National Stock Exchange of India Limited

Circular

Department: PRIMARY MARKET SEGMENT	
Download Ref No: NSE/IPO/ 62335	Date: June 05, 2024
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All Participants

Systemic Improvements in the Bidding Process of SME Public Issues

This is with reference to guidance received from the Securities and Exchange Board of India (SEBI) vide its communication dated May 22, 2024 with reference to systemic improvements in the bidding process of SME Public Issues.

Trading Members, Syndicate Members, Registrar & Transfer Agent, Depository Participants and Self-Certified Syndicate Banks (SCSBs) are requested to note the following changes in bidding for SME Public Issues:

I. Rejection of Duplicate PAN Bids

Multiple bidding in different categories/ same category/ different application nos. with same PAN shall be rejected upfront on the Exchange platform with appropriate remark.

Exceptions:

1. Individual Category (IND)
   - Bidding by the Individual Investor in the reserved categories like Employee (EMP), Shareholder (SHA), and Policyholder (POL) in addition to Individual (IND) category with same PAN shall be allowed.
2. QIB category (FI/FII/MF/IC/OTH):
   - Bidding with multiple applications with same PAN and same category but different demat details shall be allowed.

II. PAN Validation

Application with PAN having fourth character as "P" or "H" shall be allowed to bid in Individual (IND) and Shareholder (SHA) categories. Application with PAN having fourth character as "P" shall be allowed to bid in Policyholder (POL) and Employee (EMP) categories only. For all other categories, application with PAN having fourth character as "P" or "H" shall be rejected.

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III. DP Id / Client ID or PAN Mismatch

Applications with DP ID / Client ID or PAN Mismatch status shall not form part of LIVE Demand Data displayed for the SME IPO on the Exchange website. Also, such applications shall not form part of Final Bid Book shared by the Exchange with Registrar and Transfer Agent (RTA).

Modification of DP ID / Client ID or PAN (Either DP ID/Client ID or PAN can be modified but not BOTH) shall be allowed only during the bidding period for applications with mismatch status.

IV. Validation of Reserved Category Bid

The Exchange book building platform shall verify the eligibility of the applicant prior to acceptance of bid for the reserved categories like Employee (EMP), Shareholder (SHA), Policyholder (POL) etc. based on the details shared by the company/ issuer.

Trading Members, Syndicate Members, Registrar & Transfer Agent, Depository Participants and Self-Certified Syndicate Banks (SCSBs) are requested to take note of the above changes.

To familiarize all intermediaries/ participants with the above changes, the Exchange shall be conducting mock bidding session in the e-IPO UAT environment. The details of mock session and date of implementation of the same in LIVE environment shall be communicated separately.

For and on behalf of
National Stock Exchange of India Limited

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