

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

SCHEDULE XV

[See regulations 50(2), ¹²⁰[106] and Schedule XI]

ILLUSTRATION EXPLAINING PROCEDURE OF ALLOTMENT

- (1) Total no. of specified securities on offer @ Rs. 600 per share: 10 crore specified securities
- (2) Specified securities on offer for retail individual investors' category: 2.5 crore specified securities
- (3) The issue is over subscribed 4 times whereas the retail individual investors' category is over subscribed 8.25 times
- (4) Issuer decides to fix the minimum application / bid size as 9 specified securities (falling within the range of Rs. 5000 - 7000). Application can be made for a minimum of 9 specified securities and in multiples thereof.
- (5) Assume there are three retail individual investors A, B & C. A has applied for 81 specified securities. B has applied for 72 specified securities and C has applied for 45 specified securities. As per allotment procedure, the allotment to retail individual investors shall be on proportionate basis i.e., at $1/8.25^{\text{th}}$ of the total number of specified securities applied for. The actual entitlement shall be as follows:

Sr. No.	Name of Investor	Total Number of specified securities applied for	Total number of specified securities eligible to be allotted No. of specified securities applied for / 8.25)
1	A	81	$81/8.25 = 9.82$ specified securities rounded off to 10 specified securities.
2	B	72	$72/8.25 = 8.73$ specified securities rounded off to 9 specified securities (i.e. minimum application size).
3	C	45	$45/8.25=5.45$ specified securities. Application liable to be rejected. (as the entitlement is less than the minimum application size). However, the successful applicants out of the total applicants shall be determined by drawal of lots.

Note: For the purpose of IDR, minimum application size shall be twenty thousand rupees.

¹²⁰ Substituted for "107" by the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2010, w.e.f. 12.11.2010.