

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART III – SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, JANUARY 08, 2010
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, 8th January, 2010**

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2010

No. LAD-NRO/GN/2009-10/26/190146. In exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, namely:-

1. (i) These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2010.
(ii) These regulations shall come into force on the date of their publication in the Official Gazette.
2. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 –
 - (i) in regulation 29, after clause (c), following clause shall be inserted , namely:-

“(d) In case the issuer opts for the alternate method of book building in terms of Part D of Schedule XI, the issuer may offer specified securities to its employees at a price lower than the floor price:
Provided that the difference between the floor price and the price at which specified securities are offered to employees shall not be more than ten per cent. of the floor price.”
 - (ii) in schedule XI, in Part D,-
 - (a) for clause (b), the following shall be substituted, namely:-

“(b) The issuer may mention the floor price in the red herring prospectus or if the floor price is not mentioned in the red herring prospectus, the issuer shall announce the floor price at least one working day before opening of the bid in all the newspapers in which the pre-issue advertisement was released.”
 - (b) for clause (c), the following shall be substituted, namely:-

“(c) Qualified institutional buyers shall bid at any price above the floor price.”
 - (c) for clause (e), the following shall be substituted, namely:-

“(e) Allotment shall be on price priority basis for qualified institutional buyers.”

- (d) for clause (f), the following shall be substituted, namely:-
“(f) Allotment to retail individual investors, non-institutional investors and employees of the issuer shall be made proportionately as illustrated in this Schedule.”
- (e) for clause (h), the following shall be substituted, namely:-
“(h) Retail individual investors, non-institutional investors and employees shall be allotted specified securities at the floor price subject to provisions of clause (d) of regulation 29.”
- (f) for clause (i) , the following shall be substituted , namely:-
“(i) The issuer may:-
 - (A) place a cap either in terms of number of specified securities or percentage of issued capital of the issuer that may be allotted to a single bidder;
 - (B) decide whether a bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity;
 - (C) decide whether a bidder be allowed single or multiple bids.”

C. B. BHAVE
CHAIRMAN

Footnote:

1. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 were published in the Gazette of India on 26th August, 2009 vide No. LAD-NRO/GN/2009-10/15/174471.
2. The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 were subsequently amended on:-
 - (a) 11th December, 2009 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2009 vide No. LAD-NRO/GN/2009-10/23/186926.
 - (b) 1st January, 2010 by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2010 vide No. LAD-NRO/GN/2009-2010/25/189240.
