



Chapter 16: Adjustment of differential pricing amount at the time of application for allotment of specified securities⁷⁴

1. This refers to the provisions of Regulation 30, 128, 190 and 251 of ICDR Regulations, which provide for offer of specified securities at different prices to certain investors.
2. It is clarified that the investors eligible for differential pricing in public issues to make payment at a price net of discount, any, at the time of bidding itself, and in this context, it is clarified that -
 - 2.1. Merchant Bankers shall ensure that appropriate disclosures are given in the offer document / application forms to the effect that investors eligible for discount can make payment after adjusting the discount, if any. It shall be disclosed that such investors shall in the relevant column indicate the bid price before adjusting for discount, if any. Further, it shall be clearly disclosed under what circumstances application would be liable for rejection in case of errors, if any, in this regard.
 - 2.2. Stock Exchanges shall ensure that appropriate provisions for discount adjustment are provided in the bidding platform. Whenever the net payment (post discount) is more than two lakh rupees, the bidding system should be capable of ensuring that such applications are not eligible for discount.
 - 2.3. Syndicate /Sub syndicate members and SCSBs shall enter the bid price as indicated by the applicant in the price column.
 - 2.4. Segregation of Investor Categories (i.e. two lakh rupees for retail category), shall be based on the net payment amount (after adjusting for discount).
 - 2.5. SCSBs shall carry out the necessary system changes at their end, if any.
3. Merchant Bankers shall create awareness among the investors eligible for discount on account of differential pricing to make payment at price net of discount.

⁷⁴ Inserted vide [SEBI circular no. CIR/CFD/DIL/2/2011 dated May 16, 2011](#)