REPORT OF THE WORKING GROUP ON ELECTRONIC BOOK PROVIDER PLATFORM

Background

SEBI constituted a Working Group in August 2024 to review and increase the efficacy of the Electronic Book Provider Platform under the Chairmanship of Ms. Radha Kirthivasan, Head Listing and SME, BSE Limited. The Working Group comprised of officials from the Industry, Mutual Funds, Intermediaries, Stock Exchanges, etc.

The terms of reference of the Working Group were to make recommendations to SEBI on the following issues:

1. Exploring whether EBP platform can be made mandatory for all size of issuances of debt securities and NCRPS,
2. Exploring whether EBP platform can be extended for issuances of municipal debt securities, securitized debt instruments and INVITs issued on private placement basis,
3. Analysis and evaluation of the existing process flows to identify the bottlenecks that hinder participation and operational efficiency of the Platform, and
4. Other aspects incidental to the work of working group.

The working group has submitted its report on January 17, 2025.

REPORT OF THE WORKING GROUP

ON

ELECTRONIC BOOK PROVIDER PLATFORM

JANUARY 17, 2025

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Preface

I am grateful to the SEBI team led by Shri. Pramod Rao, Executive Director for entrusting the Working Group with this responsibility and for their valuable direction and input.

The completion of this Working Group's deliberations and this report in a short span was possible due to the active participation and wholehearted support of all the members of the Working Group. I also take this opportunity to express my gratitude to my fellow Working Group members and the Sub Working Group for their valuable time, input and contribution to many deliberations over the past few weeks.

Electronic Bond Platform (EBP) was introduced as a mode for electronic bidding for private placement of corporate debt securities, in the primary mode of issuance, via Chapter VI of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, issued by SEBI. It mandates all primary (fresh or reissuance) of privately placed listed corporate bonds, above INR 50 cr. to be bid through either a BSE or NSE EBP platform.

Post every bidding, EBP will have various details of the Bidding Pattern, for e.g. number of bids, weighted average cut-off etc. Such information, post bidding, is of significance to market participants to understand how the auction was participated. These details are disseminated by exchanges at the end of the day.

It is with this background that SEBI set up a Working Group on EBP Platform. The Working Group has taken a comprehensive look at the current operational guidelines pertaining to the working of the EBP platform. Further in regard to the timelines for set up on EBP and listing of securities, a sub working group was formed. The working group has made its recommendations inter-alia taking into account the following:

- Enhancing transparency
- Improving quality of information that investors have access to
- Better and quicker processes

Radha Kirthivasan
Chairman of the Working Group on Electronic Book Provider Platform
January 17, 2025

Composition of the EBP Working Group

The Working Group to review the Electronic Book Provider Platform ("Working Group") was constituted on September 02, 2024, with the following members:

Sr. No.	**Member Name**	**Organisation & Designation**	**Capacity**
1	Radha Kirthivasan	BSE Limited - Head Listing & SME	Chairperson
2	Santosh Potlacheru	National Stock Exchange of India Limited - Chief Manager - Primary Market Relationship	Member
3	Darshita Shah	Axis Bank - Senior Manager	Member
4	Shameek Ray	ICICI Securities Primary Dealership Ltd. - Head DCM	Member
5	Bharti Bhambwani	Trust Investment Advisors Private Limited - Sr. Vice President	Member
6	Rakhi Dua	Indian Railway Finance Corporation Ltd. - Additional General Manager (Finance)	Member
7	Hemen Shah	Bajaj Finance Ltd - Deputy Treasurer	Member
8	Vidyanand Joshi	SBI Pension fund - Fund Manager	Member
9	Anil Bamboli	HDFC Mutual Fund - Senior Fund Manager – Fixed Income	Member
10	Rajesh Kumar Chakrapani	Standard Chartered Bank (Singapore) Limited - Executive Director, Structured Credit Trading, Singapore	Member
11	Ramesh Ramanathan	IFC - Advisor, Regional Industry MAS Asia & Pacific	Member

Composition of the Sub Working Group:

Sr. No.	Member Name	Organisation & Designation	Capacity
1	Radha Kirthivasan	BSE Limited - Head Listing & SME	Chairperson
2	Santosh Potlacheru	The National Stock Exchange of India Limited - Chief Manager - Primary Market Relationship	Member
3	Rakhi Dua	Indian Railway Finance Corporation Ltd. - Additional General Manager (Finance)	Member
4	Basant Sahu	National Securities Depository Limited- Senior Manager	Member
5	Keyur H Vachani	Central Depository Services (India) Ltd -Senior Manager	Member
6	Amit Dabhade	Link Intime India Pvt. Ltd – Senior Manager	Member
7	Dhruba Jyoti Bora	Axis Trustee Services Limited	Member
8	Kalyani Pandey	Catalyst Trusteeship Limited	Member

Terms of Reference

A. Terms of reference of the EBP Working Group :

With the aim to review and increase the efficacy of the Electronic Book Provider Platform (EBP), the Working Group was requested to make recommendations on the following issues

1. Currently EBP platform is mandatory for issuances (private placement) of debt securities and non-convertible redeemable preference shares (NCRPS) having issue size of Rs. 50 Cr. and above. WG may explore whether EBP platform can be made mandatory for all size of issuances of debt securities and NCRPS;

2. Currently EBP platform is applicable for debt securities, NCRPS and Non-equity regulatory capital instruments. WG may explore whether EBP platform can be extended for issuances of municipal debt securities, securitized debt instruments and INVITs issued on private placement basis;

3. Analysis and evaluation of the existing process flows to identify the bottlenecks that hinder participation and operational efficiency of the Platform; and

4. Other aspects incidental to the work of working group.

B. Terms of reference of the Sub-working Group:

1. Reduction in timelines for EBP set up and listing

2. Separate registration requirements for FPIs for access to corporate bond reporting platform and EBP (primary) portal

3. Incorporation of LEI Number in the BenPos file.

Recommendations

Reference point 1 - Making EBP Mandatory:

The threshold of issuances above INR 50 Cr to be done through EBP platform was made mandatory from January 01, 2023.

To deliberate on the point whether the issuances below INR 50 Cr can be made mandatory, the working group has collated the data of the issuances below the threshold limit during the past 3 financial years and for the six months period end September 30, 2024. The findings of the data has been summarized in the table given below:

Issue Size(Rs in Cr)	2021-22				2022-23				2023-24				2024-25(Till Sept,2024)			
	BSE		NSE		BSE		NSE		BSE		NSE		BSE		NSE	
	No of Issuances	Amount of Issuances (Rs Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)	No of Issuances	Amount of Issuances (RS Crs)
0-5	0	0	0	0	2	5	0	0	2	10	0	0	4	19	0	0
5-10	2	20	2	20	4	31	1	10	3	26	0	0	1	10	1	10
10-15	1	14	2	30	0	0	0	0	5	74	0	0	3	45	0	0
15 - 20	3	59	1	20	4	80	1	20	13	250	1	17	9	178	1	20
20-25	12	289	8	194	7	171	7	171	43	1,067	3	75	17	419	3	75
25-30	6	172	3	86	2	57	2	57	17	495	2	59	7	210	3	90
30- 35	4	135	4	140	3	102	3	105	8	280	3	105	2	66	0	0
35 - 40	6	234	1	40	5	195	1	40	9	356	1	40	4	160	2	80
40 - 45	6	263	0	0	1	45	1	45	0	0	0	0	6	259	0	0
45 - 50	21	1,041	7	350	28	1,395	13	650	73	3,649	13	650	42	2,095	4	200
Total	**61**	**2227**	**28**	**880**	**56**	**2081**	**29**	**1098**	**173**	**6207**	**23**	**946**	**95**	**3461**	**14**	**475**

Below is the data for total issuances for the period April 2021 to September 2024:

Issuance Details	2021-22		2022-23		2023-24		2024-25		Total
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	
No of Issuances	474	311	511	351	795	331	430	199	3,402
Amount Raised (Rs in Cr)	2,76,776	2,45,560	3,92,324	3,21,272	4,48,257	3,68,095	2,30,757	2,08,984	24,92,025

From the above, it can be observed that during the above-mentioned period, we have had 479 issuances for amounts aggregating to INR 17374 Cr wherein the issue size is less than INR 50 Cr.

Presently, for issuance on EBP, the following compliance with regards to EBP timelines has been mandated:

Sr. No.	Particulars	EBP Timelines
1.	Issue Set up on EBP for Existing/ frequent Issuers	T-2
2.	Issue Set up on EBP for New Issuers	T-5

The additional cost for issuance through EBP is Exchange software usage charges amounting to INR 25,000/- per issue.

Pros:
Mandating EBP will bring about uniformity in the primary market and details of all deals will be available in the public domain.

Cons:
This will create additional burden on small time investors regarding set up timelines and cost.

Recommendation:

It is recommended that EBP may be made mandatory for all issuances.

Provision reference in current master circular and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Making EBP Mandatory	Clause 2 of SEBI master circular dated May 22, 2024: 2. The following issues of securities shall be made through the EBP platform: 2.1. A private placement of debt securities and NCRPS as per the provisions of SEBI NCS Regulations, 2021, if it is: 2.1.1. a single issue, inclusive of green shoe option, if any, of Rs. 50 crore or more; 2.1.2. a shelf issue, consisting of multiple tranches, which cumulatively amounts to Rs. 50 crore or more, in a financial year; and 2.1.3. a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds Rs. 50 crore. 4. Issuers of debt securities and NCRPS on private placement basis of issue size less than Rs. 50 crore may also choose to access the EBP platform for such issuances.	Clause 2 of SEBI master circular dated May 22, 2024 shall be amended as under: 2. The following issues of securities shall be made through the EBP platform: 2.1. A private placement of debt securities and NCRPS as per the provisions of SEBI NCS Regulations, 2021, if it is: 2.1.1. a single issue, inclusive of green shoe option, if any, 2.1.2. a shelf issue, consisting of multiple tranches, 2.1.3. any subsequent issue 4. This shall stand deleted

Reference point 2 - Extending products on the EBP to Securitised debt instruments (SDI`s) and INVITs

SDI's :

Below are the details of SDI issuances (Private placement) from April 01,2021 to September 30,2024:

Exchange	2021-22		2022-23		2023-24		2024-25 (Till Sept,24)	
	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)
BSE	13	5,722	15	3,608	45	4,639	38	6,055
NSE	0	0	6	2,561	5	3,198	2	2,125
Total	**13**	**5,722**	**21**	**6,169**	**50**	**7,837**	**40**	**8,180**

Recommendation:

It is recommended as a first step to including SDIs on the EBP platform, the same may be introduced by reporting of SDI's to be made mandatory.

Rationale for the proposition:

- SDIs can involve multiple layers of securities backed by different types of underlying assets (like mortgages, auto loans, or credit card debt). Each layer might have different risk profiles, interest rates, and payment priorities, making them intricate to understand.
- The underlying assets (like individual loans) of these instruments often contain sensitive information about borrowers. To protect privacy and comply with regulations, details about the borrowers and their creditworthiness are usually kept confidential.
- Institutions that create and trade in these instruments often have proprietary models and analytics which they do not wish to disclose.
- These instruments are primarily marketed to institutional investors who have the expertise to navigate the complexities, which can further distance average investors from understanding these products.
- The risks associated with securitized debt, such as credit risk, market risk, and liquidity risk, can vary widely depending on the underlying assets and the economic environment, making them harder to assess.

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Reporting of SDI's to be made mandatory on the EBP Platform.	No provision	A new provision may be included directing the issuers to report the SDI issuances on the EBP Platform

Units of Invits:

Below are the details of Units of Invits from April 01, 2021 to September 30,2024:

Exchange	2021-22		2022-23		2023-24		2024-25 (Till Sept,24)	
	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)	No of Issuances	Amount (In Crs)
BSE	3	5,150	5	4,350	5	8,445	0	0
NSE	0	0	0	0	1	318	0	0
Total	**3**	**5,150**	**5**	**4,350**	**6**	**8,763**	**0**	**0**

Recommendation:

It is recommended that Units of Invits can continue outside the EBP

Rationale for the proposition:

As the volume of Units of Invits is low and this is a hybrid product, this can continue outside the EBP.

Reference point 3 - Identification of bottlenecks hindering participation and operational efficiency of the Platform

- ***Reduction in timeline for EBP Set up and listing***

  The current and the proposed timeline is as follows :

Activity	Current Timeline	Proposed Timeline
Minimum market notification time on EBP for New Issuers	T-5	T-3
Minimum market notification time on EBP for Existing Issuers	T-2	T-2
Issue Open/Close on EBP	T	T
Settlement Cycle	T+1 or T+2	T+1
Listing of Securities	Within T+3	Within T+2

Basis the discussion held with the sub group, below are the recommendations:

1. **Reduction in timelines for EBP set up:**
   The minimum market notification time for new issuers is 5 days (T-5) and existing issuers is 2 days (T-2). It is proposed to reduce the minimum market notification time for the new issuers from the current T-5 to T-3.

   Rationale:
   This will reduce the overall timeline for listing and the investor will be able to trade earlier as compared to waiting period of T-5 minimum market notification time.

2. **Application for ISIN to the Depositories:**
   The application shall be made to the depositories on the day of the issuance set up on EBP and shall provide modification form in case of any changes in the parameters/details filled in the form.

   Pros:
   This will lead to availability of ISIN on T-1 date i.e., a day prior to the bidding and also will provide time to the issuer in case of any issue in the application/documents submitted.

   Cons:
   Receipt of modification form in timely manner becomes crucial since further process of corporate action may get impacted due to delay in modification form at the depositories end. Based on the discussions with depositories, modification corporate action received till 12 pm on T day will be approved on the same day, else it will be move to next date (T+1). In such an event, subsequent corporate action for allotment will be processed after the modification corporate action has been completed. Both the activities are critical and are precedent for credit of money to the issuer account.

   Single point for ISIN creation/modification can be beneficial for issuer and can also save on time.

3. **Payment of stamp duty and other fees:**

   Issuers would require making the payment of stamp duty and other fees on the date of the bidding.

   Rationale:

   Often, depositories face challenges due to non-receipt of stamp duty and other fees on the day of the corporate action and hence this delays the entire process.

4. **Making settlement T+1:**

   Currently, the issuer has the option of selecting the settlement cycle as T+1 or T+2.

   It is recommended that the settlement cycle of T+1 be made mandatory for all issuances (T being the bidding date).

   Pros:

   This would reduce the overall listing time.

   Based **Cons:**

   on the discussions with peer issuers, main bottleneck is ISIN creation/modification and ISIN allotment, which if made more standardized can facilitate the process. For issuers, with more than one issuance under the same series and having large number of investors, sending application form would be challenging since investor depend on the same for their internal approvals and for fund transfer the next day. The details can be procured by the investor from the EBP portal for reference and approvals.

   For depositories, in case of modification, receiving and processing the modification form in timely manner becomes crucial.

5. **To reduce listing timelines to T+2 from the exiting T+3**

   As per extant guidelines, the securities shall be listed within 3 days from the closure of issue (bidding day). It is recommended to reduce the timeline from 3 days to 2 days from the closure of issue.

   Rationale:

   The reduction in listing timelines would enable the availability of the security for trading earlier than as per current process and timelines. Different intermediaries may coordinate and communicate more effectively for smoothening the process.

Provision reference in current circular and amendment in the circular:

<table>
<tr><th>Recommendation</th><th>Current Provision</th><th>Amendment to the existing clause in the SEBI circular</th></tr>
<tr><td>Reduction in timelines for EBP set up</td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:<table><tr><th>Timeline (working day)</th></tr><tr><td>Prior to T-2/
T-5 (EBP);

Prior to T
(Non-EBP)</td></tr></table></td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 shall be amended as under:<table><tr><th>Timeline (working day)</th></tr><tr><td>Prior to T-2/
T-3 (EBP);

Prior to T
(Non-EBP)</td></tr></table></td></tr>
<tr><td>Making settlement T+1</td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:<table><tr><th>Category</th><th>Timeline (working day)</th></tr><tr><td>Settlement</td><td>On or before
T+1/ T+2 (as per settlement
cycle chosen by the Issuer)
(EBP);

On or before T+2
(Non-EBP);</td></tr></table></td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 hall be amended as under:<table><tr><th>Category</th><th>Timeline (working day)</th></tr><tr><td>Settlement</td><td>On or before
T+1
(EBP);

On or before
T+2
(Non-EBP);</td></tr></table></td></tr>
<tr><td>To reduce listing to T+2 from T+3</td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:<table><tr><th>Category</th><th>Timeline (working day)</th></tr><tr><td>Listing</td><td>On or before
T+3;</td></tr></table></td><td>Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 hall be amended as under:<table><tr><th>Category</th><th>Timeline (working day)</th></tr><tr><td>Listing</td><td>On or before
T+2;</td></tr></table></td></tr>
</table>

Reference point 4: Other aspects

The other aspects which were deliberated by the working group are as under:

1. ***Increase in Anchor portion to 60 %***

Anchor participation in EBP was allowed vide SEBI circular SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/00139 dated October 10,2022 effective from January 01,2023.

The data relating to participation of Anchor investor in the issuance on EBP from effective date i.e. January 01,2023 to September 30, 2024 :

Exchange	2022-23		2023-24		2024-25	
	PSU issuances	Non-PSU issuances	PSU issuances	Non-PSU issuances	PSU issuances	Non-PSU issuances
BSE	1	34	1	120	0	69
NSE	0	16	0	84	0	48
Total	**1**	**50**	**1**	**204**	**0**	**117**

For the issuances provided in the above data, anchor has been fully subscribed i.e. 30% of the base issue size.

Details of issuance without Anchor Participation from April 01,2021 to September 30, 2024 :

Exchange	2021-22		2022-23		2023-24		2024-25	
	PSU issuances	Non-PSU issuances	PSU issuances	Non-PSU issuances	PSU issuances	Non-PSU issuances	PSU issuances	Non-PSU issuances
BSE	41	433	73	403	75	599	34	327
NSE	43	268	62	273	60	187	33	118
Total	**84**	**701**	**135**	**676**	**135**	**786**	**67**	**445**

Details of anchor participation based on bond rating from effective date i.e. January 01,2023 to September 30, 2024 :

Rating	2022-23		2023-24		2024-25 (Till Sept,24)	
	BSE	NSE	BSE	NSE	BSE	NSE
AAA	16	7	50	43	26	25
AA+/AA-	9	9	57	40	32	23
A+/A-	8	0	14	1	10	0
OTHERS	2	0	0	0	1	0
Total	**35**	**16**	**121**	**84**	**69**	**48**

From the above table, it is observed that in most of the issuances where the ratings are higher, the anchor participation is higher.

Recommendation:

As per the current SEBI regulation, the anchor investment is restricted at 30% of the base issue size. It is recommended that the anchor portion may be increased to 60%. Further pre-decided cut off for re-issuances would enhance anchor participation. Also, it is suggested to enable for Anchor to get allotment in a Reissue with Multiple Price Allocation at the "contracted price" with Issuer and not at the Cutoff; this is important for making the EBP system easier for both Investors and Issuers. However, such contracted price should be disclosed on EBP for transparency.

Rationale:

The working group committee members were of the view that it takes a long time, sometimes even 6 months to decide on a structure of a deal and this increase in anchor participation would justify the efforts put in for structuring such transactions.

Provision reference in the current master circular and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Increase in Anchor portion to 60 %	Clause 8.1.2 of SEBI master circular dated May 22,2024: The quantum of allocation(s) to the anchor investor(s) shall be at the discretion of the issuer, subject to total allocation to the anchor(s) not exceeding 30% of the base issue size.	Clause 8.1.2 of SEBI master circular dated May 22,2024 shall be amended as under: The quantum of allocation(s) to the anchor investor(s) is shall be at the discretion of the issuer, subject to total allocation to the anchor(s) not exceeding 60% of the base issue size.

2. **Anchor Participation Confirmation**:

Recommendation:

Currently the system does not take a confirmation from the proposed anchor investors. We believe a system enablement feature should be introduced at the time of launch of the issue triggering alert to all the proposed anchor investors. Such anchor investors need to confirm on the EBP system at a pre-decided time. Amount not confirmed by any such anchor investor shall be added back to the base issue size.

Rationale:

Non-participation by any Anchor investor post their verbal confirmation can seriously impair any issue. This becomes even more grave as there is no recourse to legal remedy as no contractual obligation exists.

There are no instances wherein the anchor investor has backed out of their commitment.

Provision reference and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Anchor Participation Confirmation- Anchor investors need to confirm on the EBP system at a pre-decided time. Amount not confirmed by any such anchor investor shall be added back to the base issue size.	Clause 8.1.5 of SEBI master circular dated May 22, 2024: Issuer shall disclose details of the anchor investor(s) and the corresponding quantum allocated, to the EBP, along with the Placement Memorandum and the term sheet.	Clause 8.1.5 of SEBI master circular dated May 22, 2024 shall be amended as under: Issuer shall disclose details of the anchor investor(s) and the corresponding quantum allocated, to the EBP, along with the Placement Memorandum and the term sheet. Such anchor investors to provide confirmation on EBP platform of their participation.

3. *Enhancing participation of Arranger:*

Below is the data of issuances with / without Arranger participation along with their participation in proprietary capacity and category-wise from April 01,2021 to September 2024:

Issuance with Arranger Participation of 5% and less than 5%:

Exchange	2021-22		2022-23		2023-24		2024-25 (Till Sept,24)	
	Issuance with 5%	Issuance less than 5%	Issuance with 5%	Issuance less than 5%	Issuance with 5%	Issuance less than 5%	Issuance with 5%	Issuance less than 5%
BSE	145	5	160	9	202	16	110	7
NSE	6	29	14	50	55	24	29	16
Total	**151**	**34**	**174**	**59**	**257**	**40**	**139**	**23**

Issuances without Arranger Participation

Exchange	Issuance without Arranger Participation			
	2021-22	2022-23	2023-24	2024-25 (Till Sept,24)
BSE	324	342	577	313
NSE	160	167	143	78
Total	**484**	**509**	**720**	**391**

Details of arranger participation in proprietary capacity:

Exchange	No of Issuances with Arranger Participation on proprietary capacity			
	2021-22	2022-23	2023-24	2024-25 (Till Sept,24)
BSE	163	191	233	122
NSE	147	183	187	120
Total	**310**	**374**	**420**	**242**

Details of arranger participation on the basis of category (Non-proprietary):

Exchange	2021-22 (No of Issuances)				2022-23(No of Issuances)				2023-24 (No of Issuances)				2024-25((No of Issuances till Sept,24)			
	Merchant Banker	Broker	Primary Dealer	Banks	Merchant Banker	Broker	Primary Dealer	Banks	Merchant Banker	Broker	Primary Dealer	Banks	Merchant Banker	Broker	Primary Dealer	Banks
BSE	141	12	69	192	267	43	126	266	333	42	140	298	155	30	77	173
NSE	100	45	81	0	131	80	110	0	132	79	116	0	81	41	77	0
Total	**241**	**57**	**150**	**192**	**398**	**123**	**236**	**266**	**465**	**121**	**256**	**298**	**236**	**71**	**154**	**173**

Recommendation:

Currently, arranger participation is restricted to 5% of base issue size or INR 100Cr whichever is lower. It is recommended that, present the capping of 5% can be incrementally enhanced further by 5% in the first 6 months then by another 5 % in next 6 months and finally cap it at 20% within a period of 18 months.

Rationale:

To enable easier Investor facilitation as a large ticket Investor may want to work through Arrangers for banking larger amounts directly. Also, with issue sizes increasing annually, it is felt that the limit of 100 Cr is on the lower side.

Provision reference and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Enhancing participation of Arranger-Increase in the limit of arranger participation of base issue size (with upper cap). The increase can be incremental 5% every 6 months and final cap at 20%.	Clause 6.6 of SEBI master circular dated May 22,2024: An eligible participant cannot bid for an amount more than Rs.100 crore or 5% of the base issue size, whichever is lower, through arranger(s) on the EBP platform.	Clause 6.6 of SEBI master circular dated May 22,2024 shall be amended as under: An eligible participant cannot bid for an amount more than 5% of the base issue size through arranger(s) on the EBP platform. The present limit of 5% can be incrementally enhanced further by 5% in the first 6 months then by another 5 % in next 6 months and finally cap it at 20% within a period of 18 months.

4. **Market Holiday:**

There are instances, where stock markets are open on bank holidays.

Recommendation:

It is recommended that EBP platform should be closed on such bank holidays.

Rationale:

Because of bank holiday and debt market being closed, issuers may find it difficult in getting the issue subscription.

Provision reference and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Market Holiday	Currently there is no provision in the regulation	This recommendation may be incorporated as clause 7.14 of the SEBI master circular dated May22, 2024: No bidding shall take place on days declared as bank holiday.

5. **Reduction in the bidding time:**

Pros:

Rise in number of issuances results in bidding time overlap for multiple issues. Thus, Investors may find it difficult to participate in these overlapping issuances given the allotment related uncertainty. Higher than required allotment may require them to sell other securities so as to make payments for these allotments. Hence, cut down in bidding time is likely to provide flexibility to issuers to avoid time overlap with other issuances and also ensure better investor participation. We have observed that 90% of the issuances gets subscribed within first 15 minutes of the issue opening time. For the rest for the 45 mins the investors modify or place additional bids. Since it is at the discretion of the issuer, the minimum bidding time may be reduced to 30 minutes.

Cons:

Normally in the last 10 minutes, there are restrictions on reducing the bid size and issuer has also to analyse whether to extend the time in case issue is not fully subscribed. So, in case the window is reduced to 30 minutes, bidders would have initial time of 20 minutes only. Further, in case of large issuances, it is expected that large number of bidders would participate, and this may be a constraint. So, current bidding time of one hour is appropriate.

Recommendation:

It is recommended that the minimum bidding time shall be reduced from One hour to 30 minutes at the discretion of the issuer.

Provision reference in the current master circular and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Reduction in the bidding time	Clause 7.1.2 of SEBI master circular dated May 22,2024: The bidding window shall be open for the period as specified by the issuer in the bidding announcement; however, the same shall be open for at least one hour.	Clause 7.1.2 of SEBI master circular dated May 22,2024 shall be amended as under: The bidding window shall be open for the period as specified by the issuer in the bidding announcement; however, the minimum bidding time for the bidding window may be reduced to thirty minutes from one hour at the discretion of the issuer.

6. Special bidding window (for issuances with Green Shoe option):

Details for issuances with full allocation of Green shoe option:

Exchange	2021-22				2022-23				2023-2024				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	19	49,080	77	49,833	33	75,330	59	85,650	27	86,950	94	72,928	21	70,310	54	24,703
NSE	24	58,540	68	68,931	31	79,016	75	62,425	32	1,12,500	53	27,455	20	91,500	30	18,416
Total	**43**	**1,07,620**	**145**	**1,18,764**	**64**	**1,543,46**	**134**	**1,48,075**	**59**	**1,99,450**	**147**	**1,00,383**	**41**	**1,61,810**	**84**	**43,119**

**The data consists only issuances with Green shoe option*

Further Details for issuances with full allocation of Green shoe option with number of times subscribed :

No of times subscribed	2021-22				2022-23				2023-24				2024-25			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Less than 1X	3	4	19	29	2	5	23	23	5	2	61	28	2	5	36	12
1X - 2X	7	11	8	6	7	13	3	20	7	6	15	15	11	5	9	9
2X -3X	5	5	8	9	8	11	8	7	6	11	9	4	3	3	4	5
3X-4X	1	1	8	7	8	1	9	10	3	8	8	4	1	3	2	3
4X-5X	2	1	4	5	4	1	0	4	6	5	1	2	4	4	3	1
More than 5X	1	2	30	12	4	0	16	11	0	0	0	0	0	0	0	0
Total	**19**	**24**	**77**	**68**	**33**	**31**	**59**	**75**	**27**	**32**	**94**	**53**	**21**	**20**	**54**	**30**

**The data consists only issuances with Green shoe option*

Details for issuances with partial or nil allocation of Green shoe option:

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	18	43,378	145	60,417	37	91,718	175	72,732	45	77,742	247	1,03,327	12	24,019	159	64,192
NSE	17	30,467	128	47,482	30	73,020	126	63,701	28	89,201	111	87,775	13	34,949	81	41,387
Total	**35**	**73,845**	**273**	**1,07,899**	**67**	**1,64,738**	**301**	**1,36,433**	**73**	**1,66,943**	**358**	**1,91,102**	**25**	**58,968**	**240**	**1,05,579**

**The data consists only issuances with Green shoe option*

Further details for issuances with partial / nil allocation of Green shoe option:

Acceptance Status	2021-22 (No of Issuances)				2022-23(No of Issuances)				2023-24(No of Issuances)				2024-25(No of Issuances)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Nil Acceptance	0	0	23	47	1	0	39	24	3	0	81	32	0	0	50	23
Partial Acceptance	18	17	122	81	36	30	136	102	41	28	164	79	12	13	109	58
Total	**18**	**17**	**145**	**128**	**37**	**30**	**175**	**126**	**44**	**28**	**245**	**111**	**12**	**13**	**159**	**81**

**The data consists only issuances with Green shoe option*

Pros:

This will be a kind of win-win situation for both the bidder and issuer as bidder is able to participate at a rate which is discovered in a transparent manner in the EBP platform while issuer will be able to mobilize the total issue including the green shoe option.

Cons:

This will take additional time and effort from Investors to not only track the issue during bidding but also track the issue post bidding. While we are recommending that minimum time period for bidding be decreased (at the option of the issuer) to 30 minutes, this counter proposal increases the bidding period and complexities for Investors specially if there are a number of issues open around same time. This will encourage Issuers to consistently bring issues with lower base size and highest possible greenshoe, accept lower amounts and then ask Investors to match. In turn, Investors will bid at higher levels and then later decide whether to match the cutoff or not. This will also increase gamification of the currently simple process.

Recommendation:

In case where the issuer at its declared cut-off rate is not able to mobilize the complete issue size (including green shoe option), there may be an option to provide another window of 15-30 minutes to all the bidders to add amount at the cut-off rate up to the issue size already declared.

Provision reference in the current master circular and amendment in the circular:

Recommendation	Current Provision	Amendment to the existing clause in the SEBI circular
Special bidding window (for issuances with Green Shoe option)	Currently no provision in the regulation	This recommendation may be incorporated as a new clause : In case of issuances with Green Shoe option, the issuer may have an option to provide another window of 15-30 minutes to all the bidders to add amount at the cut-off rate up to the issue size already declared.

7. **Basis of allocation:**

Recommendation:

Replace time priority with proportionate basis of allocation like in G-secs.

Rationale:

Like G-sec / T-bill / SDL auctions, allocations at cut-offs should be made on a proportional basis. This approach allows investors ample time to place their bids without feeling pressured to bid early. In open bidding, where the bid amounts (though not the levels) are visible, this rush can create an impression of heightened interest, potentially leading to aggressive bidding. Proportional allocation also helps address timing lags faced by bidders.

Provision reference in current master circular and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Basis of allocation	Currently no provision in the regulation	This recommendation may be incorporated as a new clause : In case of bids at cut-off price, allotment shall be on proportional basis and not on time priority basis

8. Uniform format for disclosure of information post auctions:

Currently, below are the details published on the Exchange websites:

Bidding date / Date of Issuance	Price (in Rs.)
Issuer Name	Spread (bps)
ISIN	Yield (%)
Issue Description	Credit Rating
Type of Issuance (Type of Placement)	Type of Book Bidding
Allotment date	Manner of allotment
Face Value (in Rs. Lakhs)	Manner of settlement
Amount raised (in Rs. Cr)	Link of GID/PPM
Maturity Date	Link of KID/Term sheet
Coupon (%)	Base Issue Size (in Rs.Crs)
No. of successful bidders (& Category of Investors)	Green Shoe Option(in Rs. Crs)
Tenor	Type of Bidding
Secured/Unsecured	Coupon Frequency
Maturity Type	Interest Payment Type

Recommendation:

To disseminate the below data on Exchange website:

Corporate Bonds - Full EBP Results	
ISSUER SECURITY NAME SECURITY ISIN	

Type of EBP Auction	Uniform / Multiple Price Open / Closed Book
Base Auction Amount Greenshoe Auction Amount Anchor Amount Number of Anchor Investors	

Total QIB Bidding	Number of QIB Bids Amount of QIB Bids
Total QIB Amount Accepted	Number of QIB Bids Amount of QIB Bids
Total Non-QIB Bidding	Number of Non QIB Bids Amount of Non QIB Bids
Total Non QIB Amount Accepted	Number of Non QIB Bids Amount of Non QIB Bids

CUT OFF YIELD / PRICE WT. AVG. CUT OFF YIELD /PRICE	

Rationale:

Auction bidding details are an important source of post auction information and disclosure, for corporate bond markets. It is suggested that a uniform format of all the auctions held in the day, by respective EBPs, be given by the exchanges.

Provision reference in the current master circular and amendment in the circular:

Recommendation	**Current Provision**	**Amendment to the existing clause in the SEBI circular**
Uniform format for disclosure of information post auctions:	Clause 12.2 of SEBI master circular dated May 22,2024: EBPs shall ensure that all details regarding the issuance is updated on its website.	Clause 12.2 of SEBI master circular dated May 22,2024 to be amended as under: EBP's to update the below data in addition to the existing data already disseminated on the website: 1.Anchor Amount 2.Number of Anchor Investors 3.Total QIB Bidding 4.Total QIB Amount Accepted 5.Total Non-QIB Bidding 6.Total Non QIB Amount Accepted 7.CUT OFF YIELD / PRICE 8.WT. AVG. CUT OFF YIELD /PRICE

9. **Activation of ISIN and trading:**

Recommendation:

It is recommended that ISIN to be activated on the issuance date enabling investors to trade in those securities immediately. Global practise for securities issuance being temp ISIN allocation which is then funged into a final ISIN. Also, ability to trade in bonds immediately post bidding. FPIs restricted from trading in “to-be listed” bonds results in economic / risk slippages.

Rationale:

Either follow the global practise of temp ISIN or activate the final ISIN on the allocation date.

Discussion points wherein there has been lack of consensus within the working group

1. **Bidding type:**

   Currently there are two types of bidding. Closed bidding and open bidding. The data of number and amount of issuances in the past in these two types of bidding is as given hereinunder :

Data on closed bidding from April 01, 2021 to September 30, 2024 :

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	41	95,292	165	62,362	74	1,68,897	176	37,267	76	1,67,263	340	78,961	34	94,567	191	32,485
NSE	40	83,415	88	56,113	59	1,46,370	64	36,136	59	1,99,701	55	41,176	33	1,26,449	23	8,402
Total	**81**	**1,78,707**	**253**	**1,18,475**	**133**	**3,15,267**	**240**	**73,403**	**135**	**3,66,964**	**395**	**1,20,137**	**67**	**2,21,016**	**214**	**40,887**

Data on Open bidding from April 01, 2021 to September 30, 2024:

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	0	0	268	1,19,272	0	0	261	1,86,160	0	0	379	2,02,800	0	0	205	1,03,705
NSE	3	6,025	180	1,00,007	3	6,350	225	1,32,416	1	2,000	216	1,25,218	0	0	143	74,133
Total	**3**	**6,025**	**448**	**2,19,279**	**3**	**6,350**	**486**	**3,18,576**	**1**	**2,000**	**595**	**3,28,018**	**0**	**0**	**348**	**1,77,838**

From the above tables, it is observed that 99% of PSU issuances have closed bidding and around 36% of the total issuances (PSU & Non PSU) are closed bidding.

Recommendation:

In keeping with the fundamental principles of bidding it is recommended that all issuances should be conducted through closed bidding only.

Rationale:

Open bidding, where bid amounts are visible, can create the impression of high interest, often leading to overly aggressive bidding. G-sec / T-bill / SDL auctions, for instance, are carried out using closed bidding.

Provision reference in master circular and amendment in the circular:

Sr No	Recommendation	Current Provision in the circular
1	Bidding type-In keeping with the fundamental principles of bidding it is recommended that all issuances should be conducted through closed bidding only	Clause 5.3.5 of SEBI master circular dated May 22,2024 shall be amended as under: Manner of bidding in the issue i.e. open bidding or closed bidding.

2. **Bidding on Uniform Yield Allotment basis:**

Currently there are two types of allocation followed - uniform yield allotment and multiple yield allotment. The data of number and amount of issuances in the past in these two types of price auction is as given hereinunder:

Issuances with uniform yield allotment from April 01, 2021 to September 30, 2024 :

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	41	95,292	402	1,58,839	74	1,68,897	363	1,75,761	72	1,63,501	522	1,71,819	33	94,329	264	48,324
NSE	43	89,440	268	1,56,120	62	1,52,720	274	1,62,282	60	2,01,701	132	95,780	33	1,26,449	61	33,016
Total	**84**	**1,84,732**	**670**	**3,14,959**	**136**	**3,21,617**	**637**	**3,38,043**	**132**	**3,65,202**	**654**	**2,67,599**	**66**	**2,20,778**	**325**	**81,340**

Issuances with multiple yield allotment from April 01, 2021 to September 30, 2024:

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	0	0	31	22,796	0	0	74	47,666	4	3,762	197	1,09,942	1	238	132	87,867
NSE	0	0	0	0	0	0	15	6,270	0	0	139	70,614	0	0	105	49,520
Total	**0**	**0**	**31**	**22,796**	**0**	**0**	**89**	**53,936**	**4**	**3762**	**336**	**1,80,556**	**1**	**238**	**237**	**1,37,387**

Pros:

G-sec / T-bill / SDL auctions typically employ the uniform yield allotment method, except when the RBI detects market dislocation, in which case the Dutch auction method is used temporarily. Similarly, for EBP issuances, it is recommended to adopt the uniform yield allotment method as the standard. The use of the Dutch auction method could be considered in specific situations, which can be further discussed and developed. This approach promotes fair bidding practices, as opposed to aggressive bidding by investors solely to secure allocations, which can distort auction cut-offs and / or market pricing.

Cons:

The uniform price method is very well understood and preferred by many Issuers and Investors. While in certain cases, Issuers and Investors prefer the multiple price method, we should leave the final decision to be taken by Issuers as mandated multiple price bidding (uniform yield allotment) could add to borrowing cost of Issuers.

Recommendation:

Issuances basis uniform yield allotment should be mandatory. There can flexibility to re-bid using Dutch auction if the cutoffs are beyond a predefined threshold.

Provision reference in the current master circular and amendment in the circular:

Recommendation	**Current Provision in the circular**
Issuances basis uniform yield allotment should be mandatory. There can flexibility to re-bid using Dutch auction if the cutoffs are beyond a predefined threshold.	Clause 5.3.6 of SEBI master circular dated May 24,2024: Manner of allotment in the issue i.e. uniform yield allotment or multiple yield allotment.

3. Limiting Green Shoe Option:

Currently a greenshoe option of five times the base size can be kept in any issuance on the EBP platform. The data of Issuances with and without Greenshoe option is tabled below :

Details of Issuances with Greenshoe option from April 01, 2021 to September 30, 2024:

Exchange	2021-22				2022-23				2023-2024				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	37	92,457	222	1,10,250	70	1,67,048	234	1,58,382	71	1,64,692	339	1,76,255	33	94,329	213	88,894
NSE	41	89,007	196	1,16,413	61	1,52,036	201	1,26,125	60	2,01,701	164	1,15,230	33	1,26,449	111	59,803
Total	**78**	1,81,464	418	2,26,663	131	3,19,084	435	2,84,507	131	3,66,393	503	2,91,485	66	2,20,778	324	1,48,697

Details of Issuances without Greenshoe option from April 01, 2021 to September 30, 2024:

Exchange	2021-22				2022-23				2023-2024				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	4	2,835	211	71,385	4	1,848	203	65,045	5	2,570	380	1,05,506	1	238	183	47,296
NSE	2	433	72	39,707	1	685	88	42,427	0	0.00	107	51,164	0	0.00	55	22,732
Total	**6**	3,268	**283**	1,11,092	**5**	2,533	**291**	1,07,472	**5**	2,570	**487**	1,56,670	**1**	238	**238**	70,028

Details for issuances with full allocation of Green shoe option :

Exchange	2021-22				2022-23				2023-2024				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	19	49,080	77	49,833	33	75,330	59	85,650	27	86,950	94	72,928	21	70,310	54	24,703
NSE	24	58,540	68	68,931	31	79,016	75	62,425	32	1,12,500	53	27,455	20	91,500	30	18,416
Total	**43**	**1,07,620**	**145**	**1,18,764**	**64**	**1,543,46**	**134**	**1,48,075**	**59**	**1,99,450**	**147**	**1,00,383**	**41**	**1,61,810**	**84**	**43,119**

**The data consists only issuances with Green shoe option*

Further Details for issuances with full allocation of Green shoe option with number of times subscribed :

No of times subscribed	2021-22				2022-23				2023-24				2024-25			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Less than 1X	3	4	19	29	2	5	23	23	5	2	61	28	2	5	36	12
1X - 2X	7	11	8	6	7	13	3	20	7	6	15	15	11	5	9	9
2X -3X	5	5	8	9	8	11	8	7	6	11	9	4	3	3	4	5
3X-4X	1	1	8	7	8	1	9	10	3	8	8	4	1	3	2	3
4X-5X	2	1	4	5	4	1	0	4	6	5	1	2	4	4	3	1
More than 5X	1	2	30	12	4	0	16	11	0	0	0	0	0	0	0	0
Total	**19**	**24**	**77**	**68**	**33**	**31**	**59**	**75**	**27**	**32**	**94**	**53**	**21**	**20**	**54**	**30**

**The data consists only issuances with Green shoe option*

Details for issuances with partial / nil allocation of Green shoe option:

Exchange	2021-22				2022-23				2023-24				2024-25(Till Sept,24)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)	No of Issues	Amount Raised (Rs Crs)
BSE	18	43,378	145	60,417	37	91,718	175	72,732	44	77,742	245	1,03,327	12	24,019	159	64,192
NSE	17	30,467	128	47,482	30	73,020	126	63,701	28	89,201	111	87,775	13	34,949	81	41,387
Total	**35**	**73,845**	**273**	**1,07,899**	**67**	**1,64,738**	**301**	**1,36,433**	**72**	**1,66,943**	**356**	**1,91,102**	**25**	**58,968**	**240**	**1,05,579**

**The data consists only issuances with Green shoe option*

Further details for issuances with partial / nil allocation of Green shoe option:

	2021-22 (No of Issuances)				2022-23(No of Issuances)				2023-24(No of Issuances)				2024-25(No of Issuances)			
	PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU		PSU		Non-PSU	
Acceptance Status	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE	NSE
Nil Acceptance	0	0	23	47	1	0	39	24	3	0	81	32	0	0	50	23
Partial Acceptance	18	17	122	81	36	30	136	102	41	28	164	79	12	13	109	58
Total	**18**	**17**	**145**	**128**	**37**	**30**	**175**	**126**	**44**	**28**	**245**	**111**	**12**	**13**	**159**	**81**

**The data consists only issuances with Green shoe option*

Pros:

A greenshoe option of five times the base size is excessively large, as it can obscure the issuer's intentions from the investor's perspective. To address this, the greenshoe option should be reduced and accordingly, issuer should set a larger base size. A larger base size and a smaller greenshoe would enhance predictability in the issuance process. This rationale also applies to issuances with simultaneous tranches, where there is often a substantial greenshoe utilization in one tranche and minimal issuance in another. Hence, reducing the greenshoe from maximum of 5x to maximum of 3x could be considered.

Cons:

Limiting Green Shoe option would take away the issuer's flexibility in pricing. The large NBFC issuers are highly sensitive to the pricing and such restriction will have an impact on their raising cost.

Recommendation:

It is recommended to limit the Green shoe option to 3x the base issue size instead of 5x of the base issue.

Provision reference in the master circular and amendment in the circular:

Recommendation	**Current Provision in the circular**
Limiting Green Shoe Option: It is recommended to limit the Green shoe option to 3x the base issue size.	Clause 5.3.1 of SEBI master circular dated May 22, 2024: Details of size of the issue and green shoe portion, if any. Provided that the green shoe portion shall not exceed five times the base issue size

Recommendation pertaining to the other regulatory body

Where applicable, FPIs need to acquire VRR limit prior to bidding in primary issuance. If allocation is lower than anticipated for whatever reasons, FPIs are stuck with the limit and have to adhere to minimum investment requirements.

Rationale:

FPIs be allowed to participate via General account at the time of primary bidding and subsequently regularize within a timeframe (say 1 week).