AMENDMENTS TO PART B OF CHAPTER XI OF THE

SEBI (DIP) GUIDELINES, 2000

1. Title of Part B - "100% Book Building Process" shall be substituted by the words "Offer to Public through Book Building Process"

2. Clause 11.3 shall be substituted by the following:

   "An issuer company may, subject to the requirements specified in this chapter, make an issue of securities to the public through a prospectus in the following manner: -

   a. 100% of the net offer to the public through book building process, or

   b. 75% of the net offer to the public through book building process and 25% at the price determined through book building."

1. In clause 11.3.1

A. A new sub clause (v)(a) after the clause (v), shall be inserted as under :-

   "In case the issuer company appoints more than one book runner, the names of all such book runners who have submitted the due diligence certificate to SEBI, may be mentioned on the front cover page of the prospectus. A disclosure to the effect that " the investors may contact any of such book runners, for any complaint pertaining to the issue" shall be made in the prospectus, after the "risk factors".

B. A new sub clause (viii)(a) after sub clause (viii), shall be inserted as under :-

   "The red herring prospectus shall disclose, only the floor price of the securities offered through it and shall not mention the maximum price or the indicative price band."

C. A new sub clause (xvii)(a) after sub clause (xvii), shall be inserted as under :

"The margin collected from categories other than Qualified Institutional Buyers shall be uniform across the book runner(s)/syndicate members, for each such category."

D. Sub clause (xii) shall be deleted.

D. A new sub-clause xvii(a) after xvii shall be inserted as under

   "Bids for securities beyond the investment limit prescribed under relevant laws shall not be accepted by the syndicate members from any category of investors."

   F. After the existing sub clause (xx), a new sub clause (xx)(a) shall be inserted as under : -

   "The online, real time graphical display of demand and bid prices at the bidding terminals, shall be made. The book running lead manager shall ensure the availability of adequate infrastructure for data entry of the bids on a real time basis."

1. In Clause 11.3.3-

A Sub clause (i) shall be substituted as under

   "In case the issuer company is making an issue of securities –

   a. under sub clause(a) of clause 11.3, 100% of the net offer to the public;

   b. under sub clause (b) of clause 11.3, the book built portion - 75% of the net offer to the public, shall be compulsorily underwritten by the syndicate members/book runner(s).

Provided that nothing contained in sub-clause (i) shall apply to 60% of the net offer to the public, mandatorily to be allotted to the Qualified Institutional Buyers under proviso to clause 2.2.2 or clause 2.3.2 of these guidelines, in case the company is making an issue of securities under clause 2.2.2 or clause 2.3.2.

B Sub clause(iv) shall be deleted.

1. In clause 11.3.4.1 –

A. Sub clause (v) (a) shall be substituted as under:

"The number of bidding centres, in case 75% of the net offer to the public is offered through the book building, process shall not be less than the number of mandatory collection centres as specified in these regulations. In case 100% of the net offer to the public is made through book building process, the bidding centres shall be at all the places, where the recognised stock exchanges are situated."

B. In sub clause (vi) the words "Institutional investors" shall be substituted by the words "Qualified Institutional Buyers".

6. In clause 11.3.5 –

A. Sub clauses (i)& (ii) shall be substituted as under : -

(i) In case an issuer company makes an issue of 100% of the net offer to public through 100% book building process -

a. not less than 25% of the net offer to the public shall be available for allocation to retail individual investors i.e. investors applying for upto 1000 securities;

b. not less than 15% of the net offer to the public shall be available for allocation to non institutional investors i.e. investors applying for more than 1000 securities;

c. not more than 60% of the net offer to the public shall be available for allocation to Qualified Institutional Buyers.

(ii) In case an issuer company makes an issue of 75% of the net offer to public through book building process and 25% at the price determined through book building -

a. in the book built portion, not less than 15% of the net offer to the public, shall be available for allocation to non institutional investors and not more than 60% of the net offer to the public shall be available for allocation to Qualified Institutional Buyers.

b. the balance 25% of the net offer to the public, offered at a price determined through book building, shall be available only to retail individual investors who have either not participated or have not received any allocation, in the book built portion."

Provided that, 60% of the issue size shall be allotted to the Qualified Institutional Buyers, in case the issuer company is making a public issue under Clause 2.2.2 or clause 2.3.2 of these guidelines.

B. In sub clause (iii) the words, "investors under sub clauses (i) & (ii) of this clause", appearing after the words "Allotment to", shall be substituted by the words " retail individual investors and non institutional investors."

C. Sub clause (iv) shall be substituted as under :-

"In case of under subscription in any category, the undersubscribed portion may be allocated to the bidders in the other categories.

Provided that, the unsubscribed portion in the "Qualified Institutional Buyer" category, shall not be available for subscription to other categories, in case the issuer company has made an issue of securities under clause 2.2.2 or clause 2.3.2 of these guidelines.

D. In sub clause (v) (a), the words "For the class of investors other than those mentioned at clauses (i) and (ii) of this clause, the allocation ", before the words " the allocation shall be determined …" shall be substituted by the words " The allocation to the Qualified Institutional Buyers "

E. Sub clause (v)(b) {wrongly numbered as (v)(a)} shall be deleted.

F. Sub clause (ix) shall be substituted as under :-

" In case the issuer company has made an issue of 75% of the net offer to public through book building process and 25% at the price determined through book building -

a. the offer of 25% of the net offer to the public, made at a price determined through book building, shall open within 15 days from the date of closure of bidding ;

b. the offer for subscription to the public, shall remain open for a period of atleast 3 working days after completing all the requirements of advertisement and despatch of issue material to all the stock exchanges ;

c. during the time when the offer is open, the investors who have received an intimation of entitlement of securities under sub clause (xviii) of clause 11.3.1, shall submit the application forms along with the application moneys ;

d. the other retail individual investors who had not participated in the bidding process or have not received intimation of entitlement of securities under sub clause (xviii) of clause 11.3.1 may also make an application.