

## Consultation paper on reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days

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### 1. Objective:

- 1.1. This consultation paper seeks comments/views/suggestions from the public on the proposals pertaining to the reduction of time period from the date of Issue closure to the date of listing of shares through Public Issues from the existing six days to three days.
- 1.2. The proposed reduction in timelines for listing and trading of shares will benefit both issuers as well as investors. Issuers will have faster access to the capital raised thereby enhancing the ease of doing business and the investors will have opportunity for having early credit and liquidity of their investments.

### 2. Background and a case for reduction in timelines:

- 2.1. In November 2018, SEBI introduced Unified Payment Interface (UPI) as an additional payment mechanism with Application Supported by Blocked Amount (ASBA) for Retail Individual Investors and prescribed the timelines for listing within six days of closure of issue (T+6), 'T' being the day of closure of Issue.
- 2.2. Over the last few years, SEBI has ensured that a series of systemic enhancements have been undertaken across all the key stakeholders of IPO ecosystem to streamline the activities involved in the processing of Public Issues which will pave the way to reduce the listing timelines from T+6 to T+3. (Refer Annexure A)
- 2.3. The inputs of all stakeholders including Stock Exchange(s), SCSBs, Sponsor Banks, NPCI, Depositories, Registrars have been taken with respect to the proposed reduction in timeline and their readiness to process the public issues in the proposed T+3 framework.
- 2.4. Extensive back-testing and simulations have been done by all stakeholders including Stock Exchange(s), SCSBs, Sponsor Banks, NPCI, Depositories and Registrars in respect of various key activities involved in the public issue process.

### 3. Proposals for Consultation:

- 3.1. The key activities involved in the public issue process are outlined below.
  - 3.1.1. **Submission of application and modification of bid by Investors.**
  - 3.1.2. **Processing of application by Self Certified Syndicate Banks (SCSBs) and Intermediaries prior to the closure of public issue.**
  - 3.1.3. **Scrutiny of applications with respect to third party investors.**
  - 3.1.4. **Submission of Final Certificates by SCSBs and Sponsor Bank.**
  - 3.1.5. **Lock-in of Pre Issue Capital.**
  - 3.1.6. **Finalization and approval of basis of allotment.**
  - 3.1.7. **Fund transfer and Unblocking of ASBA application monies.**

- 3.1.8. **Execution of corporate action for credit of shares to allottees.**
- 3.1.9. **Listing and Trading approval.**
- 3.1.10. **Publishing of allotment advertisement.**
- 3.1.11. **Commencement of trading.**

3.2. The revised timelines proposed for the aforesaid key activities in the T+3 framework are dealt in separate parts (Part A to K) in this consultation paper. To achieve the objective of listing of shares on T+3, the timelines proposed in this consultation paper shall have to be followed by all the relevant stakeholders of public issue ecosystem.

3.3. Hereafter, the existing and proposed timelines discussed in this consultation paper correspond to T+6 days and T+3 days timelines respectively.

#### **PART – A: Submission of application and modification of bids by Investors**

1. An Investor, intending to subscribe to a Public Issue, shall submit a completed bid-cum-application form either in physical format or electronically to any of the following entities:
  - 1.1. a self-certified syndicate bank (SCSB), with whom the relevant bank account to be blocked, is maintained;
  - 1.2. a syndicate member (or sub-syndicate member);
  - 1.3. a stock broker registered with SEBI (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker');
  - 1.4. a depository participant ('DP') registered with SEBI (whose name is mentioned on the website of the stock exchange as eligible for this activity);
  - 1.5. a registrar to an issue and share transfer agent ('RTA') registered with SEBI (whose name is mentioned on the website of the stock exchange as eligible for this activity);
2. Individual Investors (including Retail) submitting application through any of the entities mentioned at (1.2) to (1.5) above (hereinafter referred as 'Intermediaries'), shall use UPI and also enter their UPI ID in the bid-cum-application form.
3. Stock Exchange(s) shall allow modification of selected fields viz. either DP ID/Client ID or PAN (but not both) in the bid details already uploaded. In case both the fields are to be modified, then the existing bid will need to be cancelled and a new bid may have to be entered in the Stock Exchange(s) platform.
4. Existing Timeline
  - 4.1 Qualified Institutional Buyers (QIBs) and Non Institutional Investors (NIIs) can submit the applications on or before 4 PM on the T day.
  - 4.2 All other investors other than QIB and NII can submit the applications on or before 5 PM on the T day.
  - 4.3 Investors can modify either DP ID/Client ID or PAN (but not both) from Issue Opening Date till 5 PM on T day.

#### 4.4 Current practice with respect to processing of applications

The timelines mentioned in the below table shall start from Issue opening date.

| Activity                                | Current Timeline in T+6  | Proposed Timeline in T+3   | Reason for change  |
|---|--|--|--|
| Submission of applications by investors | <p>No categorization of applications.</p> <p><b>Cut-off timeline:</b><br/>-</p> <p>On or before 4PM on T day for QIB and NII categories.</p> <p>On or before 5PM on T day for all other categories except QIB and NII.</p> | <p>A)</p> <p>Physical Applications (Bank ASBA and Syndicate Non-Retail, Non-Individual Applications) – On or before 1PM on closing Date.</p> | <p>A)</p> <p>As per the existing timelines, the retail investors are currently allowed to make an application in public issues upto 5 PM on T day. It is given to understand that there is no consistency among SCSBs with regard to this cut-off time. Moreover, it is gathered that certain SCSBs are following an internal cut-off time as early as 11AM on T day for acceptance of physical applications from investors. This cut-off time is set by SCSBs for applications received particularly on the day of Issue closure and is maintained internally to ensure that such applications are successfully processed by way of blocking of ASBA funds in applicant's bank account followed by bidding on the Stock Exchange(s) platform prior to the closure of bidding at 5 PM on T day.</p> <p>Therefore, there is a need to prescribe a timeline of 1 PM on T day which will be more convenient for investors and shall be uniformly followed by SCSBs for accepting physical applications so that the blocking of ASBA funds followed by bidding on the Stock Exchange(s) platform is completed prior to bid closure at 5 PM on T day.</p> |

|  |  |   |  |
|--|--|---|--|
|  |  | <p>B)</p> <p>Electronic applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications upto Rs. 5 Lakhs) – On or before 4PM on closing Date.</p> | <p>B)</p> <p>The application monies are blocked in the applicant's bank account on a real time basis for applications processed through electronic mode (Internet Banking/Mobile Banking etc). However, SCSBs may require certain additional time to ensure that such electronic applications are successfully uploaded/bidder on the Stock Exchange(s) platform prior to the closure of bidding at 5 PM on T day.</p> <p>Therefore, to ensure that the applications received particularly on the day of Issue closure are successfully processed, there is a need to prescribe a timeline of 4 PM on T day which will be more convenient for investors and shall be uniformly followed by SCSBs for accepting electronic applications so that the bidding on the Stock Exchange(s) platform is completed prior to bid closure at 5 PM on T day.</p> <p>For the syndicate applications processed using UPI through Sponsor Bank(s), the bid book of Stock Exchange(s) shall include only those applications with corresponding successfully blocked amounts in full. This shall happen only after the receipt of the confirmation from investors on the acceptance/authorization of UPI mandate in real time.</p> <p>Currently, Investors can accept/authorize the UPI mandate on or before 5 PM on T day. Hence, the UPI applications</p> |
|--|--|---|--|

|   |  |   |  |
|---|--|---|--|
|   |  |   | <p>received particularly on the day of Issue closure may have to be sent to the mobile application of investors electronically for acceptance/authorization well in advance so that the investors can act on it within the prescribed timeline of 5 PM on T day.</p> <p>Therefore, there is a need to prescribe a timeline of 4 PM on T day which will be more convenient for investors and shall be uniformly followed by both the Stock Exchange(s) for accepting the UPI applications so that such applications can be sent to the mobile application of investors electronically for acceptance/authorization well in advance thereby facilitating the investors to act on it within the prescribed timeline of 5 PM on T day.</p> |
|   |  | <p>C)</p> <p>Electronic applications (Online ASBA through 3- in-1 accounts) for retail and other reserved categories except QIB and NII – On or before 5PM on closing Date.</p> | <p>C)</p> <p>No change.</p>  |
| Modification of selected fields viz. DP ID/Client ID or PAN (but not both) by investors | on all bidding days i.e. from Issue Opening Date till 5 PM on T day. | on all bidding days i.e. from Issue Opening Date till 5 PM on T day.  | No change.   |

#### 5. Proposed Timelines

##### **Proposal 1: Submission of applications and modification of bids by Investors**

The following timelines are proposed for submission of applications and modification of bids by Investors. These timelines shall start from Issue opening date.

| <b>Submission of applications and modification of bids by Investors</b> |  |
|---|--|
| Sub Proposals   | Event/Activity   |
| 1   | Retail Individual Investors can submit the applications through their 3-in-1 accounts on or before 5 PM of T day.  |
| 2   | Retail Individual Investors can submit the applications online (electronically) through SCSB (Internet Banking/Mobile Banking etc) on or before 4 PM of T day. |
| 3   | Retail Individual Investors can submit the UPI applications to Intermediaries on or before 4 PM of the T day.  |
| 4   | Individual Investors can submit the UPI applications upto Rs. 5 Lakhs through Intermediaries on or before 4 PM of the T day.                                   |
| 5   | Non Retail Investors can submit the applications online (electronically) on or before 4 PM of the T day.   |
| 6   | Retail Individual Investors can submit the applications physically at any of the SCSB branches on or before 1 PM of the T day.                                 |
| 7   | Non Retail Investors can submit the applications physically to Intermediaries/SCSBs on or before 1 PM of the T day.  |
| 8   | Investors can modify their bids (either the DP ID/Client ID or PAN) on or before 5 PM of the T day starting from the date of opening of Issue itself.          |

**PART – B: Processing of applications by Self Certified Syndicate Banks (SCSBs) and Intermediaries prior to the closure of the Issue**

1. The Intermediaries/SCSBs shall, at the time of receipt of application, give an acknowledgement to the Investor as a proof of having accepted the application form, in either physical or electronic mode, respectively.

**1.1 For applications submitted to SCSBs:** After accepting the application, the SCSB shall block funds available in the bank account specified in the form, to the extent of the application money specified therein and thereafter, shall upload the relevant details in the electronic bidding system as specified by the Stock Exchange(s). SCSBs shall process and upload the said ASBA applications on the Stock Exchange(s) platform only after the full application monies are blocked in the investor's bank accounts.

**1.2 For applications submitted to Intermediaries for bids above Rs. 5 lacs:** After accepting the application, the Intermediaries should submit the syndicate ASBA form to SCSBs for blocking of funds and upload of the bids on the Stock Exchange platform. SCSB shall block funds available in the bank account, to the full extent of the application money specified in the application. Afterwards, SCSBs shall capture and upload the relevant details in the electronic bidding system as specified by the Stock Exchange(s). SCSBs shall process and upload the said ASBA applications on the Exchange(s) platform only after the full application monies are blocked in the investor's bank accounts.





**1.3 For applications submitted to Intermediaries, with use of UPI for payment:**

- 1.3.1** After accepting the application form, the respective Intermediary shall capture and upload the relevant bid details, including UPI ID, in the electronic bidding system of the Stock Exchange(s).
- 1.3.2** Stock Exchange(s) shall submit the bid details including the UPI ID to the Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request of Investors for blocking of funds.
- 1.3.3** Sponsor Bank shall initiate request for blocking of funds through NPCI to Investor. Investors has to accept the mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.
- 1.3.4** The bid book of Stock Exchanges shall include only the UPI applications with corresponding successfully blocked amounts in full.

**2 Existing Timeline**

Intermediaries/SCSBs shall process the retail applications on or before 5 PM and the QIB & NII applications on or before 4 PM respectively on the Issue Closing Date.

**3 Proposed Timelines**

**Proposal 2: Processing of applications by Self Certified Syndicate Banks (SCSBs) & Intermediaries prior to the closure of public issue**

The following timelines are proposed for the processing of applications by Self Certified Syndicate Banks (SCSBs) & Intermediaries and also for Issue Closure. These timelines shall start from Issue opening date.

| <b>Processing of applications by Self Certified Syndicate Banks (SCSBs) &amp; Intermediaries prior to the closure of public issue</b> |  |
|---|--|
| <b>Sub Proposals</b>  | <b>Event/Activity</b>  |
| 1   | Intermediaries shall submit the applications to SCSBs for blocking of funds followed by bidding on or before 2 PM of T day.  |
| 2   | Intermediaries and SCSBs shall process the applications and complete the bidding on the Stock Exchange(s) platform on or before 4 PM of T day for QIB and NII categories.                |
| 3   | Intermediaries and SCSBs shall process the applications and complete the bidding on the Stock Exchange(s) platform on or before 5 PM of T day for all categories other than QIB and NII. |
| 4   | For UPI applications, Sponsor Bank shall not accept any new bids/modified bids from Stock Exchanges post 5 PM of T day.  |

|   |   |
|---|---|
| 5 | Investors to accept the mandate of UPI application on or before 5 PM of T day.                      |
| 6 | Stock Exchanges shall close the bidding for QIB and NII categories at 4 PM of T day.                |
| 7 | Stock Exchanges shall close the bidding for all categories other than QIB and NII at 5 PM of T day. |

### **PART – C: Scrutiny of applications with respect to third party investors**

1. The applications made by third party investors in public issues are liable to be rejected.

#### 2. Existing Timeline

Third party confirmation process to be initiated by registrar not later than 9 AM on T+2. SCSBs and Issuer Banks to provide confirmation on the status of applications with respect to third party to the registrar not later than 9 PM on T+2.

#### 3. Proposed Timeline

#### **Proposal 3: Scrutiny of applications with respect to third party investors**

The following timelines are proposed for scrutiny of applications with respect to third party investors:

| <b>Scrutiny of applications with respect to third party investors</b> |  |
|---|--|
| Sub Proposals   | Event/Activity   |
| 1   | For UPI applications,<br>(i) Stock Exchange(s) shall electronically scrutinize all the successful applications on <b>daily basis</b> for third party investors through the Sponsor Bank(s).<br>(ii) Stock Exchange(s) shall submit the list of all successful applications along with their third party status to the Registrar not later than 9:30 AM on 'T+1' day.   |
| 2   | For Non-UPI applications,<br>(i) Registrar shall submit the list of all Non-UPI bids whose bank accounts are not matched with depository records to Stock Exchange(s) everyday not later than 7:30 PM from Issue Opening Date till T day.<br>(ii) Stock Exchange(s) shall electronically scrutinize all the Non-UPI applications received from Registrar for third party investors through the Sponsor Bank(s).<br>(iii) Stock Exchange(s) shall submit the list of all successful Non-UPI applications along with their third party status to Registrar at regular intervals and not later than 9:30 AM on T+1 Day.<br>(iv) Registrar to send bank wise third-party validation (second round) records, if any, to SCSBs not later than 10:30 AM on T+1 day.<br>(v) SCSBs shall revert on the final third party validation by 1 PM on T+1 day. |



**PART – D: Submission of Final Certificates by SCSBs and Sponsor Bank.**

1. Existing Timelines

1.1 SCSBs and Sponsor Banks shall provide the confirmation of funds blocked (Final Certificate) to the registrar through stock exchange not later than 6 PM on T+1 for non-UPI and UPI applications respectively.

1.2 For QIB and NII applications, the respective SCSB to send confirmation of funds blocked (Final Certificate) to the registrar not later than 6 PM on T+1.

2. Proposed Timelines

**Proposal 4: Submission of Final Certificates by SCSBs and Sponsor Bank**

The following timelines are proposed for submission of Final Certificates by SCSBs and Sponsor Bank:

| <b>Submission of Final Certificates by SCSBs and Sponsor Bank</b> |   |
|---|---|
| Sub Proposals   | Event/Activity  |
| 1   | For UPI applications, Sponsor Bank(s) shall send confirmation of funds blocked (Final Certificate) to the Registrar either directly or through Stock Exchange(s) in a secure manner, not later than 9:30 PM on T day.   |
| 2   | For applications processed by Intermediaries,<br>(i) Intermediaries shall submit physical copies of application forms to SCSBs on a <b>daily basis</b> , but not later than 2 PM on T day.<br>(ii) Registrar shall provide bid file received from Stock Exchanges containing the application number and amount by 6:30 PM to all the SCSBs who may use this file for validation / reconciliation at their end on T day.<br>(iii) The respective SCSB shall send confirmation of funds blocked (Final Certificate with relevant schedules) to the Registrar not later than 7:30 PM on T day. |
| 3   | For applications processed by SCSBs, the respective SCSB to send confirmation of funds blocked (Final Certificate with relevant schedules) to the Registrar not later than 7:30 PM on T day.  |

**PART – E: Lock-in of Pre Issue Capital**

1. The issuer has to ensure that the lock-in in respect of securities held by the promoters and by persons other than the promoters shall be made effective from date of allotment.

2. Existing Timelines

2.1 Registrar / Issuer to initiate corporate action to carry out lock-in for pre-issue capital held in depository system on T+3.

2.2 Registrar to receive confirmation for pre-issue capital lock-in from depositories on T+4.



3. Proposed Timelines

**Proposal 5: Lock-in of Pre Issue Capital**

The following timelines are proposed for Lock-in of Pre Issue Capital:

| <b>Lock-in of Pre Issue Capital</b> |   |
|-------------------------------------|---|
| Sub Proposals                       | Event/Activity  |
| 1                                   | (i) One working day prior to Issue Opening Date, the Issuer Company shall request depositories to deactivate ISIN of the company effective from date of Issue Opening till listing of securities in the public issue on the stock exchange(s).<br>(ii) The transfer of pre-issue shares can take place only through a corporate action and shall be completed one day before date of allotment. |
| 2                                   | (i) Registrar to submit complete documents and initiate corporate action execution to carry out lock-in for pre-issue capital held in depository system post Issue Closing but not later than T+1<br>(ii) Depository to provide confirmation to Registrar for pre-issue capital lock-in on or before 6 PM on T+2  |

**PART – F: Finalization and approval of basis of allotment**

1. Existing Timelines

Registrar shall finalise the basis of allotment and submit it to the designated stock exchange for approval and the designated Stock Exchange(s) to approve the basis of allotment on T+3.

2. Proposed Timelines

**Proposal 6: Finalization and approval of basis of allotment**

The following timelines are proposed for finalization and approval of basis of allotment:

| <b>Finalization and approval of basis of allotment</b> |  |
|--|--|
| Sub Proposals  | Event/Activity   |
| 1  | Registrar shall finalise the basis of allotment and submit it to the Designated Stock Exchange for approval on or before 6 PM on T+1 |
| 2  | Designated Stock Exchange to approve the basis of allotment on or before 9 PM on T+1   |

**PART – G: Fund transfer and Unblocking of ASBA application monies**

1. Existing Timeline

Registrar shall issue funds transfer instructions to SCSBs and Sponsor Banks on T+3 and SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer on T+4.

2. Proposed Timelines

**Proposal 7: Fund transfer and Unblocking of ASBA application monies**

The following timelines are proposed for fund transfer and unblocking of ASBA application monies:

| <b>Fund transfer and Unblocking of ASBA application monies</b> |  |
|--|--|
| Sub Proposal   | Event/Activity   |
| 1  | On or before 9:30 AM on T+2 –<br>(i) Registrar shall issue funds transfer instructions to SCSBs<br>(ii) Registrar shall issue unblock instructions to SCSBs<br>(iii) For UPI Applications, Registrar shall issue funds transfer/debit instructions to Sponsor Bank(s)<br>(iv) For UPI Applications, Registrar shall issue unblock instructions to Sponsor Bank |
| 2  | On or before 2 PM on T+2 –<br>(i) SCSBs shall commence and complete the credit of ASBA funds to the Public Issue Account of the Issuer.<br>(ii) Sponsor Bank(s) shall complete the execution of online debit of UPI funds and credit to the Public Issue Account of the Issuer.  |
| 3  | On or before 4 PM on T+2 –<br>(i) SCSBs shall complete the unblock of ASBA funds for non-allottee applicants.<br>(ii) Sponsor Bank(s) shall complete the execution of online revoke/unblock of UPI funds for non-allottee applicants.<br>(iii) SCSBs shall complete offline revoke/unblock of UPI funds for non-allottee applicants, if required.              |

**PART –H: Execution of corporate action for credit of shares to allottees**

1. Existing Timeline

Registrar to initiate corporate action for credit of shares to successful allottees on T+4 and Registrar to receive confirmation of demat credit from depositories on T+5.

2. Proposed Timelines

**Proposal 8: Execution of corporate action for credit of shares to allottees**

The following timelines are proposed for Corporate action execution for credit of shares to allottees:



| Execution of corporate action for credit of shares to allottees |   |
|---|---|
| Sub Proposals   | Event/Activity  |
| 1   | On or before 2 PM on T+2 –<br>(i) Registrar / Issuer to submit complete documents and initiate corporate action execution for credit of shares to successful allottees.   |
| 2   | On or before 6 PM on T+2 –<br>(i) Depositories shall process corporate action executed by Registrar/Issuer and after successful processing issue credit confirmation letter.<br>(ii) Registrar to receive confirmation of demat credit from depositories. |

### **PART –I: Listing and trading approval**

1. Existing Timeline

Issuer to make a listing application to stock exchange(s) and stock exchange(s) to give listing and trading permission on T+5.

2. Proposed Timelines

#### **Proposal 9: Listing and Trading approval**

The following timelines are proposed for Listing and trading approval:

| Listing and Trading approval |  |
|------------------------------|--|
| Sub Proposal 1               | (i) Issuer to complete a listing application to Stock Exchange(s) and Stock Exchange(s) to give listing and trading permission after following due procedure on or before 6:30PM on T+2.<br>(ii) Stock Exchange(s) to issue commencement of trading notice after following due procedure on or before 7:30PM on T+2. |

### **PART –J: Publishing of allotment advertisement**

1. Existing Timeline

Issuer, merchant banker and registrar to initiate the process and publish the allotment advertisement in all the newspapers where the issue opening/closing advertisements have appeared earlier, on T+5 and T+6 respectively.

2. Proposed Timelines

#### **Proposal 10: Publishing of allotment advertisement**

The following timelines are proposed for Publishing of allotment advertisement:



| <b>Publishing of allotment advertisement</b> |   |
|--|---|
| Sub Proposal 1                               | <p>(i) Issuer, Merchant Banker(s) and Registrar to provide the allotment advertisement to the Stock Exchange along with the listing application.</p> <p>(ii) Stock Exchange(s), Issuer, Merchant Banker(s) and Registrar to publish the allotment advertisement on their website on or before 9 PM on T+2.</p> <p>(iii) Issuer, Merchant Banker(s) and Registrar to publish the allotment advertisement preferably on T+3 but not later than T+4 day, in all the newspapers where the issue opening/closing advertisements have appeared earlier in terms of SEBI (ICDR) Regulations, 2018.</p> |

**PART –K: Commencement of trading**

1. Existing Timeline

Trading commences on T+6.

2. Proposed Timelines

**Proposal 11: Commencement of trading**

The following timelines are proposed for commencement of trading

| <b>Commencement of trading</b> |                          |
|--------------------------------|--------------------------|
| Sub Proposal 1                 | Trading commences on T+3 |

4. **Proposal 12: Obligations of Intermediaries involved in public issues**

The following general obligations are proposed for inter-se/intra coordination amongst the intermediaries/SCSBs:

| <b>Obligations of Intermediaries involved in public issues</b> |   |
|--|---|
| Sub Proposal 1   | In view of the aforesaid reduced timelines proposed in this consultation paper, each stakeholder including Stock Exchange(s), SCSBs, Sponsor Banks, NPCI, Depositories, Registrars and Merchant Bankers shall adopt a process internally to ensure that the activities pertaining to it are planned and completed in advance to meet the proposed timelines under T+3 framework, as applicable to each respective stakeholder. Further, adequate training of staff on ASBA mechanism shall be undertaken by stakeholders at frequent intervals. |



5. **Revised/Proposed Timelines of Public Issue Processing ('T' is Issue Closing Date) (as compared to the existing timelines)**

The revised timelines as discussed and proposed above under different heads for various activities/stages involved in the Public Issues are expected to reduce the entire process of Public Issues from T+6 to T+3 days, as summarized below:

| Day  | Activities Under T+6 (Existing)   | Activities under T+3 (Proposed)   |
|--|---|---|
| Issue Opening Date<br>To<br>Issue Closing Date (T) | <ol style="list-style-type: none"><li>1. Submission of applications by Investors;</li><li>2. Processing of applications by Self Certified Syndicate Banks (SCSBs) and intermediaries.</li></ol>   | <ol style="list-style-type: none"><li>1. Submission of applications by Investors;</li><li>2. Processing of applications by Self Certified Syndicate Banks (SCSBs) and intermediaries.</li><li>3. Initiation of scrutiny of applications with respect to third party investors</li></ol>   |
| T  | <ol style="list-style-type: none"><li>3. Issue Closure at 4 PM for QIB and NII Categories;</li><li>4. Issue Closure at 5 PM for all Categories except QIB and NII.</li></ol> <p>[Actual practice with respect to processing of applications varies from 11AM upto 5PM as discussed in para 4.4]</p> | <ol style="list-style-type: none"><li>4. Issue Closure at 4 PM for QIB and NII Categories;</li><li>5. Issue Closure at 5 PM for all Categories except QIB and NII.</li><li>6. Submission of confirmation of funds blocked (Final Certificate) by SCSBs and Sponsor Banks to Registrar</li></ol>   |
| T+1  | <ol style="list-style-type: none"><li>5. Submission of confirmation of funds blocked (Final Certificate) by SCSBs and Sponsor Banks to Registrar</li></ol>  | <ol style="list-style-type: none"><li>7. Initiation of corporate action to carry out lock-in for pre-issue capital held in depository system, by Registrar</li><li>8. Completion of scrutiny of applications with respect to third party investors</li><li>9. Finalization of basis of allotment by Registrar;</li><li>10. Approval of basis of allotment by designated Stock Exchange;</li></ol> |



|     |  |  |
|-----|--|--|
| T+2 | 6. Scrutiny of applications with respect to third party investors  | <p>11. Completion of lock-in for pre-issue capital by depository;</p> <p>12. Issuance of fund transfer/debit instructions to SCSBs and Sponsor Bank(s) by Registrar;</p> <p>13. Issuance of unblock instructions to SCSBs and Sponsor Bank(s) by Registrar;</p> <p>14. Completion of fund transfer to the escrow account of Issuer;</p> <p>15. Completion of unblock for non-allottees;</p> <p>16. Initiation of corporate action for credit of shares to the demat accounts of allottees.</p> <p>17. Completion of credit of shares to the demat accounts of allottees;</p> <p>18. Issuer to make a listing application to Stock Exchange(s) and Stock Exchange(s) to give listing and trading permission.</p> <p>19. Stock Exchange(s) to issue commencement of trading notice.</p> <p>20. Stock Exchange(s), Issuer, Merchant Banker and Registrar to publish the allotment advertisement on their website.</p> |
| T+3 | <p>7. Finalization of basis of allotment by Registrar;</p> <p>8. Approval of basis of allotment by designated Stock Exchange;</p> <p>9. Issuance of fund transfer/debit instructions to SCSBs and Sponsor Bank(s) by Registrar;</p> <p>10. Issuance of unblock instructions to SCSBs and Sponsor Bank(s) by Registrar;</p> <p>11. Initiation of corporate action to carry out lock-in for pre-issue capital held in depository system by Registrar</p> | <p>21. Publishing of allotment advertisement in all the newspapers where issue opening/closing advertisements have appeared earlier.</p> <p>22. Trading Commences.</p>   |
| T+4 | <p>12. Completion of lock-in for pre-issue capital by depository;</p> <p>13. Completion of fund transfer to the escrow account of Issuer;</p> <p>14. Completion of unblock for non-allottees;</p> <p>15. Initiation of corporate action for credit of shares to the demat accounts of allottees.</p>   |  |
| T+5 | 16. Completion of credit of shares to the demat accounts of allottees;   |  |



|     |   |  |
|-----|---|--|
|     | 17. Issuer to make a listing application to Stock Exchange(s) and Stock Exchange(s) to give listing and trading permission.<br>18. Stock exchange(s) to issue commencement of trading notice. |  |
| T+6 | 19. Publishing of allotment advertisement in all the newspapers where issue opening/closing advertisements have appeared earlier.<br>20. Trading Commences.                                   |  |

6. **Submission of public comments:**

6.1 Considering the benefits of early listing and trading of shares in public issues for both Issuers and Investors expected to be achieved by the afore-stated reduced timelines from T+6 days to T+3 days, comments are invited from the public on the proposals 1 to 12.

6.2 The comments may be submitted by any of the following modes **latest by June 03, 2023**: -

**Through Online**

6.2.1 The comments may **preferably be submitted online** at the below mentioned link:-

<https://www.sebi.gov.in/sebiweb/publiccomment/PublicCommentAction.do?doPubliccomments=yes>

**Through Email**

6.2.2 Alternately, comments may be sent by email to Mr. E Balasubramanian, General Manager ([ebala@sebi.gov.in](mailto:ebala@sebi.gov.in)) and Mr. Afzal Khan, Manager ([afzalk@sebi.gov.in](mailto:afzalk@sebi.gov.in)). While sending the email, kindly mention the subject as “**Consultation paper on reduction of timeline for listing of shares in Public Issue from existing T+6 days to T+3 days**”.

6.2.3 The comments should be sent by email in MS Excel file in the following format only: [link to download the format](#)

**Issued on: May 20, 2023**

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### Annexure A

The details of systemic enhancements/process changes that have been undertaken across the key stakeholders of IPO ecosystem

| <b>Activity</b>   | <b>Systemic Enhancements</b>   |
|---|--|
| Streamlining the processing of ASBA applications in public issues.              | <p>The processing of ASBA applications has been streamlined by mandating the Stock Exchanges to accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the full application monies blocked. The systemic changes have been carried out by the Stock Exchange(s), SCSBs, syndicate members and the same has come into effect for public issues opened on or after September 01, 2022.</p> <p>For applications processed using UPI, the bid book of Stock Exchanges shall include only those applications with corresponding successfully blocked amounts in full.</p>  |
| Fetching the status of UPI applications in instances of latency etc.            | StatusQuery API has been built-in between Stock Exchanges and Sponsor Banks for fetching the status of applications in instances of technical issues like latency and Queuing of applications at Depositories/ Sponsor Banks.  |
| Preparedness of Stock Exchanges to handle public issues with larger issue size. | <ol style="list-style-type: none"> <li>1. Optimizations of application performance.</li> <li>2. Application load distribution among app servers.</li> <li>3. Increase of app and DB servers.</li> <li>4. Upgradation of existing servers.</li> <li>5. Optimization of orders acceptance process for large volumes.</li> <li>6. Calibration of depositories and bank clearance process for large volumes.</li> <li>7. Optimization of member faced reports.</li> <li>8. Slicing of files while sharing data with Intermediaries.</li> </ol>   |
| Preparedness of Sponsor Bank(s) to handle public issues with larger issue size. | <ol style="list-style-type: none"> <li>1. Processing at high TPS throughput per Stock Exchange.</li> <li>2. Incoming path segregation for both Stock Exchanges.</li> <li>3. Application optimization for improved response times.</li> <li>4. Capacity upgradation of Application JVMs &amp; Database infrastructure.</li> <li>5. Segregated database for splitting the application load.</li> <li>6. Certain Sponsor Banks have put in place dedicated servers for IPO.</li> <li>7. Augmentation of bottlenecks at high speed between Sponsor Banks and NPCI.</li> <li>8. The architecture of having multiple Sponsor Bank(s) in a public issue for processing UPI applications has been successfully implemented.</li> </ol> |



|  |  |
|--|--|
| Preparedness of Registrars to handle public issues with larger issue size. | <ol style="list-style-type: none"><li>1. The capacities of internet leased lines, web servers and database servers at their primary site and DR site were upgraded.</li><li>2. Load Balancers were put in place at both primary and failover sites and the same can be scaled up with SSL offloading.</li><li>3. Both On-Prem and AWS cloud is enabled for IPO Processing as per the requirement by certain registrars. The On-Prem infrastructure will be primary and AWS Cloud infrastructure will be secondary.</li><li>4. Certain registrars have the capacity to leveraging cloud infrastructure for IPO Allotment.</li></ol> |
| Preparedness of NPCI to handle public issues with larger issue size.       | <ol style="list-style-type: none"><li>1. Enhancement and upgradation of BHIM System.</li><li>2. Upgradation of UPI Application and Network Infrastructure.</li><li>3. Upgradation of bandwidth for member banks.</li><li>4. Introduction of Deemed Debit for auto-settlement of funds.</li><li>5. Guidelines to member banks on reconciliation of UPI Mandates.</li><li>6. "Invoice in the box" as an additional functionality in IPOs which is an in-App experience to investors to view his/her application details in real time.</li></ol>  |
| Exchange of data between MIs and Intermediaries                            | SFTP has been enabled between Stock Exchanges, Registrar and Sponsor Bank(s) for secure transmission of bid data/information.  |