



# Central Depository Services (India) Limited

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## COMMUNIQUÉ TO DEPOSITORY PARTICIPANTS

CDSL/OPS/DP/POLCY/2026/726

October 16, 2026

### INTRODUCTION OF ENHANCED PLEDGE FACILITY FOR IPO/FPO/OFS ALLOTMENTS

CDSL is pleased to inform its Depository Participants (DPs) about the enhancement to the **pledge creation facility for securities allotted through Initial Public Offerings (IPO), Follow-on Public Offerings (FPO) and Offer for Sale (OFS) issues.**

It may be noted that the above enhanced feature is an optional functionality. DPs not availing this enhanced functionality may continue to use the existing pledge functionality without having to make any changes in their existing systems. All extant pledge / re-pledge / un-pledge functionalities will continue to remain unchanged.

**The new enhancements in the pledge functionality for IPO / FPO / OFS allotments are as given below:**

- 1. Future dated pledge instructions:** Presently, pledge instructions setup is allowed in CDSL system with effect from the date of listing once the ISIN becomes active in CDSL system. With the enhanced functionality, future dated pledge instruction setup would be allowed prior to the date of listing even though the ISIN is in frozen for debit / credit status.
- 2. Partial Pledge:** Under the enhanced functionality, pledge shall be created on the execution date even if the allotted quantity is lower than the quantity for which pledge request was set up.
- 3.** For such requests the pledge will be created on Start of Date (SOD) of the execution date (when ISIN becomes active) only for the securities are allotted through IPO, FPO or OFS.

#### **New Pledge and Pledge Rejection Reason codes:**

The following reason codes are being introduced to identify pledge requests and rejections related to above enhancements:

| Reason Code | Field Name                   | Description                           | UDiFF Standard Value |
|-------------|------------------------------|---------------------------------------|----------------------|
| 9           | Pledge Reason Code           | Pledge due to Funding                 | PLF                  |
| 20          | Pledge Rejection Reason Code | Securities not Allotted               | SNA                  |
| 21          | Pledge Rejection Reason Code | Pledge present on Allotted Securities | PSA                  |



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DPs must use pledge Reason Code 9 while initiating pledge requests under this facility. A request submitted without Reason Code 9 shall be processed as per the existing mechanism based on the selected pledge reason code.

Given below is an Illustrative Example of the enhanced functionality:

| Stage / Particulars                      | Illustrative Details                                                                                                                                                                                                                         |
|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IPO application</b>                   | The investor applies for 1,000 shares through ASBA during the issue period.                                                                                                                                                                  |
| <b>Future-dated pledge request</b>       | Before allotment and demat credit, the investor instructs the DP to set up a pledge request with pledge reason code 9 for up to 1,000 shares expected to be allotted, with the pledge execution date specified as the expected listing date. |
| <b>T: Issue closes</b>                   | The issue closes on T. Bidding ends, and the post-issue allotment process commences.                                                                                                                                                         |
| <b>T+1: Basis of allotment</b>           | On T+1 working day, the basis of allotment is finalized. Against the application for 1,000 shares, the investor gets the allotment of 400 shares.                                                                                            |
| <b>T+2: Demat credit</b>                 | On T+2 working day, the 400 allotted shares are credited to the investor's demat account and are available as free balance, subject to applicable validations.                                                                               |
| <b>T+3: Listing and pledge execution</b> | On T+3 working day, being the listing date, the system processes the future-dated pledge request and creates the pledge for 400 shares the quantity actually allotted, credited and available for pledge.                                    |

This facility enables the investor to arrange the pledge in anticipation of the IPO allotment instead of waiting for the allotted securities to be credited and then initiating a fresh pledge request. Although the request is set up for the quantity applied for or otherwise expected to be allotted, the pledge is created on the execution date only to the extent of the securities actually allotted, to the specified BO account and available as free balance. In the above example, the original pledge setup request was for 1,000 shares therefore results in a pledge of 400 shares, while the unallotted balance of 600 shares remains unprocessed.

### Important Note:

- Depository Participants must ensure that before initiating the pledge creation process, explicit consent is obtained from the BO acknowledging that quantity of securities on which the pledge may get created can be lower than the quantity for which pledge request is set up. The consent can be



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obtained through prescribed physical or electronic mode, as applicable, and after complying with all relevant regulatory requirements, system validations, and depository procedures.

- If the consent is obtained in physical mode, DPs are advised to additionally obtain the addendum as provided in the annexure.
- If the consent is obtained in electronic mode, DPs are advised to incorporate the changes mentioned in the addendum therein.

### Operational Guidelines:

- All existing pledge approvals and authorization requirements will continue to apply as per the current mechanism.
- Partial pledge processing will be permitted only when all the following conditions are met:
  - ✓ The pledge request is submitted with Reason Code 9.
  - ✓ The execution date should be equal to or greater than the listing date
  - ✓ The securities are credited to the BO account through identifiable IPO, FPO, or OFS allotment.
  - ✓ The BO ID and ISIN in the pledge request match the corresponding allotment records.
  - ✓ The allotted securities are available as free and unencumbered balance at the time of processing.
  - ✓ All applicable pledgor and pledgee approvals have been completed successfully.
  - ✓ The request is submitted within the prescribed execution requirements.
- In case of a partial pledge, the quantity displayed in the DP97 report shall be updated to the actual pledge quantity. For example, if the initial pledge setup was done for 1,000 quantity and the actual pledge setup quantity is 400, the DP97 entry printed on the pledge execution date will reflect a quantity of 400 for the corresponding PSN.

### Changes in DP Reports and UDiFF Catalogue

DP reports such as DP97 and DP37 will be updated to include the newly introduced reason codes.

The latest UDiFF catalogue, version 3.0.1.4 containing the new standard values, is available at:

<https://www.cdslindia.com/DP/Harmonization.html>

### Effective date:

The enhanced functionality shall be made effective from the EOD of October 16, 2026.

DPs availing the said enhanced functionality are advised to ensure suitable back-office changes. It is reiterated that the functionality is optional and the DPs not availing the same may continue to use the existing mechanism without having to make any changes.



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Queries regarding this communiqué may be addressed to: CDSL – Helpdesk Emails may be sent to: [dprtasupport@cdslindia.com](mailto:dprtasupport@cdslindia.com) and connect through our IVR Number **022-62343333**.

For and on behalf of  
Central Depository Services (India) Limited

sd/-

Avinash Shere  
AVP – Business Development



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### Addendum to taken from BO for Partial Pledge Creation pursuant to an IPO, FPO, OFS

I/We hereby acknowledge and confirm that the pledge request being set up relates to securities expected to be allotted and credited to my/our demat account pursuant to an IPO, FPO, OFS.

I/We further acknowledge that the quantity of securities actually allotted and credited to my/our demat account may be lower than the quantity for which the pledge request is initially set up.

Accordingly, I/We expressly authorize the Depository Participant and the Depository to create the pledge only to the extent of the quantity of securities actually allotted, credited, available, and otherwise eligible for pledge creation on the execution date, subject to applicable regulatory requirements, system validations, depository procedures, and completion of all required approvals.

I/We understand and agree that:

1. The actual quantity pledged may be lower than the quantity specified in the original pledge request form (PRF).
2. Any quantity not allotted, not credited, unavailable, blocked, frozen, encumbered, or otherwise ineligible for pledge creation shall not be processed under the said pledge request.
3. No fresh consent or revised pledge instruction shall be required solely on account of reduction in the quantity of securities available for pledge creation, provided that the pledge is created only to the extent of the eligible quantity available in my/our account.
4. The pledge shall not be created for a quantity exceeding the quantity of securities actually allotted and credited.
5. I/We have been informed of the operational implications of partial pledge creation and voluntarily provide this consent for processing of the pledge request in accordance with the applicable Depository framework.

I/We confirm that this authorization has been provided voluntarily after understanding the nature and consequences of partial pledge creation and shall remain valid for processing of the aforesaid pledge request.

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Beneficial Owner Name: \_\_\_\_\_

BO ID: \_\_\_\_\_

Pledge Request Reference No. (if available): \_\_\_\_\_

Signature(s) of BO: \_\_\_\_\_

Date: \_\_\_\_\_ Place: \_\_\_\_\_