*Disclaimer: These guidelines are issued as guidance only. The directions/instructions issued in provision of Law, Regulation, SEBI and Exchange circular are referred to in these guidelines are final for decision making in the matter. These guidelines are not and should not be construed as substitution/clarification/explanation on any matter on which provision of Law, Regulation or SEBI/Exchange circular were issued.*

**Points to be Remembered.**

* Allotment shall be completed within a period of 15 days from the date of passing of such resolution or date of receipt of in- principle approval from stock exchange(s), whichever is later.
* Application to seek in-principle listing approval post allotment shall be submitted to stock exchange within 20 days from date of allotment of equity shares/specified securities seeking listing.
* Securities being allotted shall be subject to lock-in as stated in regulation 167 of SEBI (ICDR) Regulations, 2018.
* If any equity shares have been purchased by allottees between the relevant date and allotment of specified securities (Convertible security or Equity Shares in case direct equity allotment), same shall be treated as pre-preferential allotment shareholdings & shall be subject to lock-in as per provisions of Regulation 167(6) of SEBI (ICDR) Regulations,2018.

Eg: ABC Ltd. is raising funds on preferential basis and following are the details in relation to the same:

1. Shareholders meeting date: 02-Jul-2023

2. Relevant date: 02-Jun-2023

3. Allotment date of convertible securities: 17-Jul-2023

4. Allotment date of equity shares: 29-Aug-2023

Mr. X is one of the allottee in the said preferential issue and following trading activity has been undergone by him:

|  |  |  |
| --- | --- | --- |
| **Date** | **Buy qty** | **Sell Qty** |
| 04/07/2023 | 1000 | 1000 |
| 20/07/2023 | 1000 | 1000 |

* In this case, Mr. X has done intra-day buy and sell transactions. The shares bought on 04/07/2023 shall form a part of pre-preferential allotment shareholding which is further subject to lock-in as the date of buying falls between the relevant date i.e. 02-Jun-2023 and the date of allotment of securities i.e. 17-Jul-2023. But instead of putting the shares under lock-in, the allottee sold the shares on the same day which is non-compliance of regulation 167 (6) of SEBI (ICDR) Regulations, 2018.

Therefore, Mr. X becomes ineligible under the said preferential issue and no allotment can be made to him.

* Statement of holding to be provided shall be:

1. duly certified,
2. issued by the Depository Participant,
3. as on the date of allotment of convertible securities or equity shares, as the case may be.
4. reflect lock-in end date of entire pre-preferential allotment holding.

* Full consideration of specified securities other than warrants, shall be paid by the allottees on or before the date of allotment of such specified securities.
* In the case of warrants, an amount equivalent to at least 25% of the consideration shall be paid against each warrant on or before the date of allotment of warrants and the balance 75% of the consideration shall be paid on or before the date of allotment of the equity shares.
* The issuer shall ensure that the consideration of specified securities, if paid in cash, shall be received from respective allottee's bank account and in the case of joint holders, shall be received from the bank account of the person whose name appears first in the application.
* Allotment of the specified securities shall be made only in dematerialised form.
* Ensure payment of additional listing fees, if any, as per the slab rates available on the exchange website on the following path:

1. For companies listed on Main Board: https://www.nseindia.com/companies-listing/raising-capitalpublic-issues-listing-fees
2. For companies listed on SME Board: https://www.nseindia.com/companies-listing/raising-capital-smeitp-public-issues-listing-fees

* Ensure compliance with item no. 3.1 of annexure A of NSE Circular no. NSE/CML/2023/51 dated July 05, 2023, and upload the Issue summary document with either of stock exchange at time of submitting the application.
* The company shall ensure compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchange where the equity shares of the issuer are listed.
* Ensure there are no outstanding dues like pending SOP fines, annual listing fees, processing fees, etc.
* Ensure compliance with SEBI (SAST) Regulations, 2011 and other applicable regulations.