?

Yes, you can apply, if the company has offered so.

4.7. What is Pre-IPO?

A Pre-IPO (Pre-Initial Public Offering) refers to the phase before a company goes public, during which it seeks to raise capital or secure investors in preparation for its Initial Public Offering (IPO). During this period, companies often raise funds from private investors, institutions, or through private placements, to strengthen their financial position before they list their shares on the stock exchange

5. Understanding book building

5.1. What is Book Building?

Book building is a process of price discovery. The issuer discloses a price band or floor price before opening of the issue of the securities offered. On the basis of the demands received at various price levels within the price band specified by the issuer, Book Running Lead Manager (BRLM) in consultation with the issuer arrives at a price at which the security offered by the issuer, can be issued.

5.2. What is a price band?

The price band is a range of price within which investors can bid. The spread between the floor and the cap of the price band shall not be not less than 5% and not more than 20%. The price band can be revised. If revised, the bidding period shall be extended for a further period of three days, subject to the total bidding period not exceeding ten working days.

5.3. How does Book Building work?

Book building is a process of price discovery. A floor price or price band within which the bids can move is disclosed at least two working days before opening of the issue in case of an IPO and at least one day before opening of the issue in case of an FPO. The applicants bid for the shares quoting the price and the quantity that they would like to bid at.

After the bidding process is complete, the 'cut-off' price is arrived at based on the demand of securities. The basis of Allotment is then finalized and allotment/refund is undertaken. The final prospectus with all the details including the final issue price and the issue size is filed with ROC, thus completing the issue process. Only the retail investors have the option of bidding at 'cut-off' price instead of a specific bid price.

5.4. How does “cut-off” option works for investors?

“Cut-off” option is available for only retail individual investors i.e. investors who are applying for securities worth up to Rs 2,00,000/- only. Such investors are required to tick the cut-off option which indicates their willingness to subscribe to shares at any price discovered within the price band. Unlike price bids (where a specific price is indicated) which can be invalid, if price indicated by applicant is lower than the price discovered, the cut-off bids always remain valid for the purpose of allotment.

5.5. Can I (retail investor) change/revise my bid?

Yes, you can change or revise the quantity or price in the bid using the form for changing/revising the bid that is available along with the application form. However, the entire process of changing or revising the bids shall be completed within the date of closure of the issue.

5.6. Can I (retail investor) cancel my Bid?

Yes, you can cancel your bid anytime until issue closing date by approaching/ writing/ making an application to the registrar to the issue.

5.7. What proof can I request from a trading member or a syndicate member for entering bids?

The syndicate member returns the counterfoil with the signature, date and stamp of the syndicate member. You can retain this as a sufficient proof that the bids have been accepted by the trading / syndicate member for uploading on the terminal.

5.8. When is the company mandated to go for compulsory book building issue?

If the company does not satisfy any of the conditions stipulated in Chapter II, Part I, regulations 6(1) of the SEBI ICDR Regulations 2018, then it has to compulsorily go through the book built route.

6. Categories of Investors

6.1. What are the categories of investors in primary market? How the allotment is made to different categories of investors?

Investors are broadly classified under following categories:-

- i. **Retail individual Investor (RIIs):** “Retail individual investor” means an investor who applies or bids for securities for a value of not more than Rs. 2,00,000.
- ii. **Qualified Institutional Buyers (QIBs):** “Qualified Institutional Buyer” shall mean-
 - a. a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the Board;
 - b. foreign portfolio investor other than individuals, corporate bodies and family offices
 - c. a public financial institution;
 - d. a scheduled commercial bank;
 - e. a multilateral and bilateral development financial institution;
 - f. a state industrial development corporation;
 - g. an insurance company registered with the Insurance Regulatory and Development Authority of India;
 - h. a provident fund with minimum corpus of twenty five crore rupees;
 - i. a pension fund with minimum corpus of twenty five crore rupees registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
 - j. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
 - k. insurance funds set up and managed by army, navy or air force of the Union of India
 - l. insurance funds set up and managed by the Department of Posts, India
 - m. systematically important non-banking financial companies

- iii. **Non-Institutional Investors (NIIs):** Investors who do not fall within the definition of the above two categories are categorized as “Non-Institutional Investors”.

Allotment to various investor categories is detailed below:

In case of Book Built issue

1. In case an issuer company makes an issue of 100% of the net offer to public through voluntary book building process under profitability route:
 - a. Not less than 35% of the net offer to the public shall be available for allocation to retail individual investors;
 - b. Not less than 15% of the net offer to the public shall be available for allocation to non-institutional investors i.e. investors other than retail individual investors and Qualified Institutional Buyers;
 - c. Not more than 50% of the net offer to the public shall be available for allocation to Qualified Institutional Buyers.
2. In case of compulsory Book-Built Issues
 - a. at least 75% of net offer to public being allotted to the Qualified Institutional Buyers (QIBs), failing which the full subscription monies shall be refunded.
 - b. Not more than 15% the net offer to the public shall be available for allocation to non-institutional investors
 - c. Not more than 10% the net offer to the public shall be available for allocation to retail individual investors

In case of fixed price issue

The proportionate allotment of securities to the different investor categories in a fixed price issue is as described below:

1. A minimum 50% of the net offer of securities to the public shall initially be made available for allotment to retail individual investors.
2. The balance net offer of securities to the public shall be made available for allotment to:
 - a. Individual applicants other than retail individual investors, and
 - b. Other investors including corporate bodies/ institutions irrespective of the number of securities applied for.

6.2. Which are the investor categories to whom reservations can be made in an initial public issue on competitive basis?

Reservation on competitive basis can be made in a public issue to the following categories:

- i. Employees of the company
- ii. Shareholders (other than promoters and promoter group) of listed subsidiaries or listed promoters companies.

In a public issue by a listed company, the reservation on competitive basis can be made for retail individual shareholders and in such cases the allotment to such shareholders shall be on proportionate basis

6.3. Is there any discretion while doing the allotment amongst various investor categories as per the permissible allocations?

It is to be noted that there is no discretion in the allotment process. Further, the allotment of specified securities to applicants other than to the retail individual investors, non-institutional investors and anchor investors shall be on a proportionate basis within the respective investor categories.

The allotment to each retail individual investor and NIIs shall not be less than the minimum bid lot, subject to availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

7. Investment in public Issues/ rights issues

7.1. Where can I get application forms for applying/ bidding for the shares?

Application forms for applying/bidding for shares are available with all syndicate members, collection centers, the brokers to the issue, stock exchange website and the bankers to the issue. In case you intend to apply through APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA), you may get the ASBA application forms from the Self Certified Syndicate Banks. For more details on “ASBA process”, please refer to the sub-section titled “Understanding Applications Supported by Blocked Amount (ASBA) Process”.

7.2. Whom should I approach if the information disclosed in the offer document appears to be factually incorrect?

Merchant Banker(s), are required to do the due diligence while preparing an offer document. The draft offer document submitted to SEBI is put on website for public comments. In case, you find any instance of incorrect information/ lack of information, you may send your complaint to Lead Manager to the issue, whose name, contact number and Email is mentioned on the cover page of the Offer Document and/ or to SEBI at <http://scores.gov.in/>.

7.3. Is it compulsory to have PAN?

Yes, it is compulsory to have PAN. Any investor who wants to invest in an issue should have a PAN which is required to be mentioned in the application form. It is to be distinctly understood that the photocopy of the PAN is not required to be attached along with the application form at the time of making an application.

7.4. For how many days an issue is required to be kept open?

The period for which an issue is required to be kept open is:

For Fixed price public issues: 3-10 working days

For Book built public issues: 3-7 working days extendable by 3 days in case of a revision in the price band

For Rights issues : 07-30 days.

7.5. When do I get the refund of money?

It is informed that after the introduction of ASBA facility, which is mandatory in public issue/rights issue for RILs, NILs and QIBs, there is no transfer of money takes place from the applicant's account to escrow account instead the specified amount gets blocked in the applicant account and in case of non-allotment of shares the same amount gets unblocked in the account.

7.6. How can I know about the demand for an issue at any point of time?

The status of bidding in a book built issue is available on the website of BSE/NSE on a consolidated basis. The data regarding bids is also available investor category wise. After the price has been determined on the basis of bidding, the public advertisement containing, inter alia, the price as well as a table showing the number of securities and the amount payable by an investor, based on the price determined, is issued.

In case of a fixed price issue, the information is available on the website of BSE/NSE on a consolidated basis.

7.7. When will the shares allotted to me get listed?

Listing of shares will be done within 3 days after the closure of the issue.

7.8. How will I know which issues are coming to the market?

The information about the forthcoming issues may be obtained from the websites of Stock Exchanges. Further, the issuer coming with an issue is required to give issue advertisements in an English national Daily with wide circulation, one Hindi national newspaper and a regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.

7.9. Where do I get the copies of the offer document?

The soft copies of the offer documents are put up on the website of Issuer Company, Merchant Banker involved, Stock Exchange and on the website of SEBI under Offer Documents section at the following link:

<https://www.sebi.gov.in/filings/public-issues.html>

Copies of the offer documents in hard form may be obtained from the merchant banker.

7.10. How do I find the status of offer documents filed by issuers with SEBI?

SEBI updates the processing status of offer documents on its website every week under the section Offer Documents on SEBI website at the following link:

<https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=14>

[&smid=8](#). The draft offer documents are put up on the website under Reports/Documents section. The final offer documents that are filed with SEBI/ROC are also put up for information under the same section.

7.11. Whom do I approach if I have grievances in respect of non receipt of shares, delay in refund etc.?

You can approach the compliance officer of the issue or approach the Registrar to the issue /Merchant Banker/ SCSB, whose name and contact number is mentioned on the cover page of the Offer Document. You can also address your complaints to SEBI at <http://scores.gov.in/> . Alternately, you may write to SEBI at the following address: Office of Investor Assistance & Education, Securities & Exchange Board of India, C4-A, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.

8. Intermediaries involved in the Issue Process

8.1. Which are the intermediaries involved in an issue?

Intermediaries, which are registered with SEBI, are Merchant Bankers to the issue (known as Book Running Lead Managers (BRLM) in case of book built public issues), Registrars to the issue, and Bankers to the issue & Underwriters to the issue who are associated with the issue for different activities. Their addresses, telephone/fax numbers, registration number, and contact person and email addresses are disclosed in the offer documents.

- i. **Merchant Banker:** Merchant banker does the due diligence to prepare the offer document which contains all the details about the company. They are also responsible for ensuring compliance with the legal formalities in the entire issue process and for marketing of the issue.
- ii. **Registrars to the Issue:** They are involved in finalizing the basis of allotment in an issue and for sending refunds, allotment details, etc.
- iii. **Bankers to the Issue:** The Bankers to the Issue enable the movement of funds in the issue process and therefore enable the registrars to finalize the basis of allotment by making clear funds status available to the Registrars.
- iv. **Underwriters:** Underwriters are intermediaries who undertake to subscribe to the securities offered by the company in case these are not fully subscribed by the public, in case of an underwritten issue.
- v. **Monitoring Agency:** Monitoring agency is appointed to oversee the utilization of proceeds raised through public issues such as IPO or FPO.
- vi. **Sponsor Banks:** They facilitate the processing of public issue applications through the UPI mechanism by acting as an intermediary between Stock Exchanges, investors, NPCI and Self-Certified Syndicate Banks. They are responsible for initiating the mandate request, blocking funds in investor accounts, processing payments upon allocation and ensuring seamless fund reconciliation & settlement.

9. Guide to understand an offer document

This sub-section attempts to inform the structure of presentation of the content in an offer document. The basic objective is to help the reader to navigate through the content of an offer document.

(a) Cover Page

Under this head, full contact details of the Issuer Company, lead managers and registrars, the type of issue, number of shares offered, and the particulars regarding listing are disclosed.

(b) Risk Factors

Under this head the management of the issuer company gives its view on the Internal and external risks envisaged by the company and the proposals, if any, to address such risks. This information is disclosed in the initial pages of the document and also in the abridged prospectus. It is generally advised that the investors should go through all the risk factors of the company before making an investment decision.

(c) Introduction

Under this head a summary of the industry in which the issuer company operates, the business of the Issuer Company, offering details in brief, summary of consolidated financial statements and other data relating to general information about the company, the merchant bankers and their responsibilities, the details of brokers/syndicate members to the Issue, credit rating (in case of debt issue), debenture trustees (in case of debt issue), monitoring agency, book building process in brief, and details of underwriting Agreements are given. Important details of capital structure, objects of the offering, funds requirement, funding plan, schedule of implementation, funds deployed, sources of financing of funds already deployed, sources of financing for the balance fund requirement, interim use of funds, basic terms of issue, basis for issue price, tax benefits are also covered in this section.

(d) About our company

Under this head a review of the details of business of the company, business strategy, competitive strengths, industry-regulations (if applicable), history and corporate structure, main objects, subsidiary details, management and board

of directors compensation, corporate governance, related party transactions, exchange rates, currency of presentation and dividend policy are given.

(e) Financial Statements

Under this head financial statement and restatement as per the requirement of the Guidelines and differences between any other accounting policies and the Indian Accounting Policies (if the Company has presented its Financial Statements also as per either US GAAP/IFRS) are presented.

(f) Legal and other information

Under this head outstanding litigations and material developments, litigations involving the company, the promoters of the company, its subsidiaries, and group companies are disclosed. Also material developments since the last balance sheet date, government approvals/licensing arrangements, investment approvals (FIPB/RBI etc.), technical approvals, and indebtedness, etc. are disclosed.

(g) Other regulatory and statutory disclosures

Under this head, authority for the Issue, prohibition by SEBI, eligibility of the company to enter the capital market, disclaimer statement by the issuer and the lead manager, disclaimer in respect of jurisdiction, distribution of information to investors, disclaimer clause of the stock exchanges, listing, impersonation, minimum subscription, letters of allotment or refund orders, consents, expert opinion, changes in the auditors in the last 3 years, expenses of the issue, fees payable to the intermediaries involved in the issue process, details of all the previous issues, all outstanding instruments, commission and brokerage on, previous issues, capitalization of reserves or profits, option to subscribe in the issue, purchase of property, revaluation of assets, classes of shares, stock market data for equity shares of the company, promise vis-à-vis performance in the past issues and mechanism for redressal of investor grievances is disclosed.

(h) Offering information

Under this head Terms of the Issue, mode of payment of dividend, face value and issue price, rights of the equity shareholder, market lot, nomination facility to investor, issue procedure, book building procedure in details along with the

process of making an application, signing of underwriting agreement and filing of prospectus with SEBI/ROC, announcement of statutory advertisement, issuance of confirmation of allocation note("can") and allotment in the issue, designated date, general instructions, instructions for completing the bid form, payment instructions, submission of bid form, other instructions, disposal of application and application moneys, interest on refund of excess bid amount, basis of allotment or allocation, method of proportionate allotment, dispatch of refund orders, communications, undertaking by the company, utilization of issue proceeds, restrictions on foreign ownership of Indian securities, are disclosed.

(i) Other Information

This covers description of equity shares and terms of the Articles of Association, material contracts and documents for inspection, declaration, definitions and abbreviations, etc.

10. SEBI's role in an issue

10.1. What is SEBI's role in an issue?

The Securities and Exchange Board of India (SEBI) plays a crucial role in regulating and overseeing public issues in the Indian capital markets. A public issue refers to a company offering its shares or debentures to the public for the first time (through an Initial Public Offering, or IPO) or to raise further capital from the public (through a follow-up offering).

Here are the key roles of SEBI in public issues:

1. **Regulating the Process:** SEBI regulates the entire process of a public issue to ensure fairness and transparency. It sets guidelines and frameworks that companies must follow to issue securities to the public. This includes ensuring that the company discloses all material information, risks, and details about the financial health of the company.
2. **Investor Protection:** SEBI's primary goal is to protect the interests of investors. It ensures that investors receive full and fair disclosure about the company's financials, management, risks, and the use of funds raised through the public issue. SEBI also ensures that the market operates in a fair and transparent manner.
3. **Due Diligence and Scrutiny:** SEBI conducts due diligence on the companies planning to issue shares to the public, ensuring that they comply with all legal and regulatory requirements. The regulator also reviews the intermediaries involved in the process, such as investment bankers, legal advisors, and auditors, to ensure their credibility and competence.
4. **Compliance Monitoring:** SEBI monitors whether companies and their promoters are complying with regulations related to the issue, including the pricing, allocation, and allotment of shares, as well as post-issue requirements. This includes monitoring the behavior of market intermediaries like underwriters and brokers to prevent market manipulation.
5. **Regulation of Underwriters and Brokers:** SEBI monitors the role of underwriters, brokers, and other market participants to ensure that they act in compliance with the regulatory framework. These intermediaries help in the marketing and

distribution of the public issue, and SEBI ensures that they do not engage in unethical practices.

6. **Post-Issue Disclosure and Listing:** After the public issue, SEBI ensures that the company complies with the disclosure norms and requirements, such as providing financial reports, and that the securities are listed on the stock exchanges in a timely and transparent manner.

In summary, SEBI's role in public issues is to safeguard the interests of investors, maintain the integrity of the securities market, and ensure that companies conduct their public offerings in compliance with the rules and regulations set by the authority.

There is no requirement of filing any offer document / notice to SEBI in case of preferential allotment and Qualified Institution Placement (QIP). In QIP, Merchant Banker handling the issue has to file the placement document with Stock Exchanges for making the same available on their websites.

Given below are few clarifications regarding the role played by SEBI:

- (a) Till the early nineties, Controller of Capital Issues used to decide about entry of company in the market and also about the price at which securities should be offered to public. However, following the introduction of disclosure based regime under the aegis of SEBI, companies can now determine issue price of securities freely without any regulatory interference, with the flexibility to take advantage of market forces.
- (b) The primary issuances are governed by SEBI in terms of SEBI (ICDR) Regulations, 2018. SEBI framed its Disclosures and Investor Protection (DIP) guidelines initially for public offerings which were later converted into Regulations i.e. in 2009 by way of ICDR Regulations (later amended to SEBI ICDR Regulations 2018). The SEBI DIP Guidelines, and subsequently ICDR Regulations, over the years have gone through many amendments in keeping pace with the dynamic market scenario. It provides a comprehensive framework for issuing of securities by the companies.
- (c) Before a company approaches the primary market to raise money by the fresh issuance of securities it has to make sure that it is in compliance with

all the requirements of SEBI (ICDR) Regulations, 2018. The Merchant Banker are those specialised intermediaries registered with SEBI, who perform the due diligence and ensures compliance with ICDR Regulations before the document is filed with SEBI.

- (d) Officials of SEBI at various levels examine the compliance with ICDR Regulations and ensure that all necessary material information is disclosed in the draft offer documents.

Still there are certain mis-conceptions prevailing in the mind of investors about the role of SEBI which are clarified here in under:

i. **Does SEBI recommend any Issue?**

It should be distinctly understood that SEBI does not recommend any issue nor does it take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made.

ii. **Does SEBI approve the contents of an issue?**

Submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. The Lead manager certifies that the disclosures made in the offer document are generally adequate and are in conformity with SEBI guidelines for disclosures and investor protection in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

iii. **If SEBI has issued observations on the offer document, does it mean that my investment is safe?**

The investors should make an informed decision purely by themselves based on the contents disclosed in the offer documents. SEBI does not associate itself with any issue/issuer and should in no way be construed as a guarantee for the funds that the investor proposes to invest through the issue. However, the investors are generally advised to study all the material facts pertaining to the issue including the risk factors before considering any investment.

11. Other terms

11.1. Green-shoe Option

Green Shoe Option is a price stabilizing mechanism in which shares are issued in excess of the issue size, i.e. a maximum of 15%. It is a mechanism to stabilize the issue price post listing.

11.2. Open book/closed book

In an open book building system the merchant banker along with the issuer ensures that the demand for the securities is displayed online on the website of the Stock Exchanges. Here, the investor can be guided by the movements of the bids during the period in which the bid is kept open. Indian Book building process provides for an open book system.

In the closed book building system, the book is not made public and the bidders will have to take a call on the price at which they intend to make a bid without having any information on the bids submitted by other bidders.

11.3. Hard underwriting

Hard underwriting is when an underwriter agrees to buy his commitment of shares before the issue opens. The underwriter guarantees a fixed amount to the issuer. Thus, in case the shares are not subscribed by investors, the issue is devolved on underwriters and they have to bring in the amount by subscribing to the shares. The underwriter bears a risk which is much higher than soft underwriting.

11.4. Soft underwriting

Soft underwriting is when an underwriter agrees to buy the shares at stage after the issue is closed. The risk faced by the underwriter as such is reduced to a small window of time.

11.5. Differential pricing

When one category of investors is offered shares at a price different from the other category it is called differential pricing. The following are the different categories of investors to whom shares can be issued at differential pricing:

- a) Retail investors: An issuer company can allot the shares to retail individual investors at a discount of maximum 10% to the price at which the shares are offered to other categories of public.

- b) Employees: An issuer company can offer the shares to employees at a discount of maximum 10% to the floor price at which the shares are offered to other categories of public.

11.6. Basis of Allocation/Basis of Allotment

After the closure of the issue, the bids received are aggregated under different categories i.e., firm allotment, Qualified Institutional Buyers (QIBs), Non-Institutional Investors (NIIs), Retail Individual Investors (RII), etc. Allotment to QIBs is done on a proportionate basis. However, the allotment to each retail individual investor and NIIs shall not be less than the minimum bid lot, subject to availability of shares in retail individual investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

11.7. Fast Track Issues (FTI)

SEBI has introduced FTI in order to enable well-established and compliant listed companies satisfying certain specific entry norms/conditions to access Indian Primary Market in a time effective manner. Such companies can proceed with FPOs / Right Issues by filing a copy of RHP / Prospectus with the RoC or the Letter of Offer with designated Stock Exchanges and SEBI. Such companies are not required to file Draft Offer Document for SEBI comments and to Stock Exchanges. Entry Norms for companies seeking to access Primary Market through Fast track route:

- (i) The shares of the company have been listed on any stock exchange having nationwide terminals for a period of at least three years immediately preceding the date of filing of offer document with RoC/ SE.
- (ii) The “average market capitalisation of public shareholding” of the company is at least Rs.3000 crores;
- (iii) The annualized trading turnover of the shares of the company during six calendar months immediately preceding the month of filing of offer document with RoC/ SE has been at least two percent of the weighted average number of shares listed during the said six months period:

Provided that for issuers, whose public shareholding is less than fifteen per cent of its issued equity capital, the annualised trading turnover of its equity shares has to be at least two per cent of the weighted average number of equity shares available as free float during such six months' period



- (iv) The company has redressed at least 95% of the total shareholder / investor grievances or complaints received till the end of the quarter immediately proceeding the month of the date of filing of offer document with RoC/ SE.
- (v) The company has complied with the LODR Regulations 2015 for a period of at least three years immediately preceding the filing of offer document with RoC/ SE.
- (vi) The impact of auditors' qualifications, if any, on the audited accounts of the company in respect of the financial years for which such accounts are disclosed in the offer document does not exceed 5% of the net profit/ loss after tax of the company for the respective years.
- (vii) No prosecution proceedings or show cause notices issued by the Board are pending against the company or its promoters or whole time directors as on the date of filing of offer document with RoC/ SE.
- (viii) The entire shareholding of the promoter group is held in dematerialised form as on the reference date.

12. Additional information

12.1. Where do I get data on primary issues? (issuer, total issues, issue size, the intermediaries, etc., during a given period)

SEBI brings out a monthly bulletin that is available off the shelf at bookstores. A digital version of the same is available on the SEBI website under the *Home » Reports & Statistics » Publications » Monthly SEBI Bulletin* section. The Bulletin contains all the relevant historical figures of intermediary issue and intermediary particulars during the given period placed against historical figures.

12.2. What are the relevant regulations and where do I find them?

The SEBI Manual is a comprehensive databank of all relevant Acts, Rules, Regulations and Guidelines that are related to the functioning of the Board. The details pertaining to the Acts, Rules, Regulations, Guidelines and Circulars are placed on the SEBI website under the “Legal Framework” section. The periodic updates are uploaded on the SEBI website regularly.

12.3. Will SEBI answers my queries pertaining to primary market?

The “Contact us” section on the SEBI website gives details of the contact name, address, phone number, etc for any investor to communicate his/her complaints or for assistance. However, if the queries are legal in nature, they may be referred to SEBI under the SEBI (Informal Guidance) Scheme, 2003 available at https://www.sebi.gov.in/legal/guidelines/jun-2003/sebi-informal-guidance-scheme-2003_16004.html

13. Convertible Securities

13.1. What is the maximum tenure in case of public issue of convertible securities?

As per SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the maximum tenure in case of public issue of convertible securities is 18 months.

Section – II

Issues by foreign companies in India (Indian Depository Receipts) (IDRs)

1. What is an Indian Depository Receipts (IDRs)?

Indian Depository Receipt (IDR) is a financial instrument denominated in Indian Rupees in the form of a depository receipt. The IDR is a specific Indian version of the similar global depository receipts in USA and Europe i.e. ADRs and GDRs respectively. IDR is created by a Domestic Depository (custodian of securities registered with the Securities and Exchange Board of India) against the underlying equity of issuing company to enable foreign companies to raise funds from the Indian securities Markets.

2. Which are all the legislations governing IDRs?

Company incorporated outside India may issue IDR through a Domestic Depository, to a person resident in India and a person resident outside India by complying with the provisions of the companies (Registration of Foreign Companies) Rules, 2014 and the SEBI ICDR Regulations, 2018. Also, any issue of IDR by financial/ banking companies having presence in India, either through a branch or subsidiary, shall require prior approval of the sector regulators.

Applicable provisions:

- a. Companies Act, 2013
- b. Rule 13 of the Companies (Registration of Foreign Companies) Rules, 2014
- c. Regulation 183, 184, 186, 191, 194, 197, 198, 200, 201, 202, 203, 204, 205, 206, 208, 209, Schedule III, IV, V, IX, X, XII, XVI, XVII and XIX of SEBI ICDR Regulations, 2018
- d. Para 1, 1.5 of Annexure 9 of the Master Direction- Foreign Investment in India

3. Who is eligible to issue IDRs?

- 1) Issuing company shall abstain from issuing IDRs unless (Companies (Registration of Foreign Companies) Rules, 2014):
 - a. its pre-issue paid-up capital and free reserves are at least US\$ 50 million and it has a minimum average market capitalization (during the last 3 years) in its present country of at least US\$100 million
 - b. it has a track record of distributable profits for 3 years at least out of immediately preceding 5 years

c. it has been continuously trading on a stock exchange in its parent or home country (the country of incorporation of such company) for at least immediately 3 preceding years.

2) Issuing company shall be eligible to make an issue of IDRs only if SEBI ICDR Regulations 2018:

- the issuing company is listed in its home country for at least three immediately preceding years;
- the issuer is not prohibited to issue securities by any regulatory body;
- the issuer has a track record of compliance with the securities market regulations in its home country;
- any of its promoters or directors is not a fugitive economic offender;
- The issue shall be subject to the following conditions:
 - a) issue size shall not be less than fifty crore rupees;
 - b) at any given time, there shall be only one denomination of IDRs of the issuer.
 - c) issuer shall ensure that the underlying equity shares against which IDRs are issued have been or will be listed in its home country before listing of IDRs in stock exchange(s).
 - d) issuer shall ensure that the underlying shares of IDRs shall rank pari passu with the existing shares of the same class

3) Obtain in-principle approval for listing of IDRs to one or more stock exchanges and choose one of them as the designated stock exchange.

4) Enter into an agreement with a Depository for dematerialization of proposed issue of IDRs.

5) IDRs shall be denominated in Indian Rupees only.

4. Which intermediaries are involved in issuance of IDRs?

- Overseas Custodian Bank is a banking company which is established in a country outside India and has a place of business in India and acts as custodian for the equity shares of issuing company against which IDRs are proposed to be issued in the underlying equity shares of the issuer is deposited.
- Domestic Depository who is a custodian of securities, registered with SEBI and authorised by the issuing company to issue Indian Depository Receipts;

- Merchant Banker registered with SEBI who is responsible for due diligence and through whom the draft prospectus for issuance of the IDR and due diligence certificate is filed with SEBI by the issuer company.

5. Whether the draft prospectus for IDRs has to be filed with SEBI?

Yes. Foreign issuer is required to file the draft prospectus with SEBI while complying with the requirements of SEBI (ICDR) Regulations, 2018. Any changes specified by SEBI shall be incorporated in the final prospectus to be filed with Registrar of Companies.

6. Whether any listing permission is required for issuance of IDRs?

Yes, the issuer company is required to obtain in-principle listing permission from all the recognized stock exchanges in which the issuer proposes to get its IDRs listed.

7. Whether the IDRs are required to be listed in any stock exchanges of India?

Yes, The IDRs are required to be listed in atleast one stock exchange in India having nationwide terminals.

8. Whether IDRs can be converted/redeemed into underlying equity shares?

IDRs can be converted/ redeemed into the underlying equity shares only after the expiry of one year from the date of the listing of the IDRs, subject to the compliance of the related provisions of Foreign Exchange Management Act and Regulations issued thereunder by RBI & SEBI in this regard.

9. What are the exit options available to the investor in IDR?

The Investor may trade the IDRs in India or can request for redemption of the IDRs to the issuer company as per applicable law.

10. Who is responsible to distribute the corporate benefits to the IDR holders?

On the receipt of dividend or other corporate action on the IDRs, the Domestic Depository shall distribute the corporate benefits to the IDR holders in proportion to their holdings of IDRs subject to terms, conditions and limitations mentioned in the IDR offer document.

11. Can an IDR holder appoint any nominee in case of death?

Yes, an IDR holder can at any time nominate a person to whom his IDRs shall vest in the event of his death.

12. What are the requirements for investing in IDRs?

Following are some of the requirements for investing in IDRs:

- IDRs can be purchased by any person who is resident in India as defined under FEMA

- Minimum application amount in an IDR issue shall be Rs. 20,000.
- Investments by Indian companies in IDRs shall not exceed the investment limits, if any, prescribed for them under applicable laws. Insurance companies are not permitted to invest in IDRs
- In every issue of IDR—
 - At least 50% of the IDRs issued shall be subscribed to by QIBs;
 - The balance 50% shall be available for subscription by non-institutional and retail.

13. What is a fungibility window?

Fungibility window is the time period specified by the issuer company during which IDR holders can apply for conversion/redemption of IDRs into underlying equity shares.

14. How is the IDR holder informed about the duration of fungibility window?

IDR holders can look for such announcements made by the company in leading English and Hindi national daily newspapers with wide circulation as well as the websites of the stock exchanges.

15. Can part of the IDR holding be converted/ redeemed into shares?

RBI and SEBI have vide their respective circulars introduced limited two-way fungibility for Indian depository receipt.

Note: Some of the procedures/ guidelines are subject to change by SEBI, RBI, Ministry of Corporate Affairs or the issuer company. The investors need to take into account such changes before taking investment decisions.

Section- III

Applications Supported by Blocked Amount (ASBA) Facility

FAQs on ASBA facility are presented under the following two broad categories.

- FAQs on ASBA for investors
- FAQs on ASBA for others

FAQs on ASBA for investors

1. What is “ASBA”?

ASBA means “Application Supported by Blocked Amount”. ASBA is an application by an investor containing an authorization to Self Certified Syndicate Bank (SCSB) to block the application money in the bank account, for subscribing to an issue. If an investor is applying through ASBA, his application money shall be debited from the bank account only if his/her application is selected for allotment after the basis of allotment is finalized and upon instructions sent by the registrar to the issue to SCSBs.

2. What is Self-certified Syndicate Bank (SCSB)?

SCSB is a bank, which is recognized as a bank capable of providing ASBA services to its customers. Names of such banks would appear in the list available on the website of SEBI. At the following link:
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

3. Detailed procedure of applying in IPO through ASBA

Under ASBA facility, investors can apply in any public/ rights issues by using their bank account. Investor submits the ASBA form (available at the designate branches of the banks acting as SCSB) after filling the details like name of the applicant, PAN number, demat account number, bid quantity, bid price and other relevant details, to the bank branch by giving an instruction to block the amount in their account. In turn, the bank will upload the details of the application in the bidding platform. Investors shall ensure that the details that are filled in the ASBA form are correct otherwise the form is liable to be rejected.

Investors can also apply in IPOs through online/electronic mode if the SCSBs are providing such facility.

Investors can also procure ASBA form from other designated intermediaries like members of the Syndicate, sub syndicate or agents, Registered Brokers, collecting

depository participants and registrar and transfer agents, who are authorised to collect ASBA Forms from the relevant bidders, in relation to the issue.

4. Who can apply through ASBA facility?

In public issues and rights issue, all investors have to mandatorily apply through ASBA.

5. Where should I submit my Application Supported by Blocked Amount (ASBA)? How shall I know which bank and which branch of that bank is the designated branch for accepting ASBA applications?

List of Self Certified Syndicate Banks (SCSBs) and their designated branches i.e. branches where ASBA application form can be submitted, is available on the websites of BSE, NSE at –

BSE	NSE
https://www.bseindia.com/Static/PublicIssues/scsb.aspx	https://www1.nseindia.com/products/content/equities/ipos/asba_procedure_s.htm

SEBI website link can be accessed at –

Home» Intermediaries / Market Infrastructure Institutions» Recognised Intermediaries» Self-Certified Syndicate Banks under the direct ASBA facility (equity issuances).

6. Can I submit ASBA in any of the banks specified in the list of SCSBs?

Yes. ASBA can be submitted in any of the SCSB branches specified in the list of SCSBs. However, the investor needs to hold a savings bank account with the SCSB in which the application is submitted.

7. How many applications can be made from a bank account?

Only one application can be made from a bank account in a Public Issue. In case of Rights Issue, more than one application can be made upto rights entitlement being applied for.

8. Am I required to submit ASBA only physically?

No, you can either fill up the physical ASBA form available with SCSB and submit the same to the SCSB or apply electronically/online through the internet banking facility (if provided by your SCSB) or UPI.

Investors can also procure ASBA form from other designated intermediaries like members of the Syndicate, sub syndicate or agents, Registered Brokers, collecting depository participants and registrar and transfer agents, who are authorised to collect ASBA Forms from the relevant bidders, in relation to the issue.

9. Can I withdraw my ASBA bids? If yes, how?

Retail individual investors can withdraw ASBA bids upto the closure of the issue. During the bidding period you can approach the same bank to which you had submitted the ASBA and request for withdrawal through a duly signed letter citing your application number, TRS number, if any. If the ASBA form has been submitted to the designated intermediary, the bidder can approach the concerned designated intermediary.

However, Non-retail investors i.e. Qualified Institutional Buyers and Non- Institutional Investors are not eligible to withdraw their bids at any time.

10. Whom should I approach if I find that I had given all correct details in the application form, but application has been rejected stating wrong data?

Please approach the concerned SCSB or the designated intermediary, as applicable for any complaints regarding your ASBA applications. SCSB is required to give reply within 15 days. In case, you are not satisfied, you may lodge your complaint with Merchant Banker and SEBI on <http://scores.gov.in/>.

11. Whether my bank account will be blocked or only the amount to the extent of application money is blocked?

No, the entire bank account will not be blocked. Only the amount to the extent of application money authorized by the investor in the ASBA Form will be blocked in the bank account. The balance money, if any, in the account can still be used for other purposes.

12. If I withdraw my bid made through ASBA, will the bank account be unblocked immediately?

In the event of valid withdrawal, the SCSB deletes the bid in stock exchanges platform and unblocks the application money in the bank account.

13. Do I necessarily need to have a DP account with the SCSB where I intend to submit the ASBA application?

No. It is not necessary to have a DP account with the SCSB, where you are submitting the ASBA application.

- 14. Are the bids submitted through ASBA and uploaded in the electronic bidding system of the stock exchange, in case of public issue through book building, reflect in the demand graphs displayed in the website of stock exchanges?**

Yes. The bids received through ASBA mode will also be reflected in the demand graphs displayed in the website of stock exchanges.

- 15. Who is responsible for errors in the data uploaded in the electronic bidding system in case of public issue?**

In case there is an error in the data furnished in the application form submitted by investor, the investor shall be responsible. In case there is an error by SCSB/ Syndicate Member / Registered Broker/Collecting Depository Participant in entering the data in the electronic bidding system of the stock exchanges, the respective entity shall be responsible.

- 16. Will I get the acknowledgement of receipt for physical applications submitted through ASBA from the SCSB?**

Yes. The SCSB shall give a counterfoil as an acknowledgement at the time of submission of ASBA and also the order number, generated at the time of uploading the application details, if sought by the investors in case of need.

- 17. What happens when the issue fails/is withdrawn?**

In case the issue fails/withdrawn the SCSB shall unblock the application money from the bank accounts upon receiving instructions from the Registrar to the issue

- 18. In case of any complaints regarding ASBA application whom can I approach?**

In case of any complaints, the investor shall approach the bank, where the application form was submitted or the Lead Manager / Registrar to the issue.

- 19. In case a person is having bank account with a branch, for example, at Kolkata can he submit IPO application through ASBA at a branch of the bank in Guwahati.**

Yes, this can be done provided that your bank has core banking facility and the ASBA form is submitted at a branch which is identified as designated branch by the bank.

- 20. What if the SCSB is not the applicant's banker?**

In case investor does not have an account with any of the SCSBs, then he cannot make use of the ASBA facility.

FAQs on ASBA for others

21. Is issuer required to provide ASBA facility for all issues?

Yes. In all public issues like IPOs, FPOs and Rights Issues, issuer is mandatorily required to provide only ASBA as mode for payment.

22. Does issuer have discretion to appoint SCSBs?

Any Bank which is registered as Banker to the Issue can act as an SCSB. Hence, Issuer has no discretion in choosing SCSBs and all SCSBs whose name appears in the SEBI Website as a recognized intermediary will act as a deemed SCSBs for public Issues.

23. What is expected to be ensured by the issuer for ASBA facility?

Issuer shall, in consultation with Lead managers, ensure the following:

- Sufficient number of physical ASBA application forms are printed and made available to all SCSBs.
- Registrar to issue appointed by the issuer has capability to comply with the procedures laid down by SEBI for ASBA.
- Alternately, SCSBs can also provide an online/electronic ASBA facility to investors for applying in IPOs.

24. I am a Bank and want to make a public issue through a book building. Can I act as a SCSB in the issue?

Yes, you can act as a SCSB provided your name appears in the list of SCSBs on SEBI's website.

25. How can a bank become an SCSB?

A bank which is registered with SEBI as a Banker to the Issue in terms of SEBI (Bankers to an Issue) Regulations can become SCSB subject to the following requirements etc.:

Submit a certification to SEBI confirming that it is capable of discharging the responsibilities of a SCSB.

SEBI to include name of the bank in the list of SCSBs displayed on the website of SEBI.

26. How a bank which has become a SCSB can get connectivity with electronic bidding system of Stock exchanges?

The bank can contact the stock exchange offering electronic bidding system, which is presently being offered by Bombay Stock Exchange and National Stock Exchange to get connectivity and ensure that systems are in place to get the connectivity and secured transfer of data from banks to Stock Exchanges.

27. Can a Cooperative Bank, become an SCSB?

Any bank which is registered as bankers to an issue with SEBI in terms of SEBI (Bankers to an Issue) Regulations can become SCSB subject to satisfying other conditions specified by SEBI.

28. Can SCSB accept ASBA application electronically also?

Yes, SCSBs can provide a facility of submitting ASBA through the internet banking facility to the investors electronically where the provision to block the account is provided.

29. If a SCSB intends to provide only electronic ASBA, is it possible?

Yes, it is possible; however, sufficient information to this effect should be made available to all the clients by the SCSB.

30. What is a SCSB expected to do after receipt of the ASBA?

After receipt of ASBA, SCSB is expected to ensure (i) blocking of fund in the bank accounts mentioned in ASBA and/ or (ii) uploading the details given in ASBA received physically or electronically, in the electronic bidding system of Stock Exchange(s).

31. Is SCSB required to validate/verify details given in ASBA?

No, SCSB is not required to validate the details given in ASBA application. SCSB is however required to follow the normal diligence required in banking transactions.

32. Can SCSB outsource the task of collection of ASBA applications and uploading of the application details?

Yes. SCSB is wholly responsible for any omission and commission done during the process and the bids which are uploaded in the electronic bidding system of Stock Exchanges has to be done through SCSB code.

33. How does a SCSB get the file formats for uploading of bids?

In case of public/rights issues, SCSB may approach the Stock Exchange offering electronic bidding system for file formats.

34. What data/details a SCSB is required to send to the Stock exchanges and Registrar?

SCSB is required to upload details like Application number, DP ID, Client ID, Bid Quantity, Amount, PAN from ASBA form.

In case of an Electronic ASBA, the ASBA investor himself/herself shall fill in all the above mentioned details in the online application system of the bank, except the application number which shall be system generated. The SCSB shall

thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

Further, if there is any withdrawal during the bidding period, SCSB shall delete the same for each record and unblock such application amount in the bank account of the investor.

The SCSB shall send the following aggregate information to the Registrar to the Issue after closure of the bidding period:

- i. Total number of ASBAs uploaded by the SCSB
- ii. Total number of shares and total amount blocked against the uploaded ASBAs

35. Is it mandatory that only Designated Branch (DB) which accepts the ASBA has to upload the bids in the Electronic Bidding System?

No, it is not mandatory. Depending upon the internal control and systems of each bank, it is possible for DBs to collect applications, block the amount and then transfer to Controlling Branch (CB) for centralized uploading or DBs to only collect applications and upload directly. As far as investors are concerned, they should be informed about addresses of DBs where they can submit ASBAs.

36. Will the investor get a confirmation from the Stock Exchanges on upload of bids in case of his subscription?

Yes, Stock Exchange electronic bidding system will provide for generation of order number which can confirm the uploading of bids in IPOs/FPOs. This order number as well as application number, will help SCSB as well as the investors in tracking their application.

37. What records a SCSB is required to keep in regard to ASBA facility?

Electronic record of ASBA uploaded, account/amount blocked and unblocked. ASBA physical forms may be retained for a period of 6 months with SCSB for redressing complaints if any, of ASBA investor and thereafter the same may be sent to the issuer.

38. What is expected to be done by the SCSB, in case the investor withdraws his ASBA bid during the bidding period?



Once a valid application for withdrawal is received, SCSB will perform the necessary action to delete the bids from electronic bidding system and unblock the amount from the respective customer bank account.

39. Does SCSB have the discretion to select issues where it will provide service of ASBA?

No. Once a bank is included in the list of SCSBs maintained by SEBI, it shall act as SCSB for all public issues.

40. How can the Registrar reconcile the data on ASBA Bids in case of public issues since the Registrar does not get the application in case of ASBA?

Registrar will do the reconciliation based on data received from Stock Exchanges and the aggregate data received from SCSBs after closure of the issue regarding total number of bids uploaded, the total number of shares applied for in such uploaded bids and total amount blocked for such uploaded bids.

41. Can ASBA be made against overdraft facility, credit limits etc?

No, for ASBA, SCSBs to ensure that applications are made against a bank account in which clear demarcated funds are available.

Section- IV

Use of Unified Payments Interface (UPI) with ASBA in public issue process

1. What is UPI?

Unified Payments Interface (UPI) is an instant payment system developed by the National Payments Corporation of India (NPCI), an RBI regulated entity. UPI is built over the IMPS infrastructure and allows you to instantly transfer money between any two parties' bank accounts. (Source: NPCI - <https://www.npci.org.in/what-we-do/upi/faqs>)

2. What is a UPI ID?

UPI ID (also called Virtual Payment Addressor VPA) is a unique ID for using UPI. The UPI Id can be created by registering with one of the UPI enabled mobile applications (App) using the investors bank account details.

3. How is public issue application using UPI different from public issue application using ASBA submitted with intermediaries?

Public issue application using UPI is a step towards digitizing some of the offline processes involved in the application process by moving the same online. This requires an investor to create a UPI ID and PIN using any of the UPI enabled mobile applications of SCSBs. The UPI ID can be used for blocking of funds in the bank account and making payment in the public issue process. An investor can accept the request to block the funds for the amount bid by entering the UPI PIN in his/her mobile application. The money shall be blocked and shall be remitted to the Escrow Bank, in case of allotment. In case of non-allotment, the funds shall be unblocked by the SCSBs. UPI in public issue process will essentially bring in comfort, ease of use and reduce the listing time for public issues.

4. Is use of UPI, as a payment mechanism in public issues, mandatory?

It is not mandatory. ASBA is mandatory which includes UPI as one of the mechanisms for applications made by individual investors through the intermediaries, provided the application amount is upto Rs.5 Lakhs.

5. Are all categories of investors eligible to apply in public issues using UPI for payment?

No. Only individual investors are allowed to use UPI for payment in public issues as Retail Investors and Non-Institutional Investors (up to Rs 5,00,000).

6. Up to what limit can I apply for a public issue in UPI?

The limit for an IPO application made by individual investors through UPI is Rs. 5 Lakhs. However, the retail individual investors limit shall continue to be upto Rs. 2 Lakhs.

Thus, the applications where the application amount is greater than Rs. 2 Lakhs and upto Rs. 5 Lakhs shall be considered under Non Institutional Investors category.

7. Can I use my existing UPI ID for applying in public issues?

Yes. The existing UPI ID can be used, provided that:

- The bank account associated with the UPI ID is held with a bank whose name is appearing in the 'List of SCSBs eligible to act as an Issuer Bank' available on website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- The investors shall be using a mobile application and a UPI handle that supports use of UPI for public issues. A list of such applications and handles appears in the 'List of Mobile Applications for using UPI in Public Issues' available on website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>

Investors, whose bank is not providing the UPI Mandate facility, may use the other alternate channels available to them viz. submission of physical application form with Self Certified Syndicate Bank or using the facility of linked online trading, demat and bank account.

8. How can “UPI as a payment option” be used in the public issue process”?

UPI as part of bidding

- Investor can fill in the bid details in the application form or the mobile device / web interface of the intermediary along with his/her UPIID.
- As per the existing process, investor may submit the application or fill in the bid details on the mobile device / web interface with any of the intermediaries (Syndicate Member/ Registered Stock Brokers / Registrar and Transfer Agents / Depository Participants), who, on receipt of application will upload the bid details along with UPI id in the stock exchange bidding platform.

- The stock exchange will electronically share the bid details, along with investors UPI id, with the Sponsor Bank appointed by the issuer company.

UPI as part of blocking of funds

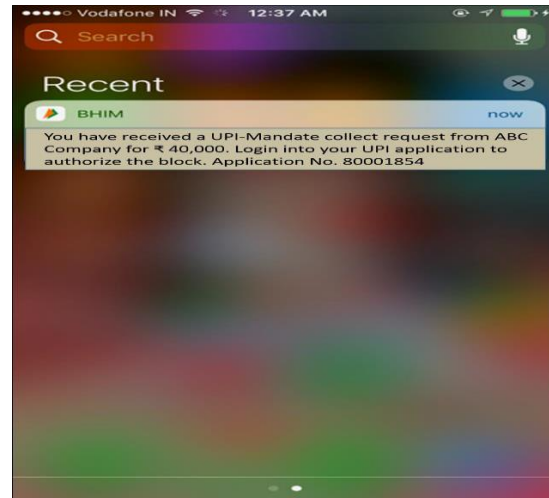
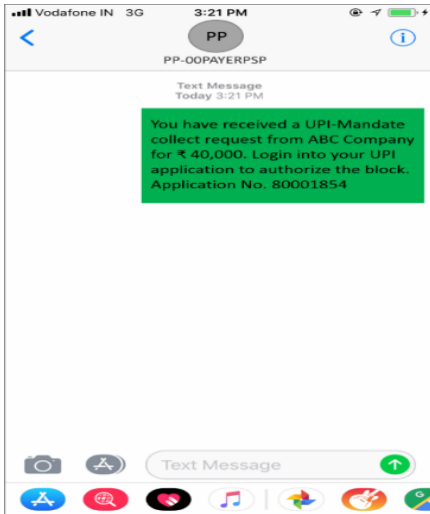
- The Sponsor Bank will request the investor to authorize blocking of funds equivalent to application amount and subsequently debit the funds in case of allotment.
- The request raised by the Sponsor Bank, would be electronically received by the investor as an SMS/intimation on his / her bank provided mobile no./mobile app associated with UPIID.
- Upon validation of mandate fund block request by the investor by entering his UPI PIN, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

UPI as part of payment for shares allocation process

- The registrar to the issue, based on information of bidding and blocking received from stock exchange, would undertake reconciliation and prepare the basis of allotment.
- Upon approval of such basis of allotment, the instructions would be sent to sponsor bank to initiate process for credit of funds in the public issue escrow account and unblocking excess money.
- Based on authorization given by investor using UPI PIN at the time of fund blocking, the funds, equivalent to the allotment, would be debited from investors account and remaining funds, if any, would be unblocked.

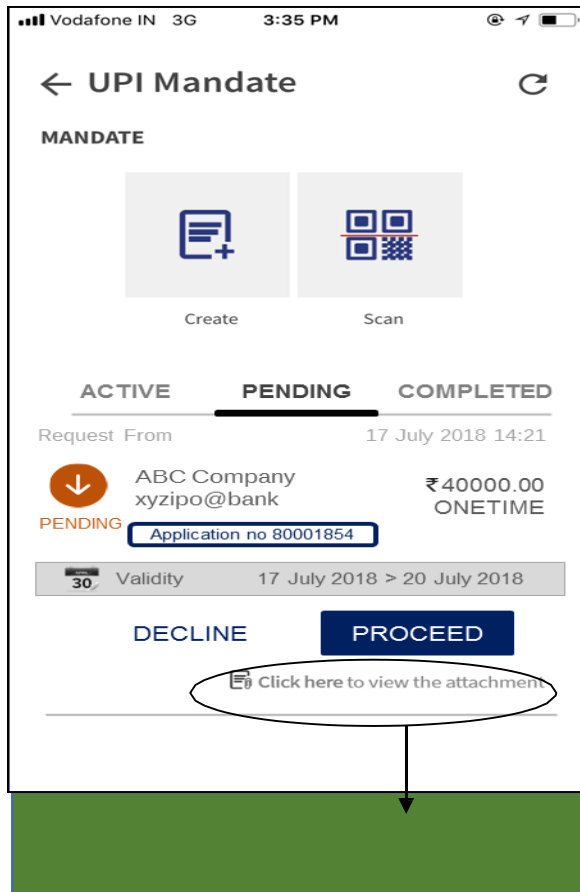
Graphical indicative illustration of the aforesaid process:

Block request SMS to investor Block request intimation through UPI application



1. Investor UPI application screen

2. Sample of IPO details in attachment



1 Enter Details		
Investor Details		
Depository Name NSDL	DP ID IN300513	Client ID 14871468
Beneficiary No. -	PAN Card AAMPF7581P	Investor's Name SHYAM SHARAM
IPO Details		
Company Name IPO	IPO Symbol SUPREMEENG	Bid Lot 40000
Face Value 10.00	Maximum Price ₹ 32.00	Minimum Price ₹ 27.00
Cut Off Price ₹ 32.00	IPO Start Date 20 July 2018	IPO End Date 27 July 2018
Discount Amount NA	Discount Category -	

3. Post verification of details above

Vodafone IN 3G 5:43 PM

Create Mandate

TO
ABC Company
✓ xyzipo@bank **Verified Merchant**

Mandate Amount
₹ 40000.00

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency
ONETIME

Validity

Start Date
20 JULY 2018

>

End Date
27 JULY 2018

Users account will be debited within validity period.

REMARKS
Application no 80001834

[Click here to view the attachment](#)

PROCEED

4. Pre-confirmation page

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

Mandate Details

To
ABC Company
✓ xyzipo@bank

AMOUNT
₹ 0000.00

FREQUENCY
ONETIME

VALIDITY
20 JULY 2018 to 27 JULY 2018

REMARKS
Application no 80001854

CANCEL **CONFIRM**

5. Entering of UPI PIN

Vodafone IN 3G 1:39 AM

CANCEL

STATE BANK OF INDIA **UPI**

ABC Company ₹ 40000


ENTER UPI PIN

— — — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

6. Confirmation page

Vodafone IN 3G 3:49 PM



Mandate Approved

UPI ID: xyzipo@bank
Amount: Rs 40000.00
Frequency: ONETIME
UMN: 5473tsfeh735489jsbyw457is
ntea59jdkn@upi
Validity: 20th July 2018 to 27th July 2018

VIEW DETAILS **HOME**

7. Approved mandates

visible in UPI application



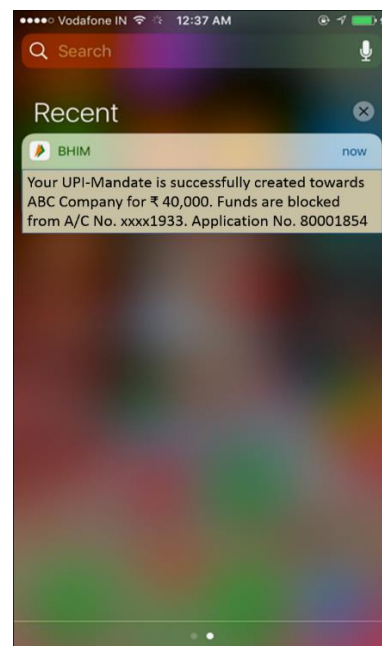
8. Block confirmation SMS

to investor



9. Block confirmation

application intimat



9. Where can I submit either the electronic or physical application form with UPI as a payment mechanism?

Electronic or Physical Application forms with UPI as a payment mechanism can only be submitted with, a Syndicate Member, or a Registered Stock Broker, or a Registrar and Transfer Agent or a Depository Participant ('Intermediaries'). The investor may also use the online facility (if provided) of stock brokers for seamless bidding in IPOs.

10. Will the existing non-UPI channels for making application in public issues be available for individual investors after introduction of UPI?

Yes. The below channels shall continue to remain for submission of applications by Individual Investors.

- Directly to SCSBs (Bank ASBA).
- 3-in-1 type accounts (Direct Online).

11. Where will I get an option to apply in a public issue using UPI?

Public issue using UPI may be initiated through any of the intermediaries. The UPI id can be given to the intermediary to whom the application form is being submitted. Alternately, the stock broker's mobile application/web facility can be used for online application submission. All requests for blocking the bid amounts shall be received by the investor, on his/her UPI id / App. The investor would need to enter the UPI PIN to accept the mandate request for blocking the funds against the bank account.

12. How do I select UPI as the payment option while applying for public issues?

The application form for an IPO, now also includes a field for entering your UPI ID as a payment mechanism. Further, Investors can get in touch with any of the intermediaries who shall be able to guide them on the process in detail.

13. What if my bank is not providing UPI service for public issues?

In case the bank is not providing UPI services for public issues, the investors may make use of their bank account for directly blocking of funds and submit the application with the bank, provided it is recognized by SEBI as a SCSB.

14. If my bank does not enable for making payment in public issues through UPI, but my UPI application supports the same, can I still apply for public issues using UPI for payment?

In order to use UPI for payment, the investors bank account must be linked to the UPI id, provided the bank is eligible to act as an Issuer Bank in the public issue process. The

list of such banks is available on website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>

15. Can I apply in a public issue using UPI ID with my Account +IFSC?

No. The investors must apply by providing their UPI ID only, on which the request for blocking the amount shall be received.

16. Can I use third party UPI ID or a third party bank account for making payment in public issues?

No. Applications made by retail investors using third party UPI id or by any category of investors using a third party bank account will not be considered valid for allocation.

17. Are second / third / joint account holders in a bank account restrained from using the same account for payment in public issues?

No specific restriction has been imposed by SEBI on use of bank account by second/third/joint holder. However, third party applications will not be considered valid for allotment.

18. Will I be notified when the bid is successfully placed?

Yes. Once the bid details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the investor regarding registration of the bid, on end of day basis or on the next working day. Further, the investor shall receive a SMS notification on the UPI enabled mobile device stating that a mandate block request is received in UPI.

19. Where can an investor submit his UPI application for any grievances in the issue procedure?

Investor should first approach the intermediary to whom the application was submitted. For complaints with respect to blocking / unblocking of funds, investor may approach the bank. For complaints with respect to non-allotment of shares, investor may approach the registrar to the issue. If the investor is not satisfied with the response, investor can approach the stock exchange. In case, where the investor is not satisfied with the response of any of the intermediaries, investors may submit a complaint with SEBI on <http://scores.gov.in/>.

FAQs on scenarios that may arise during blocking of funds using UPI in the public issue process - Creation / modification / cancellation / execution of bid and corresponding block request(mandate):

Scenario 1 - Creation of a block request (mandate)

20. What happens if I don't get a block request from the intermediary on the UPI id that was entered in the application form?

In such a case, the investor may approach the same intermediary to whom the application form was submitted for re-initiating the process. The investor may also like to check whether the UPI id recorded is correct or not and that the UPI app is updated/Up-to-date.

21. What if there is an inadvertent error while entering the UPIID?

In such a case, the transaction will not get initiated or may get initiated to the wrong UPI id. The transaction needs to be re-initiated as a new request post submission of correct UPI id.

22. What if I erroneously decline the request to block funds?

In case the request is erroneously declined by the investor, the transaction will be declined and the investor will have to initiate a fresh request. The transaction can be re-initiated before the issue closure, by approaching the intermediary with whom the application form was submitted.

23. What if I input wrong UPI PIN while authorizing the block request?

The transaction will be declined with 'Wrong UPI PIN' and the investor will have to re-initiate the transaction. The transaction can be re-initiated before the issue closure, by approaching the same intermediary to whom the application form was submitted.

24. What if I get a technical error on the UPI App while accepting the block request?

In case of a technical decline, the transaction can be re-initiated by approaching the intermediary before the issue closure, to whom the application form was submitted.

25. Is there any timeline by which I need to act upon the block request?

Yes. As per the indicative activity wise timeline prescribed in the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, all block/collect

requests, which have not been acted upon before 05:00 pm on T working day i.e. closure of the issue day.

26. How do I know that the block request is not fraudulent?

The block request is not fraudulent in case the UPI ID is marked as a “verified merchant”. The investors have to look out for the tag or indication of a “Verified Merchant” when they receive the request on their App for blocking the amount. The request is received as a collect request on the UPI enabled App. Further, the investors shall also verify the details including the Bid-cum application number, bid amount and other bid details, included in the attachment as part of such block request.

27. Till what time will the amount remain blocked in my account in the public issue process?

The amount will be blocked till the finalization of allotment, post which the amount equivalent to allotted shares would be debited and balance amount (in case of partial allotment) will be unblocked by the SCSB. In case the amount is not unblocked post the finalization of allotment, you may approach your bank and request them to unblock the funds manually.

28. What if my amount is blocked twice for a single block request?

In such a case, the investor may raise a complaint with the bank/Lead Manager providing the requisite details including the Unique Mandate Number for the unblock request.

29. Where can I check the status of an active request on my UPI App?

The status of the active requests can be viewed in the Mandate section of the UPI app /pending transactions to approve.

30. What happens if I change my default account after accepting the IPO mandate / blocking request?

The default account is independent of the block request. The execution will happen against the same account for which the UPI PIN was entered by the investor at the time of accepting the block request.

31. What happens if I deregister from the UPI App after accepting the block request?

De-registration will not be available from the application until the active requests are revoked /executed.

32. What happens if I do not have sufficient balance in my bank account while accepting the block request?

Transaction will be declined in case the account has insufficient funds. The application shall be treated as invalid and not eligible for allocation.

33. Will I receive a block request for public issues on holidays? Will the request be processed successfully on holidays?

While the UPI framework supports both mandate creation as well as execution on a holiday, the uploading of bids in a public issue happens only on working days as defined in SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024. Mandate requests may be received on anyday till the bid modification window is closed. However, such mandate requests which are pending in your app can be acted upon before 05:00 pm on T working day i.e. closure of the issue day (T: Issue Closure Day)

34. Can I use the existing UPI PIN for accepting the block request?

Yes. The existing UPI PIN can be used to accept a mandate block request. However, note that this UPI PIN is different from the login PIN of your app.

35. How many times do I need to input UPI PIN for creating and processing the block request?

UPI PIN is required to be entered only once at the time of confirmation of the mandate block request.

36. Who should I approach if I face issues with the block request? My bank or through my mobile / PSP app?

While the request can be re-initiated in case of any technical issues the investor may also reinitiate with another bank account or a different UPI application. In such a case, customer can reach out to their bank/PSP with the Unique Mandate Number (UMN) of the block request.

Scenario 2 - Modification of a block request (mandate)

37. Can I modify the parameters, like bid quantity, price, amount, etc., when I receive a block request in public issues?

No, the values in the block request cannot be modified on the UPI application. Any modification to the bid details, including the amount, has to be undertaken by approaching the intermediary to whom the application form was originally submitted. Upon modification of bid amount by the intermediary, you will receive a fresh mandate

block request with revised amount, which needs to be again authorized by entering your UPI PIN. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

38. Till what time can I authorize the modification request for parameters like bid quantity, price, amount etc?

All modification requests initiated can be acted upon before 05:00 pm on T working day i.e. closure of the issue day.

39. Will I be prompted to authorize the modified request?

Yes. The customer will receive notification on mobile application as well as an SMS for authorizing the modification request.

40. What if I get a technical error on the UPI App while modifying the IPO request?

In such a case, the investors need to initiate a fresh modification request. The transaction can be re-initiated by approaching the intermediary with whom the application form was submitted. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

41. What happens if I do not authorize the modification request?

Post the expiry time of the modification request, the modification request would lapse and the execution will take place based on the earlier approved request / mandate which shall remain active on the original application.

42. How do I know that my modification mandate request is successful?

Once the successful modification is done, a confirmation will appear on the UPI mobile application.

Scenario 3 – Cancellation / revocation of a block request (mandate)

43. What if I do not want to proceed with the public issue application after submission with intermediary? Can I withdraw my bid? If yes, how?

As per the extant legal framework, retail individual investors can withdraw bids till issue closure date. During the bidding period you may approach the same intermediary with whom the application form was submitted, for withdrawal of bid. Intermediaries providing the web/mobile interface also provide the modification/cancellation option on their platform.

44. What does revoking a block request mean?

Revoking a mandate request is cancellation of a block request pursuant to cancellation of an IPO bid.

45. Till when can I revoke a block request?

A mandate request once created can be revoked during the issue period till closure of the issue. The revoke can be initiated through the intermediary with whom the application was submitted. Intermediaries providing the web/mobile interface also provide the modification option on their platform.

Investors should not approve a mandate block request post cancelling the bid on the exchange platform. This shall result in delay in releasing the funds blocked in the bank account.

46. What happens if revoking of a block request fails due to technical error?

In such a case, the investors would need to re-initiate the revoke request. Such re-initiation can be done through the intermediary with whom the application was submitted. Further, the bank shall unblock the funds in the bank account in the offline mechanism.

Investors should not approve a mandate block request post cancelling the bid on the exchange platform. This shall result in delay in releasing the funds blocked in the bank account.

47. How do I know if my block request is revoked successfully?

Once the revoke request is submitted successfully, the UPI mobile application will indicate so through a success notification. SMS/notification towards unblocking of funds from the bank account shall be sent by the bank as well.

48. Do I need UPI PIN for revoking a block / mandate request?

No, the investors will not need UPI PIN to revoke the request.

49. What happens if a block / mandate is revoked after the successful block?

On revoking the mandate request, the funds blocked in the bank account as per the bid shall be unblocked online.

50. In what scenarios will my funds be unblocked?

The money in the investors account will be unblocked in case the allotted shares are less than the bid quantity, or in case of an unsuccessful application or in case of

revocation of a block request. Further, in case of cancellation of the bid post successful mandate block is created, the funds shall be released online.

Scenario 4 – Execution of a block request (mandate)

51. What happens if I do not get any shares under the public issue process for applications made using UPI for payment?

In case, if the investor do not get any allotment, the amount blocked in the account will be unblocked.

52. What happens if I get partial allotment? Will my money be unblocked / reinstated for the remaining shares?

In case of partial allotment, money will be debited for the allotment value and the balance amount will be unblocked in the investors account.

53. What happens if I do not get any shares but my money remains blocked?

In case no shares have not been allotted to the investor and money is not unblocked / reinstated in the account, the investor may raise a complaint through the UPI App or approach the Merchant Banker/ SCSB / RTA with whom the application was submitted.

54. What happens if I do not get any shares but my money is debited in this process?

In case no shares have been allotted and money is debited from the investors account, you may raise a complaint along with the application details, either from the UPI App or approach the bank / RTA / Merchant Banker / the intermediary with whom the application was submitted.

55. When will the allotment of shares be done after I have approved the block request?

Allotment of the share will be done as per the timelines prescribed in SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 available on SEBI website at www.sebi.gov.in under the categories “Legal” and “Master Circulars”. The link of the same is as under:
https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/nov-2024/1731410160186.pdf#page=1&zoom=page-width,-15,842

56. Will I be notified when the shares are allotted?

Under the UPI framework, the investor will be notified of the debit of funds from the bank account. However, the process of communicating the share allotment process shall be separate, as per the extant process.

57. What if more money is debited than the allocated shares?

In case amount more than allotment value is debited, the investor may raise a complaint with the Lead Manager / bank / RTA / from the UPI App / through any other mode along with Unique Mandate Number and application details.

58. What happens if I change my default account before execution i.e. settlement of the block request?

Execution of the mandate is independent of the default account and will be executed against the same account which was linked at the time of creating the mandate.

59. Are Karta/HUF and Minor account holders are eligible to access UPI in ASBA facility?

SEBI circular only specifies that applications made by retail individual investors using third party UPI id or by any category of investors using a third party bank account are liable for rejection.

SEBI has not restricted any individual investor from accessing UPI in ASBA facility based on mode of operation of investors account.

While some banks allow to create UPI Id for Karta/HUF and minor accounts, it is within the bank's discretion to decide whether Karta/HUF/minors will be allowed to create the UPI id. However, SEBI has facilitated that the IPO applications including those from Karta/HUF and Minor accounts can be submitted directly to the ASBA banks.

60. Where can I get more details about UPI in IPOs process?

The investor may refer to the SEBI master circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 available on SEBI website at www.sebi.gov.in under the categories "Legal" and "Master Circulars". The link of the same is as under:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/nov-2024/1731410160186.pdf#page=1&zoom=page-width,-15,842

61. Can I apply on the first day of an IPO using UPI and decline on the last day?

Yes. The investor can decline the mandate transaction on the last day provided he/she have not accepted the UPI mandate successfully. In case mandate is successfully

accepted, the investor can withdraw/delete/cancel the application by approaching the intermediary through which the original application was submitted. Alternately, the investors can choose to not act on the mandate which expires automatically on T (T: Issue Closure Date) at 05:00 PM.

62. What happens if I change my UPI ID after my amount is blocked / modification of mandate / before execution of block request for IPO?

Execution of the mandate request / block request is independent of the UPI ID and will be executed against the same account which was used at the time of creating the mandate irrespective of the fact that the UPI id was changed at a later stage.

63. Why is a demat account necessary for applying in an IPO ?

As per SEBI guidelines shares allotted out of IPOs / FPOs can be given to investors only in demat mode hence it is mandatory to have demat account. Application not having demat account will not be able to apply for an IPO.

64. What are the special points Investor should take care of while applying in an IPO?

Please ensure your Demat Account Number and PAN is clearly written without any smudging or overwriting. Your payment details like account number in case of ASBA / UPI ID, etc. are clearly written. Your bid is for the proper bid lot and a price within the bid range. The order of names in the application is the same as in your DP account. The application form is signed.

Section-V

Rights Entitlement (RE) issued under Rights Issue Process

1. What is Rights Entitlement (RE)?

Rights Entitlement (RE) is the rights issued by the company to the existing shareholders to subscribe to the new shares / other securities that the shareholder of a company is eligible to apply for under the rights offer. REs are offered to shareholders based on a ratio of existing equity shares held as on the record date.

2. What are the options available to an Eligible Equity Shareholder in rights Issue?

Eligible Equity Shareholder can:

- i. apply for their Rights Equity Shares to the full extent of their Rights Entitlements;
or
- ii. apply for their Rights Equity Shares to the full extent of their Rights Entitlements and apply for additional Rights Equity Shares; or
- iii. apply for their Rights Equity Shares to the extent of a part of their Rights Entitlements (without renouncing the other part); or
- iv. apply for Rights Equity Shares to the extent of a part of their Rights Entitlements and renounce a part / rest of their Rights Entitlements; or
- v. renounce their Rights Entitlements in full.

3. How are Rights Entitlements (REs) issued?

Rights Entitlements (REs) are issued in dematerialised form under a separate ISIN created by the Company.

4. What is the process of on market and off market renunciation?

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as trading / selling Equity Shares of the Company.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

5. What happens to Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date?

Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

6. Whether any persons who are not existing shareholders of the issuer company as on record date, can apply to the Rights Issue?

Yes. Persons who have bought Rights Entitlements (REs) through On market renunciation / Off market renunciation, are eligible to apply for the shares / other securities offered under Rights Issue to the extent of the REs available in their demat account.

7. What will happen if Rights Entitlements (REs) are purchased through On market renunciation / Off market renunciation, and no application is made for subscribing the shares / other securities offered under Rights Issue?

If no application is made by the purchaser of REs on or before Issue closing date then such REs will get lapsed and shall be extinguished after the Issue Closing Date. No shares / other securities for such lapsed REs will be credited, even if such REs were purchased from market and purchaser will lose the premium paid to acquire the REs. Persons who have bought Rights Entitlements (REs), shall require to make an application and apply for shares / other securities offered under Rights Issue, if they want to subscribe to the shares / other securities offered under Rights Issue.

8. Can an application in the rights Issue be made using third party bank account?

Investors can make payment only using bank account held in their own name. Applications made with payment using third party bank accounts are liable to be rejected.

9. Can a joint bank account be used to make applications on behalf of shareholders?

Yes. All joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint

Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

10. What is the process to be followed by a shareholder holding shares in a physical form, for credit of Rights Entitlements and applying in the Rights Issue?

Physical shareholders shall be required to provide their demat account details to Issuer/Registrar to the Issue for credit of REs not later than two working days prior to the issue closing date, such that credit of REs in their demat account takes place at least one day before the issue closing date. This is to ensure that applications made by the shareholders are not rejected due to non-availability of REs in their demat account, as on issue closing date.

Shareholder are required to make the application on or prior to the Issue closing date. Application will be considered only if REs are in the demat account furnished.

11. Where can one find information related to REs?

The investors can get information related to REs in the letter of offer filed by the issuer company with Stock Exchanges. The letter of offer is also available on SEBI website under sections "Home »Filings» Rights Issues" The investors are advised to read the letter of offer carefully.

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