



CIRCULAR

CIR/DDHS/P/ 121/2018

Date: August 16, 2018

To

Recognized Stock Exchanges (other than commodity stock exchanges)

Self-Certified Syndicate Banks, Depositories

Merchant Bankers, Stock Brokers

Registrars to an Issue and Share Transfer Agents

Depository Participants, Bankers to an Issue

Dear Sir/Madam,

Sub.: Streamlining the process of public issue under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (SEBI ILDS), SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 (SEBI NCRPS), SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 (SEBI SDI) and SEBI (Issue and Listing of Debt Securities by Municipalities) Regulations, 2015 (SEBI ILDM)

1. In order to make the existing process of issuance of debt securities, NCRPS and SDI easier, simpler and cost effective for both issuers and investors under the SEBI ILDS, SEBI ILDM, SEBI NCRPS and SEBI SDI regulations respectively, it has been decided to reduce the time taken for listing after the closure of the issue to 6 working days as against the present requirement of 12 working days and details with respect to the same are specified in this circular.

2. Submission of application form:

2.1. All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment i.e. writing their bank account numbers and authorising the banks to make payment in case of allotment by signing the application forms.

2.2. An investor, intending to subscribe to a public issue, shall submit a completed bid-cum-application form to Self-Certified Syndicate Banks (SCSBs), with whom the bank account to be blocked is maintained or any of the following intermediaries:

- a) A syndicate member (or sub-syndicate member)
- b) A stock broker registered with a recognised stock exchange
- c) A depository participant ('DP')
- d) A registrar to an issue and share transfer agent ('RTA')



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3. **Role of SCSBs and intermediaries:**

- 3.1. The SCSBs or the above intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.
- 3.2. For applications submitted by investors to SCSB: After accepting the form, SCSB shall capture and upload details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking of funds available in the bank account specified in the form, to the extent of the application money specified.
- 3.3. For applications submitted by investors to other intermediaries: After accepting the application form, respective intermediary shall capture and upload details in the electronic bidding system as specified by the stock exchange(s).
- 3.4. The SCSBs or intermediaries shall provide guidance to their investors on making applications in public issues and are advised to take necessary steps to ensure compliance with this circular.

4. **Role of Stock Exchanges:**

- 4.1. Stock exchange(s) shall validate the electronic bid details with depository's records for DP ID, Client ID and PAN, by the end of each bidding day and bring the inconsistencies to the notice of SCSBs or intermediaries concerned, for rectification and re-submission within the time specified by stock exchange(s).
- 4.2. Stock exchange(s) shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code in the bid details already uploaded on a daily basis upto timeline as has been specified.
- 4.3. The stock exchanges shall develop the systems to facilitate the investors to view the status of their public issue applications on their websites and sending the details of applications and allotments through SMS and E-mail alerts to the investors.

5. **Other requirements:**

- 5.1. The character length for each of fields of the schedule to be forwarded by the intermediaries along with each application form to the designated branches of the respective SCSBs for blocking of funds shall be uniformly prescribed by the stock exchange(s) and the format of the schedule shall be as under:

| Field number | Details |
|--------------|----------|
| 1. | Symbol |
| 2. | Bid Date |



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| 3. | Intermediary Code |
| 4. | Intermediary name |
| 5. | Bank code |
| 6. | Bank name |
| 7. | Location Code |
| 8. | Application No. |
| 9. | Category |
| 10. | PAN |
| 11. | DP ID |
| 12. | Client ID |
| 13. | Quantity |
| 14. | Series |
| 15. | Amount |
| 16. | Stock exchange |

5.2. **Timelines:** The revised indicative timelines for various activities are specified in **Annexure-A** to this circular. The SCSBs, stock exchanges, depositories and intermediaries shall co-ordinate with one another to ensure completion of listing of debt securities, NCRPS, SDI and commencement of trading by T+6.

6. The responsibilities of SCSBs, stock exchanges, depositories and intermediaries and the indicative timelines prescribed shall stand modified to the extent stated in the SEBI circular CIR. /IMD/DF-1/20/2012 dated July 27, 2012.
7. This circular shall be applicable for all public issues of debt securities, NCRPS and SDI **opening on or after October 01, 2018.**
8. This circular is being issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This Circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework”.

Yours faithfully,

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Annexure-A

Indicative timeline schedule for various activities

| Serial number | Details of Activities | Due Date (working day*) |
|----------------------|--|--------------------------------|
| 1 | Issue Closes | T (Issue closing date) |
| 2. | a) Stock exchange(s) shall allow modification of selected fields (till 01:00 PM) in the bid details already uploaded. b) Registrar to get the electronic bid details from the stock exchanges by end of the day. c) SCSBs to continue / begin blocking of funds. d) Designated branches of SCSBs may not accept schedule and applications after T+1 day. e) Registrar to give bid file received from stock exchanges containing the application number and amount to all the SCSBs who may use this file for validation/ reconciliation at their end. | T+1 |
| 3 | a) Issuer, merchant banker and registrar to submit relevant documents to the stock exchange(s) except listing application, allotment details and demat credit and refund details for the purpose of listing permission. b) SCSBs to send confirmation of funds blocked (Final Certificate) to the registrar by end of the day. c) Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the "reconciled data"). d) Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases. | T+2 |
| 4. | a) Finalization of technical rejection and minutes of the meeting between issuer, lead manager, registrar. b) Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval. c) Designated Stock Exchange to approve the basis of allotment. d) Registrar to prepare funds transfer schedule based on approved basis of allotment. e) Registrar and merchant banker to issue funds transfer instructions to SCSBs. | T+3 |



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| 5 | <ul style="list-style-type: none">a) SCSBs to credit the funds in public issue account of the issuer and confirm the same.b) Issuer shall make the allotment.c) Registrar/Issuer to initiate corporate action for credit of debt securities, NCRPS, SDI to successful allottees.d) Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit.e) Registrar to send bank-wise data of allottees, amount due on debt securities, NCRPS, SDI allotted, if any, and balance amount to be unblocked to SCSBs. | T+4 |
| 6 | <ul style="list-style-type: none">a) Registrar to receive confirmation of demat credit from depositories.b) Issuer and registrar to file confirmation of demat credit and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s).c) The lead manager(s) shall ensure that the allotment, credit of dematerialised debt securities, NCRPS, SDI and refund or unblocking of application monies, as may be applicable, are done electronically.d) Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission.e) Stock exchange(s) to issue commencement of trading notice. | T+5 |
| 7 | Trading commences | T+6 |
| <u>* Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays in Mumbai.</u> | | |