

## CIRCULAR

CIR/CFD/DIL/3/2010

April 22, 2010

**To All Registered Bankers to an Issue**  
**To All Registered Merchant Bankers**  
**To All Registered Registrars to an Issue**  
**To All Stock Exchanges**  
**To All Depositories**

Dear Sirs,

### **Sub.: Reduction in time between issue closure and listing**

1. Presently, it takes on an average around 22 days to list the securities after an issue closes. This exposes investors as well as issuers to market risk as well as leading to infrastructural stress and costs. One of the reasons identified for this delay is data entry at multiple level and reconciliation thereof. Needless to say, any reduction in the period taken to list an issue after closure is in general interest of investors.
2. In consultation with market intermediaries, SEBI has decided to reduce the time between issue closure and listing to 12 working days.
3. In the new process, the syndicate members shall capture all data relevant for purposes of finalizing basis of allotment while uploading bid data in the electronic bidding system of the stock exchanges. In order that the data so captured is accurate, syndicate members may be permitted an additional day to amend some of the data fields entered by them in the electronic bidding system.
4. It is to be noted that syndicate members shall be responsible for any error in the bid details uploaded by them. In case of apparent data entry error by either syndicate member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the application may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to stock exchange(s). In the event of mistake in capturing the application number by either the syndicate member or collecting bank leading to rejection of application, the registrar may identify based on the bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.
5. This circular contains indicative timelines for the various activities in the issue process. The non-ASBA process in this regard is given in Annexure I of the circular. Since the ASBA process also needs to be revised pursuant to the reduced timelines, the revised ASBA process is indicated in Annexure II of the circular.

6. Details of the mandatory data fields which are required to be captured into the electronic bidding system by the syndicate members including the fields which are modifiable/non-modifiable is given in Annexure III of the circular.
7. In order to facilitate quicker processing of applications for the purpose of allotment, instead of the name of the applicant, it is proposed to use PAN which is a unique identification number of the applicant. In this regard, the merchant bankers are directed to ensure that the following is clearly disclosed in the prospectus/abridged prospectus, application form and the pre-issue advertisements: *“The applicants may note that in case the DP ID & Client ID and PAN mentioned in the application form and entered into the electronic bidding system of the stock exchanges by the syndicate members do not match with the DP ID & Client ID and PAN available in the depository database, the application is liable to be rejected.”*
8. Stock Exchanges are directed to ensure that in case of revision of bids, there shall be appropriate provisions to capture the details of the payment instrument for difference of amount, if any.
9. It is given to understand that there is no uniformity in the documents required to be submitted to the stock exchanges along with the listing application which results in delay in the process. In this regard, stock exchanges are directed to clearly indicate the list of documents which they require for giving listing approval, at the time of grant of in-principle approval.
10. Stock Exchanges, Merchant Bankers, Registrar to an Issue, Bankers to an issue including those acting as Self Certified Syndicate Banks and depositories are directed to ensure that the instructions contained in this circular are complied with.
11. This revised procedure shall be applicable to all public issues opening on or after May 3, 2010.
12. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
13. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories “Legal Framework” and “Issues and Listing”.
14. This circular issues with the approval of the competent authority.

Yours faithfully,

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**Indicative timeline schedule for various activities in the proposed issue process(Non-ASBA)**

Sl. No.	Details of Activities	Due Date (Working Day)
1.	<p>Syndicate members upload bid details in the electronic bidding system of stock exchange(s).</p> <p>Syndicate members need to ensure that required documents are attached with the application form.</p>	Issue opening date to issue closing date (where T is issue closing date)
2.	Issue closes.	T
3.	<p>Stock exchange(s) to allow syndicate members to undertake modification of selected fields in the bid details already uploaded.</p> <p>Registrar to get the electronic bid details from the stock exchanges at the end of the day.</p>	T+1
4.	<p>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.</p> <p>Syndicate members to forward a schedule (containing application number, payment instrument number and amount), application forms and payment instruments to collecting banks.</p> <p>Collecting banks may not accept bid schedule, bid applications and payment instrument after T+2 day.</p> <p>Registrar to give bid file received from the stock exchanges containing the application number and amount to all the collecting banks who can use this file for validation at their end.</p> <p>Registrar to commence validation of the electronic bid details with depositories records for DP ID, Client ID and PAN.</p>	T+2

5.	<p>Registrar to continue validation of the electronic bid details with depositories records.</p> <p>Collecting banks to commence clearing of payment instruments.</p>	T+3
6.	<p>Registrar to complete validation of the electronic bid details with depositories records.</p> <p>Collecting banks to start forwarding application forms along with bank schedules to registrar.</p>	T+4
7.	<p>Registrar to prepare list of rejected bids based on mis-match between electronic bid details and depositories data base.</p> <p>Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases.</p>	T+5
8.	<p>Collecting banks to submit status of clearance status of payment instrument i.e. "Final Certificate" to the registrar.</p>	T+6
9.	<p>Collecting banks to ensure that all application forms are forwarded to the registrar.</p> <p>Registrar to undertake and complete reconciliation of final certificate received from the collecting banks with electronic bid details.</p> <p>Registrar submits the final basis of allotment to Designated Stock Exchange(s) for approving the basis of allotment.</p>	T+7
10.	<p>Designated stock exchange(s) to approve the basis of allotment.</p> <p>Registrar to prepare funds transfer schedule based on approved allotment.</p> <p>Registrar to give instructions to depositories to carry out lock-in for pre issue capital.</p>	T+8
11.	<p>Registrar and merchant banker to issue funds transfer instructions to collecting banks.</p> <p>Collecting banks to credit the funds in Public Issue Account of the issuer and confirm the same.</p>	T+9

	<p>Issuer to make allotment.</p> <p>Registrar to give instruction to depositories for credit of shares to successful allottees.</p> <p>Registrar to receive confirmation for pre-issue capital lock-in from depositories.</p>	
12.	<p>Issuer and registrar to file allotment details with designated stock exchange(s) and confirm all formalities are completed except demat credit and refund.</p> <p>Registrar to complete refund dispatch.</p> <p>Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.</p>	T+10
13.	<p>Registrar to receive confirmation of demat credit from depositories and submit the same to the stock exchange(s).</p> <p>Issuer and registrar to file confirmation of demat credit and refund dispatch with stock exchange(s).</p> <p>Issuer to make a listing application to stock exchange(s) and stock exchanges to give listing and trading permission.</p> <p>Issuer, merchant banker and registrar to publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier.</p> <p>Stock exchange(s) to issue commencement trading notice.</p>	T+11
14.	Trading commences	T+12

\*Working days will be all days excluding Sundays and bank holidays

## Annexure II

### Indicative timeline schedule for various activities in the proposed issue process (ASBA)

Sl. No.	Details of Activities	Timeline/ Due date
1.	An ASBA investor, intending to subscribe to a public issue, shall submit a completed ASBA form to a Self Certified Syndicate Bank (SCSB), with whom the bank account to be blocked, is maintained, through one of the following modes - (i) Submit the form physically with the Designated Branches (DBs) of the SCSB ("Physical ASBA"); or (ii) Submit the form electronically through the internet banking facility offered by the SCSB ("Electronic ASBA").	Issue opening date to issue closing date (where T is issue closing date)
2.	The SCSB shall give an acknowledgement by giving the counter foil or specifying the application number to the ASBA investor, as a proof of having accepted his/ her ASBA, in a physical or electronic mode respectively.	-do-
3.	If the bank account specified in the ASBA does not have sufficient credit balance to meet the application money, the ASBA shall be rejected by the SCSB.	-do
4.	(i) After accepting a Physical ASBA, the SCSB shall block funds available in the bank account specified in the Physical ASBA, to the extent of the application money specified in the ASBA. The SCSB shall then capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) for a particular issue. (ii) In case of an Electronic ASBA, the ASBA investor himself/ herself shall fill in all the relevant details, except the application number which shall be system generated. The SCSB shall thereafter upload all the details specified by the stock exchange(s).	-do
5.	The SCSB (Controlling Branch (CB) or DBs) shall provide Transaction Registration Slip(s)/ Order number(s), confirming upload of ASBA details in the electronic bidding system of the stock exchange. The Transaction Registration Slip(s)/ Order number(s) shall be provided to the ASBA investor as a proof of uploading the details of ASBA, only on demand.	-do
6.	In case an ASBA investor wants to withdraw his/ her ASBA during the bidding/ offer period, he/ she shall submit his/ her withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the stock exchange(s) and unblocking of funds in the relevant bank account.	-do
7.	Stock exchange to allow SCSBs to undertake modification of	T+1

	<p>selected fields in the bid details already uploaded</p> <p>Registrar to get the electronic bid details from the stock exchanges at the end of the day.</p>	
8.	<p>The SCSB shall send investor category-wise the following aggregate information as per the format specified by the Registrar to the issue, to the registrar:</p> <p>(i) Total number of ASBAs uploaded by the SCSB</p> <p>(ii) Total number of shares and total amount blocked against the uploaded ASBAs..</p>	T+2
9.	The Registrar shall reconcile the compiled data received from the stock exchange(s) and all SCSBs (hereinafter referred to as the “reconciled data”).	T+2 to T+6
10.	The registrar shall then match the reconciled data with the depositories’ database for correctness of DP ID, Client ID and PAN. In case any DP ID, Client ID or PAN mentioned in the bid file for ASBAs does not match with the one available in the depositories’ database, such ASBA shall be rejected by the registrar.	
11.	In case an ASBA investor wants to withdraw his/her ASBA after the bid closing date, he/she shall submit the withdrawal request to the registrar. The registrar shall delete the withdrawn bid from the bid file.	
12.	The registrar shall reject multiple ASBAs determined as such, based on common PAN.	
13.	The registrar shall finalise the basis of allotment and submit it to the Designated Stock Exchange for approval.	T+7
14.	<p>Once the basis of allotment is approved by the Designated Stock Exchange, the registrar shall provide the following details to the CB of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the issuer’s account designated for this purpose, within the timelines specified in the ASBA facility:</p> <p>(i) Number of shares to be allotted against each valid ASBA</p> <p>(ii) Amount to be transferred from the relevant bank account to the issuer’s account designated for this purpose, for each valid ASBA</p> <p>(iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the issuer’s account designated for this purpose.</p> <p>(iv) Details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts.</p>	T+8
15.	<p>SCSBs shall unblock the relevant bank accounts for:</p> <p>(i) Transfer of requisite money to the issuer’s account designated for this purpose against each valid ASBA.</p> <p>(ii) Withdrawn/ rejected/ unsuccessful ASBAs.</p>	T+9

	The CB of each SCSB shall confirm the transfer of requisite money against each successful ASBA to the Registrar to the Issue .	
16.	The Issuer shall make the allotment.  Registrar to give instruction to depositories for credit of shares to successful allottees.	T+9
17.	Issuer and registrar to file allotment details with Designated Stock Exchange and confirm all formalities are complete except demat credit.	T+10
18.	Registrar to receive confirmation of demat credit from depositories and submit the same to the stock exchange(s).  Issuer and registrar to file confirmation of demat credit and refund dispatch with stock exchange(s).  Issuer to make a listing application to stock exchange(s) and stock exchanges to give listing and trading permission.  Issuer, merchant banker and registrar to publish allotment advertisement before the commencement of trading, prominently displaying the date of commencement of trading, in all the newspapers where issue opening/closing advertisements have appeared earlier.  Stock exchange(s) to issue commencement trading notice.	T+11
19.	Trading commences	T+12



### Annexure III

<b>Data Fields for Bidding Software</b>			
<b>Field Name</b>	<b>Description</b>	<b>Modifiable on T+1</b>	<b>Remarks</b>
IPO	IPO Name	N	Mandatory
APPLNO1	Application No.	N	Mandatory
CATEGORY	Investor Category  1. Retail Individual Investor Investor sub- category None  2. Non-Institutional Investor Investor sub category - Individuals>Rs. 1 lakh - Corporates - Others  3. Qualified Institutional Buyers Investor sub category - Mutual Funds - Financial Institutions - Insurance companies - Foreign Institutional Investors other than corporate and individual sub-accounts - Others  4. Employee (if reservation) 5. Shareholder(if reservation)	N	Mandatory
PAN1	First Applicant PAN	N	Mandatory
DPID	Demat ID	Y	Mandatory
BENEFID	Beneficiary Account Number	Y	Mandatory
QTY	Quantity Option	N	Mandatory
PRICE	Price Option	N	Mandatory
CHQ_AMT	Cheque Amount	N	Mandatory
CHQ_No.	Cheque number	N	Mandatory