

CIRCULAR

SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129

September 26, 2024

To,

Issuers who propose to list debt securities or non-convertible redeemable preference shares;

Recognised Stock Exchanges;

Registered Merchant Bankers;

Registered Stock Brokers;

Depositories and Registered Depository Participants;

Registered Bankers to an Issue;

Registered Registrars to an Issue and Share Transfer Agents; and

Self Certified Syndicate Banks (SCSBs)

Madam/ Sir,

Subject: Reduction in the timeline for listing of debt securities and Non-convertible Redeemable Preference Shares to T+3 working days from existing T + 6 working days (as an option to issuers for a period of one year and on a permanent basis thereafter such that all listings occur on a T+3 basis)

1. Para 12 of Chapter I (Application process in case of public issues of securities and timelines for listing) of the Master Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, (hereinafter referred as 'Master Circular') issued by SEBI, *inter-alia* specifies that the listing of debt securities and Non-convertible Redeemable Preference Shares (NCRPS) issued through public issue process shall be completed within T+6 working days from the date of closure of the issue.
2. Regulation 37 (2) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ("NCS Regulations") applicable to public issues of debt securities

and NCRPS, requires issuers to refund the application moneys in an event of failure to list such securities within specified timelines. The same is reproduced below:

“In the event of failure to list such securities within such days from the date of closure of issue as may be specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.”

3. In order to facilitate faster access to funds for issuers and investors to have early credit and liquidity of their investment, and with a view to align the listing timeline in case of public issue of debt securities and NCRPS with that of non convertible securities issued on private placement basis and specified securities, it has been decided to reduce the listing timeline in case of public issue of debt securities and NCRPS to T+3 working days from existing timeline of T+6 working days.
4. Accordingly, the revised timelines for listing of debt securities and NCRPS and various activities involved in the public issue process are specified in Annexure to this circular.
5. Further, to ensure ease of compliance for issuers, the listing timeline of T+3 working days is introduced as an option to issuers for a period of one year and on a permanent basis thereafter such that all listings occur on a T+3 basis.
6. Accordingly, during the period of voluntary applicability of the listing timeline of T+3 working days, the provisions of regulation 37 (2) of NCS Regulations shall become applicable only after T+6 working day, even in cases where issuer has chosen T+3 as the listing timeline but fails to meet the same.
7. The T+3 timeline for listing shall be appropriately disclosed in the Offer Documents of public issues.

8. The provisions of this circular shall be applicable:
- 8.1. On voluntary basis to public issues of debt securities and NCRPS opening on or after November 01, 2024.
- 8.2. Mandatory for public issues of debt securities and NCRPS opening on or after November 01, 2025.
9. Stock Exchanges shall monitor compliance with the provisions of this circular.
10. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 (1) of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.
11. This Circular is available at www.sebi.gov.in under the link "Legal → Circulars".

Yours faithfully,

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Annexure
Indicative timeline of activities for listing of debt securities and NCRPS through public issues on T+3 working day

S. No.	Details of activities	Due date (Working day)
1	BID Modification - Stock exchange(s) shall allow modification of selected fields in the bid details already uploaded	<ul style="list-style-type: none"> • From issue opening date to up to 5 pm on T day
2	a) Registrar to get the electronic bid details from the stock exchanges by end of the day b) 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	<ul style="list-style-type: none"> • On a daily basis
3	Issue closure	<ul style="list-style-type: none"> • 5 pm on T day
4	SCSBs to send confirmation of funds blocked (final certificate) to the registrar	<ul style="list-style-type: none"> • Before 7:30 PM on T day for Direct ASBA and Syndicate ASBA • Before 9:30 pm on T day for UPI ASBA
5	a) Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the “reconciled data”). b) Registrar to undertake “Technical Rejection” test based on electronic bid details and prepare list of technical rejection cases c) Finalization of technical rejection and minutes of the meeting between issuer, lead manager, registrar. d) The allotment in the public issue of securities should be made on the basis of date of upload of each application into the electronic book of	<ul style="list-style-type: none"> • Before 6 pm on T+1 day

S. No.	Details of activities	Due date (Working day)
	<p>the stock exchange. However, on the date of oversubscription and thereafter, the allotments should be made to the applicants on proportionate basis.</p> <p>e) Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval.</p>	
6	Designated stock exchange to approve the basis of allotment	<ul style="list-style-type: none"> • Before 9 pm on T+1 day
7	<p>a) Registrar to prepare funds transfer schedule based on approved basis of allotment.</p> <p>b) Registrar and merchant banker to issue funds transfer instructions to SCSBs.</p> <p>c) SCSBs to credit the funds in public issue account of the issuer and confirm the same.</p> <p>d) Issuer shall make the allotment</p> <p>e) Registrar to send bank-wise data of allottees, amount due on debt securities, and NCRPS allotted, if any, and balance amount to be unblocked to SCSBs.</p>	<ul style="list-style-type: none"> • Initiation not later than 9:30 am on T+2 day • Completion before 2 pm on T+2 day for fund transfer
8	Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are complete except demat credit	<ul style="list-style-type: none"> • Completion before 2:45 pm on T+2 day
9	<p>a) Registrar/ issuer to initiate corporate action for credit of debt securities and NCRPS to successful allottees.</p> <p>b) Registrar to receive confirmation of demat credit from depositories.</p> <p>c) Issuer and registrar to file confirmation of demat credit and issuance of instructions to unblock ASBA funds, as applicable, with stock exchange(s).</p> <p>d) The lead manager(s) shall ensure that the allotment, credit of dematerialised debt securities and NCRPS and refund or</p>	<ul style="list-style-type: none"> • Completion before 6 pm on T+2 day

S. No.	Details of activities	Due date (Working day)
	unblocking of application monies, as may be applicable, are done electronically.	
10	a) Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission. b) Stock exchange(s) to issue commencement of trading notice.	<ul style="list-style-type: none"> • Before 7:30 PM on T+2 day
11	Trading commences	<ul style="list-style-type: none"> • T+3 day