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भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

CFD/DIL-III/NR/AEA/OW/2016/35335
January 02, 2017

Ms. Varsha Purandare,
Managing Director,
SBI Capital Markets Limited,
202, Maker Tower 'E',
Cuffe Parade,
Mumbai – 400005.

Dear Sir,

Sub: Request under Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 in the matter of SBI Capital Markets Limited

1.0 This has reference to your letter dated November 09, 2016 seeking interpretive letter under the SEBI (Informal Guidance) Scheme 2003.

2.0 In your letter under reference you have, *inter alia*, represented as follows:

2.1. SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 has laid down various activities to be carried out by respective intermediaries in connection with an IPO.

2.2. It is stated that Para 5 of Annexure B of the Circular requires SCSBs to send confirmation of funds blocked to the Registrar by end of T+2 and Registrar to undertake technical rejection test based on electronic bid details and prepare list of technical rejection cases. It is also submitted that as large number of bid forms are sent to SCSBs after the closure of the issue, SCSBs are unable to complete the processing at their end and Final Certificate are not received by Registrars on T+2 leaving very little time for the issuer and other intermediaries to complete the activities within the given timeline.

3.0 Query:

Based on the above, you have sought our guidance on the following points:

3.1. Whether the Registrar is responsible for carrying out any checks beyond the following:

3.1.1. Reject multiple applications determined as such, based on common PAN; and

3.1.2. Undertake 'Technical Rejection' test based on electronic bid.

3.2. Is the Registrar expected to rely only on the electronic bid details for QIB bids or is the Registrar expected to carry out checks to verify QIB status as defined in

Page 1 of 2

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती:
Continuation :

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SEBI (ICDR) Regulations, 2009 to ensure that only valid bids from SEBI registered QIBs are considered for allotment under QIB category?

3.3. If the Registrar is expected to rely only on the electronic bid details, then who is expected to verify the QIB status and what documents should be relied upon?

4.0 Our comments:

Without necessarily agreeing to your analysis, our views on the queries raised by you are as under:

4.1. Registrars to the Issue shall be responsible to discharge their duties as per the Roles and Responsibilities laid down in SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and 12 circulars referred therein, the provisions in SEBI (ICDR) Regulations, 2009 and the General Information Document. Further, SEBI (Registrars to Issue and Share Transfer Agents) Regulations, 1993 also lay down general obligations and responsibilities and code of conduct for Registrars to Issue, which, inter-alia, require Registrars to fulfil their obligations in a prompt, ethical and professional manner, exercise due diligence, ensure proper care and exercise independent professional judgment and make all reasonable efforts to avoid misrepresentation etc.

5.0 This position is based on the representation made in your aforesaid letter under reference. Different facts or conditions might require different results. This letter does not express a decision of the Board on the question referred.

6.0 You may also note that the above position is expressed only with respect to the clarifications sought on the applicability of the SEBI (ICDR) Regulations, 2009 as referred above and does not affect the applicability of any law and other SEBI Regulations, Guidelines and circulars administered by SEBI or the laws administered by any other authority.

Yours faithfully,

Narendra Rawat