



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

## **CONSULTATION PAPER**

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DEPARTMENT OF DEBT AND HYBRID SECURITIES

**Consultation paper on review of provisions pertaining to  
Electronic Book Provider (EBP) Platform and Request For  
Quote (RFQ) Platform**

March 20, 2025



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

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### Timeline to Respond

Comments on the Consultation paper may be sent by April 10, 2025

## Preface

### Debt: Primary Issuances (EBP)

1. Over the past several years, various measures have been taken by SEBI, for developing the corporate bond market. Earlier, the price discovery for issue of privately placed debt securities was being done either over the telephone among identified investors and issuers with the help of arrangers or by physical bids sent to the issuer by investors or by submitting individual bids on the portal provided by the issuer. These methods were opaque since most of the investors were brought in by the arranger(s) appointed by the issuer and there were hardly investors directly approaching the issuer. This resulted in many market malfunctioning like poor price discovery, arrangers taking a significant portion of the issue on their books and down-selling it without disclosing the price at which the securities were bought.
2. Keeping in view these issues and challenges, in April 2016 SEBI stipulated a framework for an electronic book mechanism (EBM) for issuing of debt securities on a private placement basis in order to streamline procedures for issuing debt securities on a private placement basis and thereby enhancing transparency in discovering prices. Accordingly, from July 01, 2016, NSE and BSE started their operations as electronic book providers (EBPs).
3. Based on the feedback received from the stakeholders, the framework was suitably revised vide SEBI circulars dated August 16, 2016 and January 5, 2018 to further rationalize and ease the process of issuance of securities through the EBP platform.
4. The provisions of the said circulars were subsumed into Chapter VI of the Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, under the SEBI (Issue and Listing of Non-convertible securities) Regulations, 2021. The aforementioned circular *inter-alia* stipulates the issuances which have to necessarily be made through EBP, the eligible

participants, obligations/ responsibilities of various entities, provision to issuer to withdraw offer, process of bidding and allotment, etc. It inter alia requires all primary issuances (fresh or reissuance) of privately placed listed corporate bonds, above INR 50 cr. to be bid through EBP platform provided by stock exchanges.

### **Debt: Secondary market (RFQ)**

1. In February 2020, pursuant to approvals from SEBI, both National Stock Exchange of India Limited and BSE Limited launched Request for Quote (RFQ) platforms, as an extension of their existing trade execution and settlement platforms, to bring in transparency in “Over the Counter” deals in corporate bonds which were negotiated bilaterally.
2. RFQ Platform was created with the goal of transforming corporate bond market trading from traditional OTC based to an electronic trading platform. RFQ is an electronic platform to enable sophisticated, multi-lateral negotiations to take place on a centralized online trading platform with straight-through-processing of clearing and settlement to complete a trade.
3. RFQ platform was developed by BSE and NSE to act as a single interface for price givers as well as price takers in corporate bond market from a diverse range of clients for better price discovery. RFQ using request for quote protocol provides participants a range of options to seek a quote and to respond to a quote, while keeping an audit trail of all interactions i.e. quoted yield, mutually agreed price, deal terms etc. A participant may request other participants for a quote for eligible securities.
4. Initially, RFQ platform only allowed access to institutional participants including all regulated entities, listed corporates, Institutional Investors as defined under SEBI ICDR Regulations, 2018 and All India Financial Institutions. With SEBI’s circular permitting participation through brokers from 01 Jan 2023, all types of participants including retail are now allowed to access RFQ Platform by using the services of brokers in the debt segment including OBPs.

5. Part A of this consultation paper suggest various proposals regarding EBP, Part B of this consultation paper suggest various proposals regarding RFQ, to enhance their efficacy and greater transparency.
6. SEBI invites feedback from the public on the proposals outlined in this Consultation Paper.

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## **PART A- Review of provisions pertaining to Electronic Book Provider (EBP) Platform**

### **OBJECTIVE:**

1. In order to enhance efficacy of the EBP platform, it is felt essential to review the provisions pertaining to EBP Platform along the requirements with the changing market dynamics.
2. Accordingly, a working group was set up, comprising of the following members:
  - Ms. Radha Kirthivasan, BSE - Head Listing & SME (Chair of the Working Group)
  - Santosh Potlacheru, NSE
  - Darshita Shah, Axis Bank Limited
  - Shameek Ray, ICICI Securities Primary Dealership Ltd.
  - Bharti Bhambwani, Trust Investment Advisors Private Limited
  - Rakhi Dua, Indian Railway Finance Corporation Limited (IRFCL)
  - Hemen Shah, Bajaj Finance Ltd
  - Vidyanand Joshi, SBI Pension fund
  - Anil Bamboli, HDFC Mutual Fund
  - Rajesh Kumar Chakrapani, Standard Chartered Bank (Singapore) Limited
  - Ramesh Ramanathan, International Finance Corporation (IFC)
3. The working group was given the following Terms of Reference (ToR):
  - i) Explore whether EBP platform can be made mandatory for all size of issuances of debt securities and NCRPS,
  - ii) Explore whether EBP platform can be extended for issuances of municipal debt securities, securitized debt instruments and INVITs issued on private placement basis,
  - iii) Analysis and evaluation of the existing process flows to identify the bottlenecks that hinder participation and operational efficiency of the Platform, and
  - iv) Other aspects incidental to the work of working group.
4. The Working Group undertook a comprehensive review and submitted its report on January 17, 2025. Report submitted by the working group is placed at [Annexure-D](#).

## **PART B- Review of the Request For Quote (RFQ) Platform**

### **OBJECTIVE:**

5. To further improve liquidity and price discovery mechanism, it is felt essential to review the provisions pertaining to RFQ Platform to align the requirements with the changing market dynamics.
6. Accordingly, a working group was set up, comprising of the following:
  - Mr. Amit Tripathi, Nippon India Mutual Fund (Chair of the Working Group)
  - Mr. Ritesh Tatiya, ICICI Bank
  - Mr. Badrish Kulhalli, HDFC Life Insurance Company Limited
  - Mr. Anshul Agarwal, Wint Wealth (OBPP)
  - Mr. Bhavin Savla, Barclays (FPI)
  - Mr. Elwin Jose, NSE
  - Mr. Aakshat Sharma, BSE
7. The working group were given the following terms of reference:
  - i) Analysis of the existing process flows to identify the bottlenecks that hinder liquidity;
  - ii) Evaluation of operational aspects including generation of contract notes on RFQ platform, difference in requirements related to Permanent Account Number (PAN) for foreign asset managers and domestic Funds;
  - iii) Suggest Measures to boost liquidity and enhance transparency and price discovery mechanism; and
  - iv) Other suggestions, if any
8. Report submitted by the working group is placed at [Annexure-E](#).
9. In respect of the recommendations of the working group pertaining to the operational aspects of the RFQ platform, Stock Exchanges in consultation with SEBI may issue their respective guidelines dealing with the operational aspects of the RFQ platform whereas in respect of the recommendations of the working group requiring regulatory interventions, relevant circulars shall be issued by SEBI separately.

## 10. Public Comments

10.1. This consultation paper proposes to solicit comments/ views/ suggestions from the public on the following:

### **Part A - Review of provisions pertaining to Electronic Book Provider (EBP) Platform**

- i) Draft circular titled “Review of provisions pertaining to Electronic Book Provider Platform” placed at **Annexure –A**.
- ii) In addition to the existing basis of allocation, at the option of the issuer, whether it would be appropriate to remove ‘time’ from ‘price time priority’ and ‘yield time priority’ in basis of allotment. *An illustration showing impact on allotment in case of ‘uniform yield allotment’ and ‘multiple yield allotment’, where coupon is specified by the issuer (i.e. bids are arranged as per ‘price time priority’) is placed as Annexure-B*. In case your response is ‘YES’, kindly specify the following:
  - (1) For uniform yield allotment, whether proportionate allotment should be done at (i) cut-off (Case 1.a of illustration) OR at and above cut-off (Case 1.b of illustration)
  - (2) For multiple yield allotment, whether proportionate allotment should be done at cut-off (Case 2 of illustration)

### **Part B- Review of the Request For Quote (RFQ) Platform**

- iii) Draft circular titled “Simplification of the operational process relating to yield to price computation on the Request for Quote (RFQ) Platform and Disclosure of cash flow regarding payment of interest/ dividend/ redemption in the centralized corporate bond database” placed at **Annexure –C**.

10.2. The comments/ suggestions should be submitted through the following mode latest by April 10, 2025 :

#### 10.2.1. Preferably through Online web-based form

10.2.1.1. The comments may be submitted through the following link:



<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

10.2.1.2. The instructions to submit comments on the consultation paper are as under:

1. *Before initiating the process, please read the instructions given on top left of the web form as “Instructions”.*
2. *Select the consultation paper you want to comment upon from the dropdown under the tab – “Consultation Paper” after entering the requisite information in the form.*
3. *All fields in the form are mandatory;*
4. *Email Id and phone number cannot be used more than once for providing comments on a particular consultation paper.*
5. *If you represent any organization other than the types mentioned under dropdown in “Organization Type”, please select “Others” and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select “Others” and mention “Not Applicable” in the text box.*
6. *There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*
7. *If you want to provide your comments for the selected proposal, please select “Yes” from the dropdown under “**Do you want to comment on the proposal**” and use the text boxes provided for the same.*
8. *After recording your response to the proposal, click on “Submit” button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.*

9. *If you do not want to react on any proposal, please select that proposal from the dropdown and click on “**Skip this proposal**” and move to the next proposal.*
10. *After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on “**Check your response before submitting**” just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.*
11. *The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper*

10.2.1.3. In case of any technical issue in submitting your comment regarding consultation paper on review of provisions pertaining to Electronic Book Provider (EBP) Platform and Request For Quote (RFQ) Platform through web based public comments form, you may contact the following through email with a subject: “*Consultation paper on review of provisions pertaining to Electronic Book Provider (EBP) Platform and Request For Quote (RFQ) Platform*”.

- a) Mr. Rohit Dubey, GM ([rohitd@sebi.gov.in](mailto:rohitd@sebi.gov.in))
- b) Mr. Appin Gothwal, AGM ([apping@sebi.gov.in](mailto:apping@sebi.gov.in))
- c) Ms. Kiran Dhembre, AM ([kirand@sebi.gov.in](mailto:kirand@sebi.gov.in))

**Issued on: March 20, 2025**

**Annexure-A**

**DRAFT CIRCULAR**

**SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/\_\_\_\_\_ , 2025**

To,

**Issuers who have listed and/ or propose to list Non-convertible Securities (NCS),  
NCRPS;**

**Registered Infrastructure Investment Trusts (InvITs) and Real Estate Investment  
Trusts (REITs) having listed and/ or proposing to list its units;**

**Recognised Stock Exchanges;**

**Registered Depositories;**

**Recognised Clearing Corporation;**

**Registered Credit Rating Agencies, Debenture Trustees, Merchant Bankers,  
Registrars to an Issue and Share Transfer Agents and Bankers to an Issue,  
Stock Brokers, Depository Participants**

Madam/ Sir,

**Subject: Review of provisions pertaining to Electronic Book Provider (EBP)  
platform**

1. Chapter VI – “Electronic Book Provider platform”, Chapter VII – “Standardization of timelines for listing of securities issued on a private placement basis” and Chapter XV – “Reporting of primary issuances” of the Master circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 (hereinafter referred as “Master circular”) prescribes provisions related to “Electronic Book Provider” platform.

2. In order to increase the efficacy of the platform, SEBI had set up a working group. Based on the recommendations of the working group the certain amendments are proposed to be carried out to the following clauses of the abovementioned Chapter VI, Chapter VII and Chapter XV of the Master circular dated May 22, 2024 as below:

<b>S. No.</b>	<b>Proposed amendments</b>	<b>Existing provision of the Master circular</b>	<b>Revised provision</b>
1.	Making EBP mandatory for all private placement issues of the issue size above Rs. 20 crore.	<p>(1) Clause 2.1 of Chapter VI of SEBI master circular dated May 22, 2024:</p> <p>2. <i>The following issues of securities shall be made through the EBP platform:</i></p> <p>2.1.A private placement of debt securities and NCRPS as per the provisions of SEBI NCS Regulations, 2021, if it is:</p> <p>i. <i>a single issue, inclusive of green shoe option, if any, of Rs. 50 crore or more;</i></p> <p>ii. <i>a shelf issue, consisting of multiple tranches, which cumulatively amounts to Rs. 50 crore or more, in a financial year; and</i></p> <p>iii. <i>a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds Rs. 50 crore.</i></p> <p>(2) Clause 4 of Chapter VI of SEBI master circular dated May 22, 2024:</p> <p>4. <i>Issuers of debt securities and NCRPS on private placement basis of issue size less than Rs. 50 crore may also choose to access</i></p>	<p>(1) Clause 2.1 of Chapter VI of SEBI master circular dated May 22, 2024 shall be amended as under:</p> <p>2. <i>The following issues of securities shall be made through the EBP platform:</i></p> <p>2.1.A private placement of debt securities and NCRPS as per the provisions of SEBI NCS Regulations, 2021, if it is:</p> <p>i. <i>a single issue, inclusive of green shoe option, if any, of Rs. 20 crore or more;</i></p> <p>ii. <i>a shelf issue, consisting of multiple tranches, which cumulatively amounts to Rs. 20 crore or more, in a financial year; and</i></p> <p>iii. <i>a subsequent issue, where aggregate of all previous issues by an issuer in a financial year equals or exceeds Rs. 20 crore.</i></p> <p>(2) Clause 4 of Chapter VI of SEBI master circular dated May 22, 2024 may be amended as under:</p> <p>4. <i>Issuers of debt securities and NCRPS on private placement basis of issue size less than Rs. 20 crore may also choose to access</i></p>

S. No.	Proposed amendments	Existing provision of the Master circular	Revised provision				
		the EBP platform for such issuances.	the EBP platform for such issuances.				
2.	Extending products on the EBP to INVITs and REITs	Currently there is no specific regulatory provision	Insert clause 2.4 in Chapter VI of SEBI master circular dated May 22, 2024 as under:  For private placement of units of INVITs and REITs above Rs 1000 crore, issuer has to access the EBP platform for such issuances.				
3.	EBP platform should be closed on bank holidays	Currently there is no specific regulatory provision  Clause 7.1.1 of Chapter VI of SEBI master circular dated May 22, 2024:  <i>In order to ensure operational uniformity across various EBP platforms, the bidding on the EBP platform shall take place between 9 a.m. to 5 p.m. only, on the working days of the recognized stock exchanges.</i>	Clause 7.1.1 of Chapter VI of the SEBI master circular dated May22, 2024 may be revised as under:  In order to ensure operational uniformity across various EBP platforms, the bidding on the EBP platform shall take place between 9 a.m. to 5 p.m. only, on the working days of the recognized stock exchanges, except on bank holiday.				
4.	Increase in Anchor portion	(1)Clause 8.1.2 of Chapter VI of SEBI master circular dated May 22,2024:  <i>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.</i>	(1) Clause 8.1.2 of Chapter VI of SEBI master circular dated May 22,2024 shall be revised as under:  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 the base issue size, as per thresholds mentioned below:  <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Instrument Rating</th> <th style="text-align: center;">Anchor Portion (%) of base size</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">AAA/ AA+/AA-</td> <td style="text-align: center;">Not exceeding 30%</td> </tr> </tbody> </table>	Instrument Rating	Anchor Portion (%) of base size	AAA/ AA+/AA-	Not exceeding 30%
Instrument Rating	Anchor Portion (%) of base size						
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S. No.	Proposed amendments	Existing provision of the Master circular	Revised provision					
		<p>(2) Clause 8.1.4 of Chapter VI of SEBI master circular dated May 22,2024:</p> <p><i>If the issuer opts for anchor portion, the same shall be suitably disclosed in the placement memorandum and the term sheet, along with the relevant quantum (maximum 30%).</i></p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 30%;">A+/A-</td> <td style="text-align: right;">Not exceeding 40%</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">Not exceeding 50%</td> </tr> </table> <p>(2) Words “(maximum 30%)” shall be deleted from the Clause 8.1.4</p>	A+/A-	Not exceeding 40%	Others	Not exceeding 50%	
A+/A-	Not exceeding 40%							
Others	Not exceeding 50%							
5.	Confirmation of participation by Anchor	<p>Clause 8.1.5 of Chapter VI of SEBI master circular dated May 22, 2024:</p> <p><i>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.</i></p>	<p>Clause 8.1.5 of Chapter VI of SEBI master circular dated May 22, 2024 shall be amended as under:</p> <p>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 shall provide confirmation on the EBP platform of their participation by T-1 day. Amount not confirmed by any such investor shall be added back to the base issue size.</p>					
6.	Prescribe a uniform format for disclosure of information post bidding	<p>Currently there is no defined format for disclosure.</p> <p>Clause 12.2 of SEBI master circular dated May 22,2024:</p> <p><i>EBPs shall ensure that all details regarding the issuance is updated on its website.</i></p>	<p>Clause 12.2 of SEBI master circular dated May 22,2024 to be amended as under:</p> <p>EBPs shall ensure that following details regarding the issuance is updated on its website by end of T-day.</p> <table border="1" style="width: 100%;"> <tr><td>Bidding date / Date of Issuance</td></tr> <tr><td>Issuer Name</td></tr> <tr><td>ISIN</td></tr> <tr><td>Issue Description</td></tr> <tr><td>Type of Issuance (Type of Placement)</td></tr> </table>	Bidding date / Date of Issuance	Issuer Name	ISIN	Issue Description	Type of Issuance (Type of Placement)
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7.	Rationalising Green Shoe portion in issue	<p>Clause 5.3.1 of Chapter VI of SEBI master circular dated May 22, 2024:</p> <p><i>Details of size of the issue and green shoe portion, if any.</i></p> <p><i>Provided that the green shoe portion shall not exceed five times the base issue size</i></p>	<p>Clause 5.3.1 of Chapter VI of SEBI master circular dated May 22, 2024 shall stand amended as under:</p> <p>Details of size of the issue and green shoe portion, if any.</p> <p>Provided that the green shoe portion shall not exceed three times the base issue size</p>																															
8.	Reduction in timeline for EBP Set up	<p>Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:</p> <p><b>Category:</b> <i>In-principle approval</i></p> <p><b>Timeline (working day):</b> <i>Prior to T-2/ T-5 (EBP); Prior to T (Non-EBP)</i></p>	<p>Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 shall be amended as under:</p> <p><b>Category:</b> <i>In-principle approval</i></p> <p><b>Timeline (working day):</b></p>																															



<b>S. No.</b>	<b>Proposed amendments</b>	<b>Existing provision of the Master circular</b>	<b>Revised provision</b>
			Prior to T-2/ T-3 (EBP); Prior to T (Non-EBP)
9.	Reduction in Settlement time	<p>(1) Sub-clause 5.3.8 of Clause 5.3 of Chapter VI of SEBI master circular dated May 22, 2024:</p> <p><i>5.3. The Placement Memorandum and the term sheet, inter-alia, discloses the following:</i></p> <p><i>5.3.8. Settlement cycle i.e. T+1 or T+2 day.</i></p> <p>(2) Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:</p> <p><b>Category – Settlement</b></p> <p><b>Timeline (working day):</b></p> <p><i>On or before T+1/ T+2 (as per settlement cycle chosen by the Issuer) (EBP);</i></p> <p><i>On or before T+2 (Non-EBP);</i></p> <p>(3) Clause 9.2 of Chapter VI of SEBI master circular dated May 22, 2024 inter alia reads as:</p> <p><i>“...The process of pay-in of funds by investors and pay-out to issuer can be done on either T+1 or T+2 day, where T day is the issue day, and the same shall be disclosed by the issuer in the PM.”</i></p>	<p>(1) Sub-clause 5.3.8 of Clause 5.3 of Chapter VI of SEBI master circular dated May 22, 2024 shall stand amended as under:</p> <p>5.3. The Placement Memorandum and the term sheet, inter-alia, discloses the following:</p> <p>5.3.8. Settlement cycle i.e. T+1.</p> <p>(2) Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 shall be amended as under:</p> <p><b>Category – Settlement</b></p> <p><b>Timeline (working day):</b></p> <p>On or before T+1 (EBP);</p> <p>On or before T+2 (Non-EBP)</p> <p>(3) Clause 9.2 of Chapter VI of SEBI master circular dated May 22, 2024 shall stand revised as:</p> <p><i>“...The process of pay-in of funds by investors and pay-out to issuer has to be done on T+1 day, where T day is the issue day, and the same shall be disclosed by the issuer in the PM.”</i></p>
10.	Reduction in Listing time	<p>Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024:</p> <p><b>Category – Listing</b></p>	<p>Table 1 under Clause 3 of Chapter VII of SEBI master circular dated May 22, 2024 shall be amended as under:</p> <p><b>Category – Listing</b></p>



<b>S. No.</b>	<b>Proposed amendments</b>	<b>Existing provision of the Master circular</b>	<b>Revised provision</b>
		<b>Timeline (working day):</b> <i>On or before T+3;</i>	<b>Timeline (working day):</b> On or before T+2
11.	Mandating Open bidding for issue sizes above Rs. 1000 crore	Clause 5.3.5 of Chapter VI of SEBI master circular dated May 22, 2024:  <i>5.3. The Placement Memorandum and the term sheet, inter-alia, discloses the following:</i>  ...  <i>5.3.5. Manner of bidding in the issue i.e. open bidding or closed bidding.</i>	Clause 5.3.5 of Chapter VI of SEBI master circular dated May 22, 2024 shall stand amended as under:  5.3.5. Manner of bidding in the issue i.e. open bidding or closed bidding.  Provided that open bidding shall be mandatory for issue with size more than Rs. 1000 crore.
12.	Basis of allotment – Remove 'time' from 'price priority' and 'yield priority'	Clause 7.11 of Chapter VI of SEBI master circular dated May 22, 2024:  <i>7.11. Allotment and settlement amount for the bidders shall be based on the following:</i>  <i>7.11.1. <u>Coupon specified by issuer:</u> All bids shall be arranged as per 'price time priority'.</i>  <i>a. In case of 'uniform yield allotment', allotment and settlement value shall be based on the cut-off price determined in the bidding process.</i>  <i>b. In case of 'multiple yield allotment', allotment and settlement value shall be based on the price quoted by each bidder/ allottee in the bidding process.</i>  <i>7.11.2. <u>Coupon discovered during bidding:</u> All bids shall be</i>	[Note: Suitable provisions will be added post public feedback]

<b>S. No.</b>	<b>Proposed amendments</b>	<b>Existing provision of the Master circular</b>	<b>Revised provision</b>
		<p><i>arranged as per 'yield time priority'.</i></p> <p><i>a. In case of 'uniform yield allotment', allotment and settlement value shall be based on the face value.</i></p> <p><i>b. In case of 'multiple yield allotment', allotment and settlement value shall be based on the price adjusted as per the coupon/ spread quoted by each bidder/ allottee in the bidding process.</i></p> <p><i>7.11.3. If two or more bids have the same coupon/ price/ spread and time, then allotment shall be done on 'pro-rata' basis.</i></p>	

3. The provisions of this circular shall be applicable on and from XXX, 2025.
4. 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.
5. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link "Legal Circulars".

Yours faithfully,

**Name**

**Designation**

**Department of Debt and Hybrid Securities**

**+91-022 2644 xxxx**

**xxxx@sebi.gov.in**

**Annexure-B**
**Illustration - EBP – Allotment Basis**
**Issue Parameters:**

Base Issue Size: Rs 1000 Cr

Issuance Category: Coupon specified by Issuer

Bidding Window: 10:00 AM to 11:00 AM

Bidding Parameters: Amount (Rs Cr) and Price

**Bid Book**

<b>Bidder</b>	<b>Bid Amount (Rs Cr)</b>	<b>Bid Price</b>	<b>Timestamp</b>
Bidder A	300	100	10:02:10
Bidder B	100	100.05	10:11:15
Bidder C	150	100.05	10:12:10
Bidder D	400	100.04	10:15:00
Bidder E	500	99.99	10:32:10
Bidder C	150	100.03	10:12:10
Bidder F	300	100	10:45:00
Bidder G	200	99.98	10:51:10
Bidder B	100	100.04	10:55:12

**Depth**

<b>Bidder</b>	<b>Bid Amount (Rs Cr)</b>	<b>Bid Price</b>	<b>Cumulative Amount (Rs Cr)</b>
Bidder B	100	100.05	100
Bidder C	150	100.05	250
Bidder D	400	100.04	350
Bidder B	100	100.04	750
Bidder C	150	100.03	900
Bidder A	300	100	1200
Bidder F	300	100	1500
Bidder E	500	99.99	2000
Bidder G	200	99.98	2200

Cut-off price - 100

**Proposed Allotment Basis – Price Priority Basis**

**Uniform Yield Allotment**

**Existing Allocation (Price-time priority basis)**

<b>Bidder</b>	<b>Bid Amount (Rs Cr)</b>	<b>Bid Price</b>	<b>Timestamp</b>	<b>Allocation Amount (Rs Cr)</b>	<b>Allocation price</b>
Bidder B	100	100.05	10:11:15	100	100
Bidder C	150	100.05	10:12:10	150	100
Bidder D	400	100.04	10:15:00	400	100
Bidder B	100	100.04	10:55:12	100	100
Bidder C	150	100.03	10:12:10	150	100
Bidder A	300	100	10:02:10	100	100
Bidder F	300	100	10:45:00	-	
Bidder E	500	99.99	10:32:10	-	
Bidder G	200	99.98	10:51:10	-	

**Case 1.a – Proportionate allotment at Cut-off in Uniform Yield Allotment**

Allotment

<b>Bidder</b>	<b>Bid Amount (Rs Cr)</b>	<b>Bid Price</b>	<b>Timestamp</b>	<b>Allocation Amount (Rs Cr)</b>	<b>Allotment price</b>
Bidder B	100	100.05	10:11:15	100	100
Bidder C	150	100.05	10:12:10	150	100
Bidder D	400	100.04	10:15:00	400	100
Bidder B	100	100.04	10:55:12	100	100
Bidder C	150	100.03	10:12:10	150	100
Bidder A	300	100	10:02:10	50	100
Bidder F	300	100	10:45:00	50	100
Bidder E	500	99.99	10:32:10	-	
Bidder G	200	99.98	10:51:10	-	

**Case 1.b – Proportionate allotment at and above Cut-off in Uniform Yield Allotment**

Allotment

<b>Bidder</b>	<b>Bid Amount (Rs Cr)</b>	<b>Bid Price</b>	<b>Timestamp</b>	<b>Allocation Amount (Rs Cr)</b>	<b>Allotment price</b>
Bidder B	100	100.05	10:11:15	66.67	100
Bidder C	150	100.05	10:12:10	100	100
Bidder D	400	100.04	10:15:00	266.67	100

Bidder B	100	100.04	10:55:12	66.67	100
Bidder C	150	100.03	10:12:10	100	100
Bidder A	300	100	10:02:10	200	100
Bidder F	300	100	10:45:00	200	100
Bidder E	500	99.99	10:32:10	-	
Bidder G	200	99.98	10:51:10	-	

### Multiple Yield Allotment

#### Existing Allocation (Price-time priority basis)

Bidder	Bid Amount (Rs Cr)	Bid Price	Timestamp	Allocation Amount (Rs Cr)	Allocation price
Bidder B	100	100.05	10:11:15	100	100.05
Bidder C	150	100.05	10:12:10	150	100.05
Bidder D	400	100.04	10:15:00	400	100.04
Bidder B	100	100.04	10:55:12	100	100.04
Bidder C	150	100.03	10:12:10	150	100.03
Bidder A	300	100	10:02:10	100	100
Bidder F	300	100	10:45:00	-	-
Bidder E	500	99.99	10:32:10	-	-
Bidder G	200	99.98	10:51:10	-	-

#### Case 2 – Proportionate allotment at Cut-off in Multiple Yield Allotment

Bidder	Bid Amount (Rs Cr)	Bid Price	Timestamp	Allocation Amount (Rs Cr)	Allotment price
Bidder B	100	100.05	10:11:15	100	100.05
Bidder C	150	100.05	10:12:10	150	100.05
Bidder D	400	100.04	10:15:00	400	100.04
Bidder B	100	100.04	10:55:12	100	100.04
Bidder C	150	100.03	10:12:10	150	100.03
Bidder A	300	100	10:02:10	50	100
Bidder F	300	100	10:45:00	50	100
Bidder E	500	99.99	10:32:10	-	
Bidder G	200	99.98	10:51:10	-	

**DRAFT CIRCULAR**

SEBI/HO/DDHS/P/CIR/2025/ \_\_\_\_\_

XX, 2025

To,

**Issuers who have listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper;  
Recognised Stock Exchanges and Clearing Corporations;  
Registered Depositories;  
Stock Brokers and Depository Participants**

Madam/ Sir,

**Subject: Review of provisions pertaining to Request for Quote (RFQ) Platform.**

**I. Simplification of the operational process relating to yield to price computation on the Request for Quote (RFQ) Platform**

1. Chapter XXII of the SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 (NCS Master Circular) stipulates provisions for trade execution and settlement of trades in listed Non-convertible Securities, Securitised Debt Instruments, Municipal Debt Securities and Commercial Paper on the RFQ platform of the Stock Exchanges.
2. Based on the recommendations of the working group formed for the purpose of review of RFQ platform, the following has been decided:
  - 2.1. Chapter III of the NCS Master Circular stipulates provisions regarding day count convention, disclosure of cash flows and other disclosures in the offer document. Clause 2 and 3 of the said chapter provides as under:

(2) For the purpose of standardization, if the coupon/ dividend payment date of the non- convertible securities falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document.

(3) If the maturity date of the debt securities, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.

2.2. Clause 3.3.34 of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 requires issuer to disclose cash flow with date of interest/dividend/ redemption payment as per day count convention in the offer document.

2.3. It is gathered from the Stock Exchanges that during the process of yield to price calculation in case of G-sec, interest and redemption payment dates are not adjusted as per the holidays and back-end calculations can be easily done using the excel price function. The same poses challenges in case of non-convertible securities due to change in payment dates considering the day count convention.

2.4. An illustration is given below for ease of reference:

<b>Example of holiday adjustment in case of half yearly interest payment for a 5-year bond in case of G-sec and Corporate Bond</b>		
<b>Existing Practice</b>		<b>Proposed</b>
<b>Corporate Bond</b>	<b>G-sec</b>	<b>Corporate Bond</b>
Tue-02-Jan-24	Tue-02-Jan-24	Tue-02-Jan-24
Tue-02-Jul-24	Tue-02-Jul-24	Tue-02-Jul-24
Thu-02-Jan-25	Thu-02-Jan-25	Thu-02-Jan-25
Wed-02-Jul-25	Wed-02-Jul-25	Wed-02-Jul-25
Fri-02-Jan-26	Fri-02-Jan-26	Fri-02-Jan-26
Thu-02-Jul-26	Thu-02-Jul-26	Thu-02-Jul-26
<b>Mon-04-Jan-27</b>	<b>Sat-02-Jan-27</b>	<b>Sat-02-Jan-27</b>
<b>Fri-02-Jul-27</b>	<b>Fri-02-Jul-27</b>	<b>Fri-02-Jul-27</b>
<b>Mon-03-Jan-27</b>	<b>Sun-02-Jan-28</b>	<b>Sun-02-Jan-28</b>
<b>Mon-03-Jul-28</b>	<b>Sun-02-Jul-28</b>	<b>Sun-02-Jul-28</b>
Tue-02-Jan-29	Tue-02-Jan-29	Tue-02-Jan-29

2.5. When G-Sec is priced, interest payment dates are not adjusted as per holidays (for eg: 02 Jan and 02 July half yearly payment dates remain same throughout the tenor of bonds despite holidays falling on those dates) and calculations can be done using excel 'price' function. In case of corporate bond, due to changes in payment dates, (for e.g.: 02 Jan and 02 July half yearly payment dates may get adjusted to 01st Jan or 31st Dec due to holidays) excel 'price' function doesn't work appropriately as it works for G-Sec and thus complicates the yield to price conversion for investors.

2.6. Thus, in order to simplify the process of yield to price computation for non-convertible securities, cash flow dates regarding payment of interest/ dividend/ redemption for the securities traded on RFQ platform for the purpose for yield to price computation shall not be adjusted for day count convention i.e. shall be based on the due date of payment as per the cash flow schedule and not as per the date of payment.

2.7. Accordingly, the following clause will be inserted as clause 9 in the said Chapter XXII of NCS Master Circular:

***“(9) Yield to Price computation***

*In order to simplify the process of yield to price computation for non-convertible securities, cash flow dates regarding payment of interest/ dividend/ redemption for the securities traded on RFQ platform for the purpose for yield to price computation shall not be adjusted for day count convention i.e. shall be based on the due date of payment as per the cash flow schedule and not as per the date of payment.”*

**II. Disclosure of cash flow regarding payment of interest/ dividend/ redemption in the centralized corporate bond database.**

1. Clause 3.3.34 of Schedule I of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 requires Issuer to disclose cash flow with date of



with date of interest/dividend/ redemption payment as per day count convention in the offer document.

2. Chapter XIV of the SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 (“NCS Master Circular”) requires issuers to submit and update certain information in the centralized database at the time of activation of the ISIN and post listing of securities. Presently, the information regarding the cash flow schedule is not captured in the centralized bond database.
3. In order to have comprehensive information regarding corporate bonds at one place, it has been decided that Issuer shall submit the information relating to cash flow schedule regarding payment of interest/ dividend/ redemption in the centralized corporate bond database at the time of activation of ISIN in the following format:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Due Date</b>	<b>Payment date as per day count convention</b>
1	Payment of interest/ dividend/ redemption	XXX	XX

4. Accordingly, the following paragraph shall be inserted as paragraph “57” in Annex-XIV-A of NCS Master Circular.

*“Cash flow schedule regarding payment of interest/ dividend/ redemption in the centralized corporate bond database at the time of activation of ISIN in the following format:*

<b>Sr. No.</b>	<b>Particulars</b>	<b>Due Date</b>	<b>Payment date as per day count convention</b>
1	<i>Payment of interest/ dividend/ redemption</i>	XXX	XX

*In case of any change in the information pertaining to cash flow regarding interest/ dividend/ redemption during the tenure of the securities, the same shall be updated within one working day in the centralized corporate bond database.”*

- III. The aforesaid disclosure requirement shall be applicable for prospective issuances of debt securities and for the residual maturity of the ISINs that are already listed.
- IV. This circular shall come into force with immediate effect.
- V. The Stock Exchange(s) are directed to bring the provisions of this circular to the notice of the market participants and also disseminate the same on their websites and make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in coordination with one another to achieve uniformity in approach.
- VI. 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.
- VII. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link “Legal→Circulars”.

Yours faithfully,

Name

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