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CDSL/OPS/RTA/POLCY/2022/51

March 10, 2022

REVISION TO OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER

Issuers/RTAs are advised to refer to SEBI Circular no. **SEBI/HO/DDHS/P/CIR/2022/0028** dated March 08, 2022, regarding **Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper** [refer Annexure].

Issuers/RTAs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be addressed to **CDSL – Helpdesk**: on telephone numbers (022) 2305-8624, 2305-8639, 2305-8642, 2305-8663, 2305-8640, 2300-2041 or 2300-2033. Emails may be sent to: helpdesk@cdslindia.com.

sd/-

Nilesh Shah
Asst. Vice President - Operations



CIRCULAR

SEBI/HO/DDHS/P/CIR/2022/0028

March 8, 2022

To,

**Issuers who have listed and/ or propose to list Non-convertible Securities;
Recognised Stock Exchanges;
Registered Depositories;
Registered Credit Rating Agencies, Debenture Trustees, Depository Participants,
Stock Brokers, Merchant Bankers, Registrars to an Issue and Share Transfer
Agents, Bankers to an Issue;
Sponsor Banks;
Self-Certified Syndicate Banks; and
National Payments Corporation of India (NPCI)**

Madam/ Sir,

Sub: Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper

1. Chapters I and II of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, issued by SEBI, provides the procedures pertaining to issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper.
2. The said Circular, *inter-alia*, provides an option to investors to apply in public issues of debt securities with the facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto Rs. 2 lakh.
3. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, *inter alia*, has enhanced the per transaction limit in UPI from Rs. 2 lakh to Rs. 5 lakh for UPI based Application Supported by Blocked Amount (ASBA) Initial Public Offer (IPO).

4. In view of the above, based on discussions with market participants, in order to bring about uniformity in the requirements and for ease of investment for investors, it has been decided to increase the limit for investment through UPI mechanism to Rs. 5 lakh.
5. Accordingly, the following amendments are being made to Chapters I & II of the said Circular, pertaining to limits of UPI transactions, as given below:

Chapter I - Application process in case of public issues of securities and timelines for listing

Paragraph 1.2 shall stand modified as follows:

“mentioning UPI ID in order to block the funds. The investor may utilize the UPI mechanism to block the funds for application value upto Rs. 5 lakh per application.”

Paragraph 2.1 (c) shall stand modified as follows:

“An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his/ her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs. 5 lakh or less. The intermediary shall upload the bid on the stock exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.”

Paragraph 5.3 shall stand modified as follows:

“Sponsor Bank means a Banker to the Issue registered with SEBI which is appointed by the Issuer to act as a conduit between the stock exchanges and the NPCI in order to push the mandate collect requests and/ or payment instructions of the investors into the UPI.”

Paragraph 11.3 (a) (ii) shall stand modified as follows:

“App based/ web interface applications from investors with UPI mode for blocking the mode for application value upto Rs. 5 lakh.”

Chapter II – Application form and Abridged Prospectus

Paragraph 3.1 shall stand modified as follows:

“UPI mechanism for blocking funds would be available for application value upto Rs. 5 lakh.”



6. The provisions of this circular shall be applicable to public issues of debt securities which open on or after May 1, 2022.
7. 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.
8. This Circular is available at www.sebi.gov.in under the link “Legal→Circulars”.

Yours faithfully,

Pradeep Ramakrishnan
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