

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2009**

SCHEDULE I

[See regulation 5(3) and 101(2)]

INTER-SE ALLOCATION OF RESPONSIBILITIES

- (1) The lead merchant bankers shall make inter-se allocation of responsibilities pertaining to the activities or sub-activities to be carried out under these regulations.
- (2) The lead merchant bankers shall delineate the activity-wise allocation of responsibilities and intimate the Board about the name of the lead merchant banker responsible for each set of the activities or sub-activities at the time of filing the draft offer document with the Board. This intimation must be signed by all the lead merchant bankers to the issue.
- (3) Where circumstances warrant joint and several responsibility of the lead merchant bankers for any particular activity, a co-ordinator designated from among the lead merchant bankers (hereinafter referred to as the “designated lead merchant banker”) shall furnish to the Board, when called for, information, report, comments, etc. on matters relating to such activity.
- (4) The activities or sub-activities may be grouped on the following lines:
 - (a) Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.
 - (b) Drafting and design of the offer document and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document.
 - (c) Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, etc.
 - (d) Marketing of the issue, which shall cover, *inter alia*, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) centres for holding conferences of stock brokers, investors, etc., (iii) bankers to the issue, (iv) collection centres as per schedule III, (v) brokers to the issue, and (vi) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, prospectus and brochure and deciding upon the quantum of issue material.
 - (e) Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, despatch of certificates or demat credit and refunds and co-ordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc. Ordinarily, one lead merchant banker shall be responsible for the post-issue activities.
- (5) The designated lead merchant banker shall be responsible for ensuring compliance with these regulations and other requirements and formalities specified by the Registrar of Companies, the Board and the recognised stock exchanges where specified securities being offered are proposed to be listed.
- (6) Even if many of the post-issue activities are handled by other intermediaries, the designated lead merchant banker shall be responsible for ensuring that these intermediaries fulfil their

functions and enable him to discharge this responsibility through suitable agreements with the issuer.

- (7) In case of under-subscription in an issue, the lead merchant banker responsible for underwriting arrangements shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the underwriters is issued in terms of these regulations.