

Consultation Paper

**Review and Merger of SEBI (Issue and listing of Debt Securities) Regulations, 2008 and
SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares)
Regulations, 2013 into SEBI (Issue and Listing of Non-Convertible Securities)
Regulations, 2021**

MAY 19, 2021



**भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India**

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A. Objective

To solicit public comments / views on the merger of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (hereinafter referred as “**ILDS Regulations**”) and SEBI (Issue and Listing of Non- Convertible Redeemable Preference Shares) Regulations, 2013 (hereinafter referred as “**NCRPS Regulations**”) into a single regulation - SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (hereinafter referred as “**NCS Regulations**”).

The new NCS Regulations would ease compliance burden on listed entities, harmonize with the Companies Act, 2013 and maintain consistency with the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as “**LODR Regulations**”), SEBI (Debenture Trustees) Regulations, 1993 (hereinafter referred as “**DT Regulations**”) and circulars issued thereunder. Further NCS Regulations would also include certain provisions issued via circulars under ILDS Regulations and NCRPS Regulations.

B. Review of the ILDS Regulations and NCRPS Regulations and proposed amendments:

The ILDS Regulations and NCRPS Regulations were notified on June 06, 2008 and June 12, 2013 respectively. The ILDS Regulations were enacted for the issuance and listing of debt securities whereas NCRPS Regulations was enacted for the issuance and listing of non-convertible redeemable preference shares. The NCRPS Regulations, also cover the listing of perpetual debt instruments (PDIs) and Perpetual Non-Convertible Preference Shares (PNCPS).

While debt securities are ‘pure play’ debt instruments, NCRPS’ are hybrid equity and debt instruments – they carry a fixed dividend rate, are redeemable and the holder is entitled to voting rights in case dividend is not paid for two years as per the Companies Act, 2013; therefore, they are also termed as a ‘*quasi-debt*’ instruments. The NCRPS Regulations, which were notified in 2013, were enacted for the issue and listing of preference shares, that were non-convertible in nature, thus largely in the nature of debt. This can also be seen in the content of the regulations including eligibility conditions, disclosure requirements, etc. which are very similar to the ILDS Regulations. The NCRPS Regulations have been modelled on the ILDS Regulations.

Subsequent to the implementation of the ILDS Regulations and NCRPS Regulations, considerable time has passed. Significantly, various changes have taken place in the regulatory landscape, like:

- Amendments made to the Companies Act, 2013 (**‘Companies Act’**);
- Repeal of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and substitution with ICDR Regulations, 2018 (**‘ICDR Regulations’**);
- Enhancement of requirements for Debenture Trustees;
- Issue of various circulars in relation to the ILDS and NCRPS Regulations keeping

in mind the market dynamics;

- Issue of informal guidance/ interpretative letters regarding interpretation of the regulations etc.

A need was thus felt to merge and realign the ILDS and NCRPS Regulations to ensure that ease of reference and language and also remove redundancies which would entail following objectives:

- (1) To simplify and to align the Regulations in line with the various circulars/guidance and various provisions of the regulations, issued by SEBI and improve the structure of the regulations in order to enhance readability
- (2) To identify policy changes in line with the present market practices and the prevailing regulatory environment and to ease doing business.
- (3) To separate the chapters on the basis of type of issuance-public/private placement and instruments - debt securities/NCRPS/PNCPS/PDIs/ Commercial Papers, so that all relevant information is sorted and are available at one place;
- (4) To align the regulations with the amendment in the Companies (Share Capital and Debentures) Rules, 2014 and Companies (Prospectus and Allotment of Securities) Rules, 2014 etc.;
- (5) To merge all the existing circulars into a single operational circular.

C. Public Comments

The snapshot of the major changes is placed at **Annex A** and the draft of the proposed NCS regulations is placed at **Annex B**. The comments/suggestions on the draft NCS Regulations placed at **Annex B** shall be provided as per the format given below:

Name of the person/entity			
Sr.No.	Pertains to Regulation/sub-regulation/schedule/clause/sub-clause (as applicable)	Proposed /suggested changes	Rationale

Comments may be sent within twenty one days from the date of this consultation paper by email to Pradeep Ramakrishnan, GM (pradeepr@sebi.gov.in), Bala Kumari, DGM (balak@sebi.gov.in), Chaitali Karate, AGM (chaitalik@sebi.gov.in) and Pawan Chowdhary, AGM (pawanc@sebi.gov.in)

Issued on: May 19, 2021

Annex A – PROPOSED AMENDMENTS TO THE NCS REGULATIONS

The new requirements in the proposed NCS Regulations are as under:

A. Introduction of definitions:

1.1 Insertion of definitions:

The NCS Regulations contains definitions of certain terms which are not present in the extant ILDS and NCRPS Regulations but have defined across multiple sources like ICDR Regulations, Companies Act etc. as well as Circulars issued under ILDS / NCRPS Regulations. It is proposed to include following definitions in the NCS Regulations as it explains the terms and makes for better readability.

a. Abridged prospectus

“abridged prospectus” means a memorandum accompanying the application form for a public issue containing such salient features of a prospectus as specified by the Board;

b. Arranger

“arranger”, in relation to a private placement of non-convertible securities, means a SEBI registered Merchant Banker or a broker, who, prior to acting as an arranger in an issue of non-convertible securities is appointed by the issuer to act as such on behalf of eligible participants

c. Commercial paper

“Commercial Paper” means commercial paper as defined by RBI

d. Day count convention

“day count convention” is the system used to determine the number of days and the amount of accrued interest between two interest payment dates

e. Electronic book provider platform

“electronic book provider platform” means an electronic platform for private placement of non-convertible securities provided by a recognized stock exchange (s) or a recognised depository, pursuant to obtaining approval from SEBI.”

f. Fugitive economic offender

“fugitive economic offender” means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)

g. Green debt security

“green debt security” means a debt security issued for raising funds that are to be utilised for project(s) and/or asset(s) falling under any of the following broad categories subject to the conditions as may be specified by Board from time to time.:

- i. Renewable and sustainable energy including wind, solar, bioenergy, other sources of energy which use clean technology;*
- ii. Clean transportation including mass/public transportation;*
- iii. Sustainable water management including clean and/or drinking water, water recycling;*
- iv. Climate change adaptation;*
- v. Energy efficiency including efficient and green buildings;*
- vi. Sustainable waste management including recycling, waste to energy, efficient disposal of wastage;*
- vii. Sustainable land use including sustainable forestry and agriculture, afforestation;*
- viii. Biodiversity conservation; or*

any other category as may be specified by Board, from time to time

h. Group companies

“group companies” means and includes such companies, other than

promoter(s), subsidiary/subsidiaries (which includes joint ventures and associates), with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer;

i. Operating profit

“operating profit” means profit before tax excluding other income and finance cost

j. Secured debt securities

“secured debt securities” shall mean such debt securities which are secured by creation of a charge on the properties or assets, of the issuer or its subsidiaries or its holding companies or its associate companies having a value which,, is sufficient for the due repayment of principal and payment of interest thereon

k. Shelf placement memorandum

“shelf placement memorandum” means in respect of which the debt securities included therein, are issued on a private placement basis, in one or more tranches over a certain period, by issuing a tranche placement memorandum and without the requirement of issuing a further placement memorandum

l. Statutory Corporation

“statutory corporation” means a body corporate formed by a special act of Parliament or by the central or state legislature

m. Tranche Placement memorandum

“tranche placement memorandum” means a document supplementing the shelf placement memorandum, whereby subscription to non-convertible securities is invited by an issuer on a private placement basis

n. Working day

“working day” means all days on which commercial banks in the city as specified in the offer document are open for business.

Explanation: For the purpose of this definition, in respect of

(a) Announcement of price band or bid/issue period:

working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business;

(b) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Sundays and bank holidays as specified by the Board

B. EASE OF DOING BUSINESS

1.2 Disclosure of parameters for identification of risk factors

Presently the ILDS and NCRPS Regulations require disclosure of risk factors to be made but does not lay down any parameters for identification of risk factors. The ICDR Regulations provide comprehensive parameters for identification of risk factors such as risks intrinsic to the issuer, security, other risk factors which may have an impact on the issue, security, etc. This also acts as guidance for issuers and merchant bankers in drafting risk factors. A similar provision is proposed to be included in the NCS Regulations.

1.3 Removal of minimum rating of AA- for public issuance of NCRPS

The credit rating for any issue is done by the independent Credit Rating Agencies and the same is disclosed along with the rationale in the offer document; hence investors are made fully aware of the credit worthiness of the issuer. The issuer is allowed to raise funds through issuance of debt securities irrespective of the credit rating. However, NCRPS Regulations presently restricts issuers with credit rating of less than AA- to come out with a public issue. Such

restriction is not applicable even in other debt instruments such as municipal debt securities, securitized debt instruments. Hence it is proposed to do away with such minimum rating.

1.4 Removal of minimum tenure of three years for public issuance of NCRPS

There is no requirement of minimum tenure specified in case of public issue of debt securities, municipal debt securities, securitized debt instruments. The requirement of minimum tenure of three years for public issue of NCRPS restricts the flexibility of the issuers to structure their issuance as per their resource requirement and raise funds through an issue of NCRPS. Hence it is proposed to remove such requirement.

1.5 Removal of restriction of four issuances in a year through a single shelf prospectus

The Companies Act defines 'Shelf prospectus' as an offer document in respect of which the securities or class of securities included therein are issued for subscription in one or more issues over a period of one year without the issue of a further prospectus, each time an issue is made. The ILDS Regulations provide that not more than four issuances can be made under a single shelf prospectus while there is no such restriction under the Companies Act.

The purpose of a shelf prospectus is to enable issuers to raise funds quickly without filing a separate prospectus each time. There are certain conditions to be complied by issuers in order to be eligible to issue a shelf prospectus. Since the legislation already restricts the validity of a shelf prospectus to one year, a further granular restriction of the number of issuances may not be needed. It is proposed to remove such restriction.

1.6 Applicability of call and put option in case of debt securities in private placement basis and issuances of NCRPS

The ILDS Regulations lay down the procedure to exercise call and put option in case of debt securities issued on public issue basis. It is proposed to extend the said provisions to issuances on private placement basis and also for NCRPS for both public issue and private placement basis

1.7 Reduction of period for exercise of Call and Put option

The ILDS Regulations provide an option to an issuer to exercise the option to recall debt securities prior to maturity and an option to the investor to exercise the put option to redeem debt securities prior to maturity. However, such option can be exercised only after twenty-four months of issuance of debt securities which restricts the issuer or investor for a considerable period of time. It is proposed to reduce the same to twelve months to provide increased flexibility.

1.8 Validity of shelf placement memorandum

The shelf prospectus in case of public issue is valid till one year, whereas the shelf placement memorandum (i.e. Shelf disclosure document) issued in case of private placement is valid for 180 days. In order to maintain consistency, it is proposed that the validity of shelf placement memorandum be revised to one year.

1.9 Allowing issuers to file shelf prospectus post curing of default

One of the conditions for an issuer to be eligible to issue shelf prospectus is to have not defaulted in payment of interest/dividend/redemption amount in last three financial years. Hence if an issuer has taken effort to cure the default, such issuers should not be subject to the restriction since they have repaid the investors. At times the default may have occurred even one day due to technical reasons or non-receipt of funds by issuers in time, but the present requirements render the issuer ineligible. Hence it is proposed to allow issuers to file shelf prospectus provided they have cured the default atleast 30 days prior to filing the draft shelf prospectus.

1.10 Requirement of distributable profit replaced by Operating profit

One of the conditions for an issuer to be eligible to issue shelf prospectus for issuance of debt securities is to have consistent track record of distributable profit during the last three years before such issue. Major issuers of debt securities through shelf prospectus are statutory corporations like NHAI, JNPT and they do not have the concept of 'distributable profit'. Further, the same has not been defined either in the Companies Act or Accounting Standards. Hence it is proposed to provide for a more measurable metric in the form of 'operating profit' instead of distributable profit. This is also in line with the provisions in the ICDR Regulations.

1.11 Removal of requirement of physical copy of offer document

Presently, ILDS Regulations requires issuer and merchant banker to provide physical copy of offer document to any person who makes request of the same. Since the offer document are uploaded in the website of issuer, merchant banker, SEBI stock exchanges, investors can access the document. Moreover, the ICDR Regulations, have also removed this requirement of providing physical copies. In line with the same, it is proposed to do away with requirement of providing physical copy of offer document, in line with ICDR Regulations. This also adds fillip to the 'Digital India' initiative of the Government.

1.12 Removal of requirement of minimum issue size

Presently, the minimum issue size for a public issue of debt securities is Rs.100 crore. There is no minimum public issue size for NCRPS, securitized debt instruments, or municipal debt securities. The ICDR Regulations also do not contain any stipulation for a minimum issue size for equity shares and convertible instruments. Hence it is proposed that the requirement of minimum size, presently applicable only for debt securities, may be removed.

1.13 Abridged Prospectus

The abridged prospectus is attached to the application form and is meant to provide a snapshot of the issuer and the issue to investors who are desirous of investing in the issue. Presently the abridged prospectus runs to around 50 pages and is printed on very small font size, which makes it difficult to read, vitiating its very purpose. Hence the Corporate Bonds and Securitization Advisory Committee (CoBoSAC), in one of its meeting had recommended streamlining the contents of the abridged prospectus in order to make it readable for investors and reduce the cost of issuance to issuers. The abridged prospectus prescribed under ILDS Regulations has been reduced in line with the changes made in the ICDR Regulations. The new abridged prospectus for NCS is expected to be around 10 pages and in font size 11, which will greatly enhance the readability.

1.14 Introduction of format of Application form for public issue of NCRPS

While the format of the application form has been prescribed for debt securities, there is no similar prescription for NCRPS. Hence the same is proposed to be prescribed on the lines of the format existing for an issue of debt securities.

1.15 Applicability of the Electronic Book Provider (EBP) platform

The EBP platform, which is a price discovery mechanism for privately placements which largely happen on a 'over the counter' basis, was introduced in the year 2016 to infuse transparency. Presently, it is applicable for private placements of debt securities of INR 200 crore and above in a financial year. Considering the benefits of the EBP platform and need for further increased participation from issuers and investors, the CoBoSAC, in its meeting recommended that the applicability of EBP platform for issuance of debt securities may be reduced to INR 100 crore or above in a financial year. Hence, it is proposed that the EBP platform shall be mandatory for issuance of eligible securities proposed to be listed amounting to INR 100 crore or above in a financial year.

1.16 Revision in timelines for upload of placement memorandum on EBP Platform

The present timeline for filing a placement memorandum on the EBP platform is two working days before the issue opening date. CoBoSAC recommended that for issuers accessing EBP platform for the first time, this timeline, may be extended to five working days before issue opening date. Hence the same is proposed to be revised to five working days in the operational circular.

C. TECHNICAL CHANGES – READABILITY, REMOVAL OF REDUNDANCY, ALIGNMENT WITH CA, 2013 AND OTHER SEBI REGULATIONS:

1.17 Minimum subscription of 75% for public issue of debt securities and NCRPS

The present ILDS Regulations, through a circular provides for minimum subscription in case of public issue of debt securities. However, there is no corresponding requirement for an issue of NCRPS. Hence the same is proposed to be included for public issues of NCRPS and debt securities in the NCS Regulations.

1.18 Deletion of Continuous listing conditions in ILDS which are already covered under LODR Regulations:

Regulation 23 (2), (3) and (4) of ILDS Regulations requires disclosure of revision of rating and disclosure on websites which are in the nature of continuous listing conditions already prescribed in the LODR Regulations and hence, for good order's sake, are proposed to be removed from the NCS Regulations.

1.19 Inclusion of Disclosure of Cash Flow in offer document in case of NCRPS

The disclosure of cash flows in the offer document, presently prescribed for debt securities, enables prospective investors to get an idea on actual date of future interest and redemption payment. The same has relevance to NCRPS also as this will enable them to get an idea on actual date of future dividend and redemption payment and it is proposed to be made applicable for NCRPS issues too.

1.20 Inclusion of enabling provision for Recovery expense fund:

SEBI has issued a circular casting an obligation on issuers of debt securities for creation of recovery expense fund. The enabling provision is needed in the regulations for issue of debt; the same has accordingly been incorporated in the NCS regulations.

1.21 Provisions of Advertisements aligned with ICDR Regulations

The ICDR contains detailed provisions on issue related advertisements which are comprehensive, including restrictions on use of models, soliciting investments and product advertisements. Similar requirements have been incorporated in the NCS Regulations.

1.22 Harmonization of provisions on creation of charges with the Companies Act

The creation of charge on the assets and properties of the issuer under the NCS Regulations has been aligned with the Companies Act which states that the issuer shall have option to create over the properties or assets (movable, immovable, tangible, intangible), shares or any interest thereon, of the issuer or its subsidiaries or its holding companies or its associate companies. Further the requirement of creating charge on assets or properties which is sufficient for the due repayment of the amount of debt securities and interest thereon has been included from the Companies (Share Capital and Debentures) Rules, 2014.

1.23 Consolidation and reissuances of debt securities may be made applicable for public issue of debt securities

ILDS Regulations provides consolidation of debt securities issued on private placement basis and further also provides enabling framework for reissuances of debt securities in the existing ISIN. The limits are to reduce fragmentation of the debt market. It is proposed to extend the provision of consolidation and reissuances for debt securities issued on public issue basis.

1.24 Deletion of requirement of allotment to be made within thirty days

Regulation 12A of ILDS Regulation provides that in case of listing of debt securities issued to public, allotment of securities offered to public shall be made within thirty days of the closure of the public issue. However, SEBI vide Circular dated August 16, 2018 has mandated that the allotment of debt securities, NCRPS issued to public shall be made within six working days from the closure of the issue. Hence this provision regarding allotment within thirty days in the ILDS regulation is being deleted.

1.25 Clarification regarding basis of allotment in public issuances

SEBI vide circular dated October 29, 2013 mandated that on the date of oversubscription, the allotments should be made to the applicants on the proportionate basis. While discussing with the market participants, it has been understood that the allotment on proportionate basis is made only for those bids received on the date of oversubscription.

It is proposed to be clarified in the operational circular that the allotment on the proportionate basis shall be made from the date of the oversubscription till the date issue remains open.

1.26 Definition of Debt securities to include fixed maturity period

Debt securities and perpetual debt instrument although being a separate instruments are used interchangeably by market participants. Hence in order to differentiate between perpetual debt instrument and debt securities, the definition of debt securities has been modified to include fixed maturity period. The amended definition of debt securities is as under:

'debt securities' means non-convertible debt securities with a fixed maturity period which create or acknowledge indebtedness and includes, debentures, bonds or any other security whether constituting a charge on the assets/properties or not, but excludes security receipts, securitized debt instruments, money market instruments regulated by Reserve Bank of India, and bonds issued by Government or such other bodies as may be specified by the Board;

1.27 Introduction of fee for filing exemption application

It is proposed to introduce a fee of Rs.1 lac for filing exemption application from strict enforcement of certain provisions under NCS Regulations in line with other regulations such as ICDR Regulations and LODR Regulations.

1.28 Inclusion of provision of e-voting

Regulation 18 of ILDS Regulation provides that in case issuer wishes to roll over the debt securities, the voting of debenture holders may be taken through postal ballot. It is proposed that the provision of e-voting may be included in addition to postal ballot in order to help issuers ease to obtain voting for passing the resolution.

1.29 Disclosure of tax litigation modified to include material litigation

Schedule I of ILDS Regulation and NCRPS Regulation requires disclosure of tax litigation resulting in material liabilities. Disclosure of all litigation being material are important (whether tax or non-tax) for investor decision to invest. Hence it is proposed to modify the tax litigation to material litigation.

1.30 Disclosure by Debenture trustee to be moved to SEBI (Debenture Trustee) Regulations, 1993

Regulation 23(5) of ILDS Regulations provides for certain disclosure by Debenture trustee regarding default by issuer, failure to create charge and revision of rating. These disclosures has been mandated by SEBI Circular dated November 12, 2020. Since the disclosures by Debenture trustee shall be at single place, hence these provisions are proposed to be deleted from ILDS Regulations and moved to DT Regulations.

1.31 Restriction to issuer for listing non-convertible securities issued on private placement basis

It is proposed that if the promoter, director, promoter group or the issuer has been debarred, then such issuer shall not be allowed to list non-convertible securities issued on private placement basis.

1.32 Restriction for public issue of NCRPS

The present NCRPS Regulation provides that the issuer who has defaulted in payment of interest shall not be allowed to make public issue, however, in case issuer has defaulted in payment of dividend, then such issuer are allowed to make public issue of NCRPS. Hence it is proposed that in case issuer fails to make payment of dividend, then such issuer shall not be allowed to make a public issue of NCRPS, till such time the default in payment of dividend is cured.

1.33 Appointment of Debenture Trustee

The ILDS Regulations provide for the appointment of a Debenture trustee for public issuance of debt securities. While there is no explicit requirement for the appointment of debenture trustee for a private placement of debt securities, certain requirements are mandated to be complied by debenture trustee in case of listed debt securities, whether issued on a private or public basis; this has led to debenture trustees being appointed for private placements also. Hence it is proposed to mandate the appointment of a debenture trustee even for private placements of debt securities which are proposed to be listed.

1.34 Restriction on fugitive economic offenders from accessing the securities markets

The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011 ("Takeover Regulations") restrict fugitive economic offenders from accessing securities markets during the period of debarment. However, ILDS Regulations and NCRPS Regulations do not contain such restriction. The idea behind such restriction is to prevent such fugitive economic offenders from accessing the securities market in any manner. Hence it is proposed to include this restriction in NCS Regulations.

Annex B– DRAFT NCS REGULATIONS

**THE GAZETTE OF INDIA
EXTRAORDINARY
PART –III– SECTION 4
PUBLISHED BY AUTHORITY**

**NEW DELHI,
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
MUMBAI, THE**

SECURITIES AND EXCHANGE BOARD OF INDIA

(ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021

LAD-NRO/GN/___/___ - In exercise of the powers under Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations, namely:

**CHAPTER I
PRELIMINARY**

Short title, and commencement

1. These regulations may be called the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and shall come into force from the date of their publication in the Official Gazette.

Definitions

2. (1). In these regulations, unless the context otherwise requires:
 - (a) “abridged prospectus” means a memorandum accompanying the application form for a public issue containing such salient features of a prospectus as specified by the Board;
 - (b) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (c) “advertisement” means and includes notices, brochures, pamphlets,

- show cards, catalogues, hoardings, placards, posters, insertions in newspaper, pictures, films, websites, or in any other print or digital medium, radio, television programmes through any electronic medium;
- (d) “arranger”, in relation to a private placement of non-convertible securities, means a SEBI registered Merchant Banker or a broker, who, prior to acting as an arranger in an issue of non-convertible securities is appointed by the issuer to act as such on behalf of eligible participants
 - (e) “Board” means the Securities and Exchange Board of India established under the provisions of Section 3 of the Act;
 - (f) “book building” means a process undertaken to elicit demand and to assess the price for determination of the quantum or value of the non-convertible securities, in accordance with these regulations;
 - (g) ‘Commercial Paper’ means commercial paper as defined by RBI;
 - (h) “Companies Act” means the Companies Act, 2013 (18 of 2013);
 - (i) "credit rating agency" means a Credit Rating Agency registered with the Board in terms of Securities and Exchange Board of India (Credit Rating Agencies) Regulations, 1999;
 - (j) “day count convention” is the system used to determine the number of days and the amount of accrued interest between two interest payment dates;
 - (k) “debenture Trustee” means a Debenture Trustee registered with the Board in terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
 - (l) “debt securities” means non-convertible debt securities with a fixed maturity period which create or acknowledge indebtedness and includes, debentures, bonds or any other security whether constituting a charge on the assets/properties or not, , but excludes security receipts, securitized debt instruments, money market instruments regulated by Reserve Bank of India, and bonds issued by Government or such other bodies as may be specified by the Board;

- (m) “depository” means a depository registered with the Board sub-section (1A) of section 12 of the Act;
- (n) “designated stock exchange” means a stock exchange in which non-convertible securities of the issuer are listed or proposed to be listed and which is chosen by the issuer for the purposes of a particular issue under these regulations;
- (o) “draft offer document” means a draft prospectus or draft shelf prospectus filed with the stock exchange(s) in relation to a public issue of non-convertible securities under these regulations;
- (p) “electronic book provider platform” means an electronic platform for private placement of non-convertible securities provided by a recognized stock exchange (s) or a recognised depository, pursuant to obtaining approval from SEBI.
- (q) “fugitive economic offender” means an individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018);
- (r) “green debt security” means a debt security issued for raising funds that are to be utilised for project(s) and/or asset(s) falling under any of the following broad categories subject to the conditions as may be specified by Board from time to time.:
 - ix. Renewable and sustainable energy including wind, solar, bioenergy, other sources of energy which use clean technology;
 - x. Clean transportation including mass/public transportation;
 - xi. Sustainable water management including clean and/or drinking water, water recycling;
 - xii. Climate change adaptation;
 - xiii. Energy efficiency including efficient and green buildings;
 - xiv. Sustainable waste management including recycling, waste to energy, efficient disposal of wastage;
 - xv. Sustainable land use including sustainable forestry and agriculture, afforestation;

- xvi. Biodiversity conservation; or
- xvii. any other category as may be specified by Board, from time to time.
- (s) “group companies” means and includes such companies, other than promoter(s), subsidiary/subsidiaries (which includes joint ventures and associates), with which there were related party transactions, during the period for which financial information is disclosed in the offer documents, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer;
- (t) “issuer” means a company or a body corporate or statutory corporation or a multilateral institution or a trust registered with the Board as a Real Estate Investment Trust or an Infrastructure Investment Trust, authorised to issue non-convertible securities under the relevant laws and in accordance with these regulations or seeks to list its non-convertible securities, with any recognized stock exchange(s) in accordance with these regulations;
- (u) “lead manager” means a merchant banker registered with the Board in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 and appointed by the issuer to manage the public issue of non - convertible securities and in case of a book-built issue, the lead manager(s) appointed by the issuer who act(s) as the book running lead manager(s) for the purposes of book building;
- (v) "net worth" shall have the same meaning as assigned to it in sub-section (57) of Section 2 of the Companies Act;
- (w) "non-convertible redeemable preference share" means a preference share which is redeemable in accordance with the provisions of the Companies Act and does not include a preference share which is convertible into or exchangeable with equity shares of the issuer at a later date, with or without the option of the holder;
- (x) “non-convertible securities” means debt securities, non-convertible redeemable preference shares, perpetual non-cumulative preference

shares, perpetual debt instruments and any other securities as specified by the Board;

- (y) “offer document” means a prospectus, shelf prospectus, tranche prospectus in case of public issue of non-convertible securities and a placement memorandum in case of private placement of non-convertible securities and includes a draft offer document;
- (z) “operating profit” means profit before tax excluding other income and finance cost;
- (aa) “perpetual debt instrument” means a perpetual debt instrument issued in accordance with the guidelines framed by the Reserve Bank of India”;
- (bb) "perpetual non-cumulative preference share" means a perpetual non-cumulative preference share issued in accordance with the guidelines framed by the Reserve Bank of India;
- (cc) “placement memorandum” means any document including a shelf placement memorandum filed with the stock exchange(s) in relation to an issue of non-convertible securities to be issued on private placement basis;
- (dd) “private placement” means an offer or invitation to subscribe or issue of non-convertible securities to a select group of persons by a company (other than by way of public offer), which satisfies the applicable conditions specified in Section 42 of the Companies Act;
- (ee) “prospectus” shall have the same meaning as assigned to it in sub-section (70) of Section 2 of the Companies Act;
- (ff) "promoter" has the same meaning as in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (gg) “promoter group” shall have the meaning as assigned to it in sub-section (1)(pp) of Section 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (hh) “public issue” means an offer or invitation by an issuer to public to

subscribe to its non-convertible securities which is not in the nature of a private placement;

- (ii) “schedule” means a schedule annexed to these regulations;
- (jj) “secured debt securities” shall mean such debt securities which are secured by creation of a charge on the properties or assets, of the issuer or its subsidiaries or its holding companies or its associate companies having a value which,, is sufficient for the due repayment of principal and payment of interest thereon
- (kk) “shelf placement memorandum” means an offer document in respect of which the debt securities included therein, are issued on a private placement basis, in one or more tranches over a certain period, by issuing a tranche placement memorandum and without the requirement of issuing a further placement memorandum;
- (ll) “shelf prospectus” shall have the same meaning as assigned to it in Section 31 of the Companies Act, 2013;
- (mm) “specified” means specified by a general or special order or circular or guidelines issued under the Act or these regulations;
- (nn) ‘specified securities’ shall have the same meaning as specified under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (oo) “statutory corporation” means a body corporate formed by a special act of Parliament or by the central or state legislature;
- (pp) “stock exchange(s)” means any recognised stock exchange chosen by the issuer on which the non-convertible securities of an issuer are listed or proposed to be listed for the purpose of a particular issue of non-convertible securities and includes a designated stock exchange;
- (qq) “tranche placement memorandum” means a document supplementing the shelf placement memorandum, whereby subscription to non-convertible securities is invited by an issuer on a private placement basis;
- (rr) “tranche prospectus” means an information memorandum as specified in sub-section (2) of Section 31 of the Companies Act;

- (ss) “trust deed” means a deed executed between issuer and debenture trustee for the benefit of the holders of the debt securities;
- (tt) “wilful defaulter” means an entity/person who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI;
- (uu) “working day” means all days on which commercial banks in the city as specified in the offer document are open for business.

Explanation: For the purpose of this definition, in respect of

- (c) Announcement of price band or bid/issue period:
working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business;
 - (d) the time period between the bid/ issue closing date and the listing of the non-convertible securities on the stock exchanges, working day shall mean all trading days of the stock exchanges for non-convertible securities, excluding Sundays and bank holidays as specified by the Board.
- (2). All other words and expressions used but not defined in these regulations, shall have the same meanings respectively assigned to them in the Act or the Companies Act or SCRA or the Depositories Act, 1996 and/or the rules and regulations made thereunder or any statutory modification or re-enactment thereto, unless the context requires otherwise.

Applicability

3. Unless or otherwise specified herein in these regulations, they shall apply to the following:

- (a) issuance and listing of debt securities and non-convertible redeemable preference share by an issuer by way of public issuance;
- (b) issuance and listing of non-convertible securities by an issuer issued on private placement basis;

- (c) listing of commercial paper issued by an issuer in compliance with the directions issued by RBI.

CHAPTER II
COMMON CONDITIONS AND ELIGIBILITY CRITERIA

Applicability of this chapter

4. This chapter shall apply to issuance and listing of
 - (1) debt securities and non-convertible redeemable preference shares by an issuer by way of public issuance;
 - (2) non-convertible securities by an issuer issued on private placement basis;

5. Unless otherwise provided in these regulations, an issuer making an offer of non-convertible securities shall satisfy the conditions of these regulations as on:
 - (1) Date of filing of the draft offer document with the Board or stock exchange(s),
 - (2) Date of filing the offer document with the Board or stock exchange (s), as the case may be,
 - (3) Date of filing the offer document with the Registrar of Companies

Eligible issuers

6. (1) No issuer shall make an issue of non-convertible securities under these regulations, unless the following criteria are complied with:
 - (a) if the issuer, any of its promoters, promoter group or directors are debarred from accessing the securities market or dealing in securities by the Board.
 - (b) if any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of any other company which is debarred from accessing the securities market or dealing in securities by the Board.
 - (c) if the issuer or any of its promoters or directors is a wilful defaulter.
 - (d) if any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of any other company which is a wilful defaulter.
 - (e) if any of its promoters or directors is a fugitive economic offender.Provided that the

- (i) restrictions mentioned at (b) and (d) above shall not be applicable in case of a person who was appointed as a director only by virtue of nomination by a debenture trustee in other company.
- (ii) restrictions mentioned in (a) and (b) above shall not be applicable if the period of debarment is over.
- (iii) restrictions mentioned at (c) and (d) shall not be applicable in case of private placement of non-convertible securities

(2) No issuer shall make a public issue of non-convertible securities if as on the date of filing of draft offer document or offer document, the issuer is in default of payment of interest or dividend or repayment of principal amount in respect of non-convertible securities, if any, for a period of more than six months.

In-principle approval

7. (1) The issuer shall make application to one or more stock exchange(s) and obtain an in-principle approval for listing of its non-convertible securities from the stock exchange(s) where the non-convertible securities is proposed to be listed

Provided that where the application is made to more than one recognised stock exchanges, the issuer shall choose one of them as the designated stock exchange:

Explanation- For any subsequent issue, the issuer may choose a different stock exchange as a designated stock exchange subject to the requirements of this regulation.

Depositories

8. (1) The issuer shall enter into an arrangement with a depository for dematerialization of the non-convertible securities in accordance with the

Depositories Act,1996 and regulations made thereunder and also take such steps to ensure that the debt securities are admitted on all the depositories;

Debenture trustee

9. (1) The issuer shall appoint a debenture trustee in case of an issue of debt securities.
- (2) The debenture trustee shall supervise the implementation of the conditions regarding creation of security for the debt securities and creation of recovery expense fund and debenture redemption reserve, as applicable.
- (3) The debenture trustee shall monitor the security cover and/or asset cover in relation to debt securities in the manner as specified by the Board.
- (4) The debenture trustee shall ensure disclosure of all material events on an ongoing basis.
- (5) The debenture trustee shall be vested with the requisite powers for protecting the interest of holders of debt securities including a right to appoint a nominee director on the Board of the issuer in consultation with holders of such debt securities and in accordance with applicable law.

Credit rating

10. The issuer shall obtain credit rating from at least one credit rating agency, which shall be disclosed in the offer document or placement memorandum, as applicable:

Provided that where credit ratings are obtained from more than one credit rating agency for the issue, all the ratings, including the unaccepted ratings, shall be disclosed in the offer document;

Creation of Recovery Expense Fund

11. The issuer shall create a recovery expense fund with the designated stock exchange, by depositing such amount and in such form and manner as may be specified by the Board.

Electronic Issuances

12. An issuer proposing to issue non-convertible securities through the on-line system of the stock exchange(s) and depositories shall comply with the relevant applicable requirements as may be specified by the Board.

Regulatory fees

13. (1) Upon filing a draft prospectus with the Registrar of Companies, the issuer shall immediately file a copy of the same with the stock exchange(s) and a soft copy of the draft offer document along with regulatory fees as specified in [Schedule V] and offer document in PDF format shall also be forwarded to the Board for its records, simultaneously with filing of these documents with the stock exchange(s).

(2) The designated stock exchange shall collect a regulatory fee as specified in [Schedule V] from the issuer at the time of listing of the non -convertible securities and commercial papers issued on private placement basis.

Relaxation of strict enforcement of Rule 19 of Securities Contracts (Regulation) Rules, 1957

14. In exercise of the powers conferred by sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, the Board hereby relaxes the strict enforcement of sub-rules (1) and (3) of Rule 19 the said rules in relation to listing of issue of non-convertible securities.

Day Count Convention

15. (1) The day count convention for calculation of interest/dividend payments for non-convertible securities shall be Actual/Actual.
- (2) All payments required to be made by an issuer shall be made on a working day.
- (3) If the due date of any amount payable by the issuer falls on a day which is not a working day, such payments shall be made in a manner as specified by the Board.

Right to recall or redeem prior to maturity.

16. (1) An issuer making issuance of non-convertible securities shall
 - (a) have the right to recall such securities prior to the maturity date (viz. call option or by any other name called) or
 - (b) shall have a right to provide such right of redemption prior to maturity date (viz. put option or by any other name called) to all the investors or only to retail investors subject to the conditions provided in this regulation.
- (2) Such right to recall or redeem non-convertible securities prior to maturity date is exercised in accordance with applicable law and the terms of issue and detailed disclosure in this regard is made in offer document including date from which such right is exercisable, period of exercise (which shall not be less than three working days), redemption amount (including the premium or discount at which such redemption shall take place);
- (3) The issuer or investor may exercise such right with respect to all the non-convertible securities issued or held by them respectively or with respect to a part of the non-convertible securities so issued or held;
- (4) In case of partial exercise of such right in accordance with the terms of the issue by the issuer, it shall be done on proportionate basis only;
- (5) No such right shall be exercisable before expiry of twelve months from the date of

issue of such non-convertible securities;

(6) Issuer shall send notice to all the eligible holders of such non-convertible securities and debenture trustee at least twenty one days before the date from which such right is exercisable;

(7) Issuer shall also provide a copy of such notice to the stock exchange(s) where such non-convertible securities are listed for wider dissemination and shall make an advertisement in a English national daily and Regional daily having wide circulation indicating the details of such right and eligibility of the holders who are entitled to avail such right;

(8) Issuer shall pay the interest at rate of fifteen per cent per annum for period of delay, if any.;

(10) After the completion of the exercise of such right, the issuer shall:

- (a) submit a detailed report to the stock exchange(s) for public dissemination regarding the non-convertible securities redeemed during the exercise period and details of redemption thereof;
- (b) inform debenture trustee regarding the debt securities redeemed during the exercise period and details of redemption thereof and
- (c) inform the depositories to extinguish the non-convertible securities that have been redeemed.

Explanation.- For the purpose of this regulation, retail investor shall mean the holder of debt securities having face value not more than rupees two lakh

Debenture Redemption Reserve/ Capital Redemption Reserve

17. The issuer shall create debenture redemption reserve or capital redemption reserve in accordance with applicable provisions of the Companies Act.

International Securities Identification Number (ISIN).

18. (1) An issuer issuing non-convertible securities shall comply with the conditions relating to the issue of ISIN, as may be specified by the Board from time to time.
- (2) Any default committed by the issuer shall be reckoned at the ISIN level notwithstanding the non-convertible securities being issued under different offer documents but under the same ISIN.

Trust Deed

19. (1) The issuer and the debenture trustee shall execute the trust deed within such timelines as may be specified by the Board.
- (2) Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1), without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed.
- (3) A clause stipulating the requirement under sub-regulation (2) shall form part of the Trust Deed and also be disclosed in the Offer Document.]
- (4) Every debenture trustee shall amongst other matters, **accept the trust deeds** which shall contain the matters as prescribed under section 71 of Companies Act, 2013 and Form No. SH.12 of the Companies (Share Capital and Debentures) Rules, 2014. Such trust deed shall consist of two parts:
- a. Part A containing statutory/standard information pertaining to the debt issue.
b. Part B containing details specific to the particular debt issue.]
- (a) The trust deed shall not contain any clause which has the effect of:
- (i) limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the holders of the debt securities;
 - (ii) limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by the Board;
 - (iii) indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.

- a. The trust deed shall contain the issuers bank details (from which it proposes to pay the interest and redemption amount of the debt securities) and pre-authorise the debenture trustee(s) at the time of executing the trust deed, in order to allow the debenture trustee to seek information about interest payment and redemption payment from such bank.
- a) In case of secured debt securities both for public as well issuance done on private placement basis, the granular details of asset cover available and charge created on the assets of the issuer may be mandated to be disclosed on the following basis providing details of securities:
 - a. Schedule date of creation of charge
 - b. Actual date of creation of charge
 - c. Verification of charge by Debenture trustee
 - d. Charge be specifically identified on the balance sheet items (disclosed in the offer document/placement memorandum) such as immovable properties (i.e. land and building, flats, warehouse, etc), movable properties (plant and machinery, vehicles, etc), current assets (i.e. receivables, inventories, etc.), Escrow Accounts.
- b) Disclosure about Pari-Passu charge and the entitlement of the investor in such cases.
- c) The rights and duties of the Debenture Trustee ('DT').
- d) The detailed procedure to be followed at the time of default by the DT including relevant procedures of ICA, DRT / NCLT and IBC.
- e) The procedure and manner of calling debenture holder meetings, the voting mechanism, responsibility of debenture holders in such situations etc.
- f) Bearing of litigation cost in case of default, and manner of payment to the DT.
- g) Fee given to the DT for the issue.

Listing Agreement.

20. Every issuer desirous of listing its non-convertible securities on a recognised stock exchange shall execute an agreement with such stock exchange(s).

Continuous Listing Conditions

21. All the issuers of non-convertible securities issued, which are listed on stock exchange(s) shall comply with the listing regulations and/or such other conditions and disclosure requirements as may be specified by the Board.

Trading of Non-Convertible Securities

22. (1) The non-convertible securities issued to the public, which are listed in stock exchange(s), shall be traded and such trades shall be cleared and settled in through stock exchange(s), subject to conditions specified by the Board.

(2) In case of trades of non-convertible securities which have been traded over the counter, such trades shall be reported on any one of the reporting platform of a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by the Board.

(3) The Board may specify conditions for reporting of trades on the recognized stock exchange or other platform referred to in sub-regulation (2).]

Obligations of the Issuer

23. (1) The issuer shall treat the applicants in a public issue of non-convertible securities in a fair and equitable manner as per the procedures specified by the Board;

(2) The issuer shall not employ any device, scheme, or artifice to defraud in connection with issue or subscription or distribution of non-convertible securities which are listed or proposed to be listed on a recognized stock exchange(s);

(3) The issuer shall apply for SCORES authentication in the format specified by the Board and shall use the same SCORES authentication for all issuance of the public issue of non-convertible securities;

(4) The issuer shall provide all required information/ documents to the lead managers for conducting the due diligence in a form and manner as may be specified by the Board.

- (5) The issuer shall ensure that the security created to secure the secured debt securities is adequate to ensure 100% security cover for the debt securities

CHAPTER III

ISSUE AND LISTING OF PUBLIC ISSUE OF NON-CONVERTIBLE SECURITIES

24. The provisions of this chapter shall apply to issuance and listing of debt securities and Non-Convertible Redeemable Preference Shares.

PART A

PROVISIONS APPLICABLE TO PUBLIC ISSUE OF DEBT SECURITIES AND NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES

Conditions for public issue

25. (1) The issuer shall appoint one or more merchant bankers registered with the Board, as lead manager(s) to the issue;

- (a) Where the issue is managed by more than one lead manager, the rights, obligations and responsibilities, relating *inter alia* to disclosures, allotment, refund and underwriting obligations, if any, among other things, if any, of each lead manager shall be predetermined and be disclosed in the draft offer document and the offer document;
- (b) Where there is only one lead manager it shall not be an associate (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) of the issuer;
 - (i) In case there is more than one lead manager, at least one lead manager to the issue shall not be an associate (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) of the issuer;
 - (ii) If the lead manager is an associate of the issuer, it shall disclose itself as an associate of the issuer and its role shall be limited to

marketing of the issue. Such lead manager cannot issue any due diligence certificate, in relation to the issue of such non-convertible securities.

(2) The issuers shall not issue any NCS for providing loan to or acquisition of shares of any entity who is a group company of the issuer.

Provided, where the issuer is a NBFC the aforesaid restriction shall not apply and appropriate disclosures shall be made as prescribed in the Schedule.

Filing of draft offer document

26. (1) No issuer shall make a public issue of non-convertible securities unless a draft offer document has been filed with all the stock exchange(s), on which the non-convertible securities are proposed to be listed, through the lead manager.

(2) The draft offer document filed with the stock exchange(s) shall be made public by posting the same on the website of the stock exchange(s) for seeking public comments for a period of seven working days from the date of filing the draft offer document with stock exchange(s).

(3) The draft offer document shall also be displayed on the website of the issuer and the lead manager(s).

(4) The lead manager(s) shall ensure that the draft offer document clearly specifies the names and contact particulars of the compliance officer of the issuer including the postal and email address and telephone number.

(5) The lead manager shall ensure that all comments received on the draft offer document are suitably addressed prior to the filing of the offer document with the Registrar of Companies.

(6) The lead manager shall, prior to filing of the offer document with the Registrar of Companies, furnish to the Board a due diligence certificate in the format as per Schedule [*] of these regulations.

(7) Upon filing a draft prospectus with the Registrar of Companies, the issuer shall immediately file a copy of the same with the stock exchange(s) and a soft copy of the draft offer document along with regulatory fees as specified in [Schedule

V] and offer document in PDF format shall also be forwarded to the Board for its records, simultaneously with filing of these documents with the stock exchange(s).

Disclosures in the offer document

- 27.(1) An offer document shall contain all material true, fair and adequate, disclosures which are necessary for the subscribers of the non-convertible securities to take an informed investment decision and shall not omit/ include any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading or untrue.
- (2) Without prejudice to the generality of sub-regulation (1), the issuer and the lead manager(s) shall ensure that the offer document contains the following:
- (a) disclosures specified in [Schedule I] of these regulations;
 - (b) disclosures specified in the Companies Act, as applicable;
 - (c) additional disclosures as may be specified by the Board;
- (3) the lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity of the disclosure in the offer document.
- (4) The issuer shall ensure that the information including audited financial information contained in the draft offer document and offer document shall not be more than six months old from the date of filing draft offer document or issue opening date, as applicable.

Provided that in case of :

- i. listed issuers (whose non-convertible securities or specified securities or commercial paper are listed on recognised stock exchange(s)) , who are in compliance with the listing regulations,
- ii. the issuers of non- convertible securities who are subsidiaries of the equity listed entities, who are in compliance with the listing regulations,

instead of audited financial information for the stub period, they may disclose both unaudited financial information for such period in the format as prescribed in the listing regulations with limited review report, as filed with the stock exchange(s), subject to necessary disclosures in this regard in the offer document including risk factors.

(5) the lead manager(s) shall:

- (a) and verify and confirm that the disclosures made in the offer documents are true, fair and adequate and ensure that the issuer is in compliance with these regulations, all transaction specific disclosures required in [Schedule I] of these regulations, Companies Act, and any other disclosures as may be specified by the Board.
- (b) ensure that the track record of the public issues managed by them is disclosed for a period of three financial years from the date of listing of each public issue managed by the lead manager(s). The track record shall be disclosed on the website of the lead manager(s) and a reference to this effect shall be made in the offer document. In case more than one lead manager is associated with a public issue of non-convertible securities, then all lead managers who have signed the due diligence certificate for such issue of non-convertible securities to the public, as disclosed in the offer document, shall disclose the track record.

Explanation: For the purpose of this regulation, “material” means anything which is likely to impact an investor’s informed investment decision.

Mode of Disclosure of the offer document

28. (1) The offer document shall be displayed on the websites of stock exchange(s) and shall be available for download in PDF or any other format as may be specified by the Board. The issuer shall file the offer document with the stock exchange(s), simultaneously while filing thereof with the Registrar of Companies, for dissemination on their respective websites prior to the opening of the issue.

(2) The offer document shall also be displayed on the website of the issuer and the lead manager(s).

Advertisements for Public issues and prohibition on payment of incentives

29. (1) The issuer shall make an advertisement in an English national daily and regional daily with wide circulation, on or before the issue opening date and such advertisement shall, amongst other things, contain the disclosures as specified in [Schedule V].
- (2) No issuer shall issue an advertisement which is misleading or which contains any information in a distorted manner, or which is manipulative or deceptive.
 - (3) The advertisement shall be truthful, fair and clear and shall not contain a statement, promise or forecast which is untrue or misleading.
 - (4) Any advertisement issued by the issuer shall not contain any matters which are extraneous to the contents of the offer document and the advertisements shall not display models, celebrities, fictional characters, landmarks, caricatures or the likes for solicitation of the public issue.
 - (5) The advertisement shall solicit investment only on the basis of information contained in the offer document.
 - (6) Any corporate or product advertisement issued by the issuer from the date of filing of the draft offer document with the stock exchange(s) till the issue closure date, shall not make any reference to the issue of debt securities or be used for solicitation for non-convertible securities.
 - (7) Any person connected with the issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the issue, except for fees or commission for services rendered in relation to the issue.

Abridged Prospectus and application forms

30. (1) The issuer and lead manager shall ensure that:
- (a) every application form and the abridged prospectus is in the form as specified by the Board;
 - (b) the abridged prospectus shall not contain matters which are extraneous to the contents of the offer document;

- (c) adequate space shall be provided in the application form to enable the investors to fill in various details like name, address, etc.
- (2) The issuer may provide the facility for subscription of application in electronic mode.

Price Discovery and Book building

- 31. (1) The issuer may determine the price and/or coupon of non-convertible securities in consultation with the lead manager.
- (2) The issue of non-convertible securities may be at fixed price and fixed coupon or the issuer may determine the demand and price or coupon of the non-convertible securities through book building process in accordance with the procedure as specified by the Board.

Minimum subscription.

- 32. (1) Minimum subscription for a public issue shall not be less than 75% of the base issue size or as may be specified by the Board.

Provided further that minimum subscription will not apply to in case of issuers issuing tax-free bonds, as specified by Central Board of Direct Taxes.

- (2) In the event of non-receipt of minimum subscription, all blocked application money shall be unblocked forthwith, but not later eight days from the date of closure of the issue or as may be specified by the Board. If any such money is not so unblocked within such period, then the issuer shall be required to pay interest at the rate of fifteen percent per annum for the delayed period.

Allotment of securities and payment of interest.

- 33. (1) The issuer shall ensure that in case of listing of non-convertible securities issued to public, allotment of securities offered to public shall be made within such timeline as may be specified by the Board.
- (2) Where the non-convertible securities are not allotted and/or application monies are not unblocked within the period stipulated in sub-regulation (1)

above, the issuer shall undertake to pay interest at the rate of fifteen percent per annum to the investors and within such time as disclosed in the offer document.

Underwriting

34. A public issue of non-convertible securities may be underwritten by an eligible intermediaries, either in full or part and in such a case, adequate disclosures regarding underwriting arrangements shall be disclosed in the offer document.

Mandatory listing of public issue of the non-convertible securities

35. (1) An issuer desirous of making an offer of non-convertible securities to the public shall make an application for listing to stock exchange(s) in terms of sub-section (1) and sub-section (2) of Section 40 of the Companies Act.

(2) An issuer intending to list its non-convertible securities shall obtain in principle approval from the stock exchange(s) prior to issuance of such non-convertible securities.

Provided that in the event of failure to list the non-convertible securities beyond such days from the date of closure of issue, as specified by the Board (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within two working days from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds as specified in [Schedule I] of these regulations. For delay in refund/unblocking of funds beyond the timeline as specified above, the Company will be liable to pay interest at the rate specified by the Board from the scheduled listing date till the date of actual payment.

(3) The issuer shall file the following documents along with the listing application to the stock exchange and with the debenture trustee, as applicable at the time of allotment of nonconvertible securities:

- A. Offer Document
- B. Memorandum of Association and Articles of Association,
- C. Copy of the requisite board/ committee resolutions authorizing the borrowing and the list of authorised signatories for the allotment of non-convertible securities;
- D. Copy of last three years audited Annual Reports;
- E. Report of auditors with respect to the financial information disclosed as required by the Regulations.
- F. Reports about the business or transaction to which the proceeds of the securities are to be applied directly or indirectly;
- G. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- H. An undertaking from the issuer stating that the necessary documents for creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the non convertible securities have been listed.
- I. An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the debenture trustee to the proposed issue has been obtained.
- J. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

Other Obligations of the Lead Manager

- 36.** (1) The lead manager shall not employ any device, scheme, or artifice to defraud in connection with issue or subscription or distribution of non-convertible securities which are listed or proposed to be listed on a recognized stock exchange;
- (2) The lead manager(s) shall ensure that the security created to secure the secured debt securities is adequate to ensure 100% security cover for the debt securities;
- (3) The lead manager shall ensure payment of additional interest by the issuer in accordance with this regulation in case of non-allotment of non-convertible securities.

PART B
PROVISIONS APPLICABLE TO PUBLIC ISSUE OF NON- CONVERTIBLE DEBT
SECURITIES

Roll-over of non-convertible securities

37. (1) The issuer shall redeem the non-convertible securities in terms of the offer document.
- (2) Where the issuer desires to roll-over non-convertible securities of a particular ISIN, it shall do so only upon, the same being agreed by a majority of holders of such non-convertible securities in a duly convened meeting as per the offer document, holding not less than three-fourths in value through postal ballot or e-voting and by giving fifteen day's notice of the proposed roll over to the holders of such non-convertible securities.
- (3) The notice referred to in sub- regulation (2) shall contain disclosures with regard to rationale for roll-over and at least one credit rating, which shall be obtained from a credit rating agency within six months prior to the due date of redemption.
- (4) The issuer shall, prior to sending the notice to holders of non-convertible securities, file a copy of the notice and proposed resolution with the stock exchange(s) where such non-convertible securities are listed, for dissemination of the same to public on its website.
- (5) The existing trust deed (in case of debt securities) may be continued if it provides for such continuation or the same may be amended or fresh trust deed may be executed at the time of such roll over.
- (6) The issuer shall on completion of the roll over, intimate the stock exchange(s) about the roll-over of the non-convertible securities.
- (7) The issuer shall redeem the non-convertible securities to all such holders, who have not given their positive consent for the roll-over.

Due Diligence by Debenture trustee

38. The debenture trustee shall, at the time of filing the draft offer document with the stock exchange(s) and prior to opening of the public issue, furnish to the Board and stock exchange(s), a due diligence certificate in the format as specified in Schedule [*] of these regulations.

Filing of Shelf Prospectus and Tranche Prospectus.

39. (1) Without prejudice to [regulation 18], the following issuers may file shelf prospectus under Section 31 of the Companies Act for public issuance of their debt securities:

- (a) Public financial institutions as defined under clause (72) of Section 2 of the Companies Act, 2013 and scheduled banks as defined under clause (e) of Section 2 of the Reserve Bank of India Act, 1934; or
- (b) Issuers authorized by the notification of Central Board of Direct Taxes to make public issue of tax free secured bonds, with respect to such tax free bond issuances; or
- (c) Infrastructure Debt Funds – Non-Banking Financial Companies regulated by RBI; or
- (d) Listed entities whose specified securities or publicly issued non-convertible securities are listed on stock exchange(s) for a period of at least three years immediately preceding the issue and have been complying with applicable provisions of the listing regulations and any other guidelines so specified by the Board; or Non-Banking Financial Company registered with RBI and a Housing Finance Company registered with National Housing Bank or RBI complying with the following criteria:
 - (i) having a net worth of at least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
 - (ii) having consistent track record of operating profits for the last three years;

- (iii) securities to be issued under the offer document have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with the Board;
- (iv) no show-cause notices in respect of proceedings under sub-section (4) of section 11 or section 11B(1) have been issued by the Board and pending against the issuer or its promoters or whole-time directors as on the date of filing of the draft shelf prospectus or shelf prospectus with stock exchange(s);

In cases where against the issuer or its promoters or whole-time directors:

- (a) show-cause notice(s) in respect of proceedings under sub-section (4) of section 11 or section 11B(1) have been issued by the Board and pending or
- (b) prosecution proceedings have been initiated by the Board or RBI or National Housing Bank, in a period of three years prior to the date of filing of the draft shelf prospectus and shelf prospectus: necessary disclosures in respect of such action(s) along with its potential adverse impact on the issuer shall be made in the draft shelf prospectus and shelf prospectus;
- (v) the issuer has not defaulted in:
 - (a) the repayment of deposits or interest payable thereon; or
 - (b) redemption of preference shares; or
 - (c) redemption of debt securities and interest payable thereon; or
 - (d) payment of dividend to any shareholder; or
 - (e) repayment of any term loan or interest payable thereon, in the last three financial years including the current financial year.

Provided, that the provisions of this clause shall not apply if the issuer has cured the default at least thirty days prior to the date of filing the draft shelf prospectus;

- (2) The issuer filing a shelf prospectus shall file a copy of tranche prospectus with the stock exchange(s) and the Board, immediately on filing the same with the Registrar.
- (3) The shelf prospectus and tranche prospectus shall contain the following disclosures:
 - (a) disclosures specified in [Schedule I] of these regulations;
 - (b) disclosures specified in the Companies Act, as applicable; and
 - (c) additional disclosures as may be specified by the Board;

Retention of Over Subscription

40. The issuers shall be allowed to retain the over-subscription up to the maximum of 100% of the base issue size or any lower limit as specified in the prospectus or tranche prospectus.

Provided that the issuers filing a shelf prospectus, can retain oversubscription up to the rated size, as specified in their shelf prospectus.

Provided further that the retention of over subscription shall be subject to necessary corporate authorization, credit rating and any other condition as may be specified by the Board.

Provided further that the issuers of tax-free bonds, who have not filed shelf prospectus, the limit for retaining the oversubscription shall be the amount for which they are authorised by Central Board of Direct Taxes to raise in a year or any lower limit, subject to the same being specified in the offer document.

Creation of security for secured debt securities

41. (1) In case of secured debt securities, the issuer shall ensure that the security created to secure the debt securities is adequate to ensure 100% security cover for the debt securities and such security is created within such timelines as specified by the Board. While creating such charge or security, the issuer shall have the option to create charge or security over the properties or assets (movable,

immovable, tangible, intangible), shares or any interest thereon, of the issuer or its subsidiaries or its holding companies or its associate companies or otherwise;

- (2) The proposal to create a charge, in respect of the secured debt securities shall be disclosed in the offer document along with an undertaking that the assets on which charge or security will be created to meet the 100% security cover, shall be free from any encumbrances and in case the assets are encumbered, the permissions or consent to create first, second or *pari passu* charge on the assets shall be obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.

Provided that sub regulation (3) will not apply if a) charge is created on additional assets other than the assets comprising of 100% security cover; b) where the proceeds of the issue are proposed to refinance a previous secured borrowing or issue and security will be released by the refinanced lenders post listing of the issue, in which case the issuer shall be given 15 working days post listing of the debt securities to provide such permissions from the existing creditors (if applicable);

- (3) The issue proceeds shall be kept in an escrow account until all the security as stated in the offer document, are created and all guarantees stated in the offer document, have been executed.

Distribution of Dividend in case of default in payment of interest or redemption of debt securities

42. Where the issuer has defaulted in payment of interest on or redemption of debt securities or in creation of security in accordance with the terms of the offer document, any distribution of dividend shall require approval of the debenture trustee for the defaulted debt securities, till the time the default is cured by the issuer.

Obligations of Debenture Trustee

43. (1) The debenture trustee shall be vested with the requisite powers for protecting the interest of holders of debt securities including a right to appoint a nominee director on the Board of the issuer in consultation with holders of such debt securities and in accordance with applicable law.
- (2) The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities, creation of recovery expense fund and debenture redemption reserve, as applicable.
- (3) The debenture trustee shall monitor the security cover in relation to secured debt securities in the manner as specified by the Board.

CHAPTER IV
LISTING OF PRIVATE PLACEMENT OF NON-CONVERTIBLE SECURITIES
PART A

Common Conditions for listing of non-convertible securities issued on private placement basis.

44. The provisions of this chapter shall apply to listing of non-convertible debt securities and non-convertible redeemable preference shares issued on private placement basis

Listing Application

45. (1) Where the issuer has disclosed the intention to seek listing of non-convertible securities issued on private placement basis, the issuer shall forward the listing application along with the disclosures as per this regulation to the stock exchange(s) within such days as may be specified by the Board from the date of closure of the issue.

Provided in case of delay in listing of the non-convertible securities beyond such days as may be specified by the Board from the date of closure of the issue, the issuer shall pay an additional interest/dividend at the rate specified by the Board from time to time, over and above the coupon/dividend applicable for such non-convertible securities.

(2) The issuer shall file the following documents along with the listing application to the stock exchange and with the debenture trustee at the time of allotment of non convertible securities:

- A. Placement Memorandum
- B. Memorandum of Association and Articles of Association,
- C. Copy of the requisite board/ committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of non convertible securities;
- D. Copy of last three years audited Annual Reports;

- E. Standalone and consolidated Financial information (Balance Sheet, Profit and Loss Account and Cash Flow Statement) for a period of three full years and not be more than six months old from the date of the draft offer document and offer document, as applicable.
- F. Report of auditors along with the financial information as required by the Regulations.
- G. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- H. An undertaking from the issuer stating that the necessary documents for creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the non convertible securities have been proposed to be listed.
- I. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- J. An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favor of the debenture trustee to the proposed issue has been obtained.
- K. Latest Audited / Limited Review Consolidated and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications , if any.
- L. Debenture trustee shall submit due diligence certificate to the stock exchange in relation to the security creation or otherwise, in the format as specified in Schedule [*] of these Regulations.

Disclosures in respect of Private Placements of Non-convertible Securities

46. (1) The issuer making a private placement of non-convertible securities and seeking listing thereof on a recognised stock exchange shall make the following disclosures:

- a. disclosure specified in [Schedule II] of these regulations;
 - b. disclosures specified in the Companies Act, as applicable;
 - c. additional disclosures as may be specified by the Board;
- (2) The disclosures as provided in sub-regulation (1) shall be made on the web sites of stock exchange(s) where such securities are proposed to be listed and shall be available for download in PDF or any other format as may be specified by the Board.
- (3) The issuer shall ensure that the information including audited financial information contained in the draft offer document and offer document shall not be more than six months old from the date of filing draft offer document or issue opening date, as applicable.

Provided that in case of listed issuers (whose non-convertible securities or specified securities or commercial paper are listed on recognised stock exchange(s)) who are in compliance with the listing regulations, instead of audited financial information for the stub period, they may disclose unaudited financial information for such period in the format as prescribed in the listing regulations with limited review report, as filed with the stock exchange(s), subject to necessary disclosures in this regard in the offer document including risk factors.

Allotment of securities.

47. The issuer shall ensure allotment of non-convertible securities issued on a private placement basis and credit to the dematerialised account of the investors, is made within such time as may be specified by the Board.

PART B

CONDITIONS FOR LISTING OF NON- CONVERTIBLE DEBT SECURITIES ISSUED ON PRIVATE PLACEMENT BASIS.

Filing of shelf placement memorandum

48. (1) An issuer making a private placement of debt securities and seeking listing thereof on a stock exchange(s) may file a shelf placement memorandum.

(2) The shelf placement memorandum shall indicate a period not exceeding one year as the period of validity of such memorandum which shall commence from the date of opening of the first offer of debt securities under that memorandum, and in respect of a second or subsequent offer of such debt securities issued during the period of validity of that memorandum, no further placement memorandum is required.

Provided that the issuer while making any private placement under a shelf placement memorandum, shall file with the stock exchange(s) tranche placement memorandum with respect to each tranche, containing details of the private placement and material changes, if any, in the information provided in the shelf placement memorandum.

Explanation: For the purpose of this regulation, “material” means anything which is likely to impact an investor’s informed investment decision.

Creation of security

49. (1) In case of secured debt securities, the issuer shall ensure that the security created to secure the debt securities is adequate to ensure 100% security cover for the debt securities and such security is created within such timelines as specified by the Board. While creating such charge or security, the issuer shall have the option to create charge or security over the properties or assets (movable, immovable, tangible, intangible), shares or any interest thereon, of the issuer or its subsidiaries or its holding companies or its associate companies

(2) The proposal to create a charge, in respect of the secured debt securities shall be disclosed in the offer document along with an undertaking that the assets

on which charge or security will be created to meet the 100% security cover, shall be free from any encumbrances and in case the assets are encumbered, the permissions or consent to create first, second or *pari passu* charge on the assets shall be obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.

Provided that sub regulation (3) will not apply if a) charge is created on additional assets other than the assets comprising of 100% security cover; b) where the proceeds of the issue are proposed to refinance a previous secured borrowing or issue and security will be released by the refinanced lenders post listing of the issue, in which case the issuer shall be given 15 working days post listing of the debt securities to provide such permissions from the existing creditors (if applicable);

Consolidation and re-issuance

50. An issuer may carry out consolidation and re-issuance of its debt securities, in the manner as may be specified by the Board from time to time subject to the fulfilment of the following conditions:

- a) the articles of association of the issuer shall not have any provision, whether express or implied, contrary to such consolidation and re-issuance;
- b) the issuer has obtained fresh credit rating for each re-issuance from at least one credit rating agency registered with the Board and is disclosed;
- c) such ratings shall be revalidated on a periodic basis and the change, if any, shall be disclosed;
- d) appropriate disclosures are made with regard to consolidation and re-issuance in the placement memorandum.

Conditions and Requirements for Purchase of Debt Securities by the Issuer

Obligations of Debenture Trustee

51. (1). The debenture trustee shall prior to opening of the issue, furnish to the Board and stock exchange(s), a due diligence certificate in the format as specified in Schedule [*] of these regulations.
- (2) The debenture trustee shall be vested with the requisite powers for protecting the interest of holders of debt securities including a right to appoint a nominee director on the Board of the issuer in consultation with holders of such debt securities and in accordance with applicable law.
 - (3) The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities, creation of recovery expense fund and debenture redemption reserve, as applicable.
 - (4) The debenture trustee shall monitor the security cover in relation to secured debt securities in the manner as specified by the Board.

CHAPTER V
ISSUANCE AND LISTING OF PERPETUAL DEBT INSTRUMENTS, PERPETUAL
NON-CUMULATIVE PREFERENCE SHARES
AND SIMILAR INSTRUMENTS

General Conditions

52. (1) Issuers permitted by RBI to issue perpetual debt instruments, perpetual non-cumulative preference shares and instruments of similar nature forming part of non-equity regulatory capital may list such instruments after complying with the conditions stipulated under this chapter.

(2) An issuer may issue such instruments in compliance with the Guidelines issued by Reserve Bank of India and/or any other relevant laws applicable to them.

Provided that if an issuer is incorporated as a company under Companies Act, it shall, in addition, comply with the provisions of Companies Act.

(3) Issuers shall be required to make the following disclosures:

- (a) disclosures as specified in [Schedule II];
- (b) any disclosure as may be specified by RBI or any other applicable law.
- (c) any other disclosures as may be specified by the Board.

(4) The issuer shall comply with the terms and conditions as may be specified by the Board from time to time and shall make adequate disclosures in the offer document regarding the features of these instruments and relevant risk factors and if such instruments are listed, shall comply with the listing regulations.

CHAPTER VI

LISTING OF COMMERCIAL PAPERS

53. Issuers desirous of listing commercial paper may comply with conditions stipulated by the Board from time to time.

CHAPTER VII

PROCEDURE FOR ACTION IN CASE OF VIOLATION OF REGULATIONS

Inspection by the Board

54. (1) Without prejudice to the provisions of Sections 11 and 11C of the Act and Section 209A of the Companies Act, the Board may suo-motu or upon information received by it, appoint one or more persons to undertake the inspection of the books of account, records and documents of the issuer or lead manager(s) or any other intermediary associated with the issue, disclosure or listing of non-convertible securities, as governed under these regulations, for any of the purposes specified in sub-regulation (2).
- (2) The purposes referred to in sub-regulation (1) may be as follows, namely:
- (a) to verify whether the provisions of the Act, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996 and/or the rules and regulations made thereunder in respect of issue of securities have been complied with;
 - (b) to verify whether the requirement in respect of issue of non-convertible securities as specified in these regulations has been complied with;
 - (c) to verify whether the requirements of listing conditions and continuous disclosure requirement have been complied with;
 - (d) to inquire into the complaints received from investors, other market participants or any other persons on any matter of issue and transfer of non-convertible securities governed under these regulations;
 - (e) to inquire into affairs of the issuer in the interest of investor protection or the integrity of the market governed under these regulations;
 - (f) to inquire whether any direction issued by the Board has been complied with.
- (3) While undertaking an inspection under these regulations, the inspecting authority or the Board, as the case may be, shall follow the procedure specified by the Board for inspection of the intermediaries.

Directions by the Board

55. Without prejudice to the action under Sections 11, 11A, 11 B, 11D, sub-section (3) of Section 12, Chapter VIA and Section 24 of the Act or Section 439 of the Companies Act, the Board may suo-motu or on receipt of information or on completion or pendency of inspection or investigation, in the interests of the securities market, issue or pass such directions as it deems fit including any or all of the following –

- (a) directing the issuer to refund of the application monies to the applicants in an issue;
- (b) directing the persons concerned not to further deal in securities in any particular manner;
- (c) directing the persons concerned not to access the securities market for a particular period;
- (d) restraining the issuer or its promoters or directors from making further issues of non-convertible securities;
- (e) directing the person concerned to sell or divest the non-convertible securities;
- (f) directing the issuer or the depository not to give effect to transfer or directing further freeze of transfer of non-convertible securities;
- (g) any other direction which Board may deem fit and proper in the circumstances of the case:

Provided that the Board shall, either before or after issuing such directions, give an opportunity of being heard to the persons against whom the directions are issued or proposed to be issued: Provided further that if any ex-parte direction is required to be issued, the Board may give post decisional hearing to affected person.

Appeal

56. Any person aggrieved by an order of the Board or Adjudicating Officer under the Act or these regulations, may prefer an appeal to the Securities Appellate Tribunal in

accordance with Section 15T of the Act read with the Securities Appellate Tribunal (Procedure) Rules, 2000.

CHAPTER VIII

POWER TO RELAX STRICT ENFORCEMENT OF THE REGULATIONS

Exemption from enforcement of the regulations in special cases.

57. (1) The Board may, exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding twelve months, for furthering innovation in technological aspects relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets.
- (2) Any exemption granted by the Board under sub-regulation (1) shall be subject to the applicant satisfying such conditions as may be specified by the Board including conditions to be complied with on a continuous basis.
- Explanation: For the purposes of these regulations, "regulatory sandbox" means a live testing environment where new products, processes, services, business models, etc. may be deployed on a limited set of eligible customers for a specified period of time, for furthering innovation in the securities market, subject to such conditions as may be specified by the Board

CHAPTER IX
MISCELLANEOUS

Delegation

58. (1) The powers exercisable by the Board under these regulations shall also be exercisable by any officer of the Board to whom such powers are delegated by the Board.

Power of the Board to issue general order or circular.

59. (1) The Board may by a general or special order or circular specify any conditions or requirement in respect of issue of non-convertible securities.

(2) In particular and without prejudice to the generality of the foregoing power and provisions of these regulations, such orders or circulars may provide for all or any of the following matters, namely:

- (a) electronic issuances and other issue procedures including the procedure for price discovery;
- (b) conditions governing trading, reporting, clearing and settlement of trade in non-convertible securities;
- (c) listing conditions.

(3) If any special order is proposed to be issued to any particular issuer or intermediary on a specific issue, no such order shall be issued unless an opportunity to represent is given to the person affected by such order.

Power to remove difficulties.

60. In order to remove any difficulties in the application or interpretation of the provisions of these regulations, the Board may issue clarifications or guidance notes or grant relaxations from application requirement or conditions of these regulations, after recording reasons therefore.

61. Power to relax strict enforcement of the regulation

- (2) The Board may, on an application made by any issuer, relax any of the procedural requirements or conditions or strict enforcement of these regulations, if the Board is satisfied that:
- (a) requirement is procedural or technical in nature; or
 - (b) requirement causes undue hardship to a particular class of industry or a particular issuer or a class of issuers from accessing the securities market; or
 - (c) relaxation is in the interest of substantial number of investors; or
 - (d) such relaxation will be in the interest of securities market.
- (3) “For seeking relaxation from any of the provisions of this regulation, an application, giving details and the grounds on which, such relaxation has been sought, shall be filed with the Board. The application referred to under [sub-regulation 2 of Regulation 72] shall be accompanied by a non-refundable fee of rupees one lakh payable by way of direct credit in the bank account through NEFT/ RTGS/ IMPS or any other mode allowed by RBI or by way of a demand draft in favour of the Board payable in Mumbai.”

Repeal and Savings

62. (1) On and from the commencement of these regulations, the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation 2008, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, in so far as they relate to issue and listing of non-convertible securities shall stand rescinded.
- (2) Notwithstanding such rescission:
- (a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or investigation commenced or show-cause notice issued in respect of the said guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations;

- (b) any application made to the Board under the said guidelines and pending before it shall be deemed to have been made under the corresponding provisions of these regulations.

SCHEDULE I
DISCLOSURES FOR PUBLIC ISSUE OF NON CONVERTIBLE SECURITIES

[See Regulation ____, Regulation __, Regulation __ and Regulation ____]

Applicability

An issuer seeking to list its non-convertible securities on a recognized stock exchange issued by way of a public issue, shall make the disclosures specified in this Schedule.

PART A

Instructions:

- i. The disclosures stipulated here are applicable for public issuances.
- ii. All information shall be relevant and updated as on the date of the offer document. The source and basis of all statements and claims shall be disclosed. Terms such as “market leader”, “leading player”, etc. shall be used only if these can be substantiated by citing a proper source.
- iii. Simple English shall be used to enable easy understanding of the contents. Technical terms, if any, used in explaining the business of the issuer shall be clarified in simple terms.
- iv. There shall be no forward-looking statements that cannot be substantiated.
- v. Consistency shall be ensured in the style of disclosures. If first person is used, the same may be used throughout. Sentences that contain a combination of first and third persons may be avoided.
- vi. For currency of presentation, only one standard financial unit shall be used.

1 **DISCLOSURES**

1.1.1 ISSUER INFORMATION:

The front page of the OFFER DOCUMENT shall contain the following information:

- i. Name of the issuer, its logo (if any), corporate identification number, date and place of incorporation, latest registration / identification number issued by any regulatory authority which regulates such issuer (*viz.* RBI, IRDAI etc), if applicable, address of its registered and corporate offices,
- ii. Name, telephone number, email address of compliance officer, company secretary, Chief Financial officer, Promoters.

iii. Details of Promoters of the Company:-

A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, Permanent Accountant Number, Aadhaar card number and driving license number.

- i. Contribution being made by the promoters as part of the offer or separately in furtherance of such objects;
- iv. Name, addresses, logo, telephone numbers, email addresses and contact person of
 - Bankers,
 - Statutory Auditors
 - such other persons as may be prescribed.
- v. A disclosure that a copy of the offer document has been delivered for registration to the Registrar as required under sub-section (4) of Section 26 of Companies Act, 2013;

- vi. Date of the offer document, type of Offer Document (“Shelf Prospectus” or “Prospectus”)
- vii. the nature, number, price and amount of securities offered and issue size, as may be applicable;
- viii. the aggregate amount proposed to be raised through all the stages of offers of non convertible securities made through the shelf prospectus;
- ix. the name, logo and address of the registrar to the issue, along with its telephone number, fax number, website address and e-mail address;
- x. the issue schedule -
 - (i) date of opening of the issue;
 - (ii) date of closing of the issue;
 - (iii) date of earliest closing of the issue, if any.
- xi. the credit rating;
- xii. all the ratings obtained for the initial public offer;
- xiii. the name(s) of the recognised stock exchanges where the securities are proposed to be listed;
- xiv. coupon rate, coupon payment frequency, redemption date, redemption amount and details of debenture trustee in case of debt securities.
- xv. Dividend rate, dividend payment frequency, redemption date, redemption amount in case of NCRPS
- xvi. Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable.
- xvii. details about underwriting of the issue including the amount underwritten by the underwriters

Following disclosed shall be contained in the other pages of the prospectus

1.2 ‘Issuer’s Absolute Responsibility’:

The following clause on ‘Issuer’s Absolute Responsibility’ shall be incorporated

in a box format:

“The issuer, having made all reasonable inquiries, accepts

- responsibility for and confirms that this offer document contains all information with regard to the issuer and the issue which is material in the context of the issue,
- that the information contained in the offer document is true and correct in all material aspects and is not misleading,
- that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.”

- 1.3** Details of credit rating along with reference to the rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies in relation to the issue shall be disclosed.

The detailed press release of the CRA along with rating rationale adopted (not older than six months on the date of opening of the issue) shall also be disclosed.

- 1.4** Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

If non-convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue.

- 1.5** The issuer shall specify the stock exchange where the recovery expense fund, where applicable, is being/has been created as specified by the Board.

- 1.6** The following details regarding the issue to be captured in a table format under “Issue Schedule”, as prescribed below:

Particulars	Date
Issue Opening Date	
Issue Closing Date	
Pay In Date	
Deemed Date of Allotment	

1.7 Issue Details:

1.7.1 Name, logo, addresses, website URL, email address, telephone number and contact person of

- merchant bankers and co-managers to the issue,
- bankers to the issue,
- stock brokers to the issue,
- credit rating agency for the issue,
- Registrar to the Issue
- Legal Counsel, Legal Advisor
- Statutory Auditors
- Bankers to the Issue
- Sponsor Bank
- Guarantor, if applicable
- Arrangers, if any.

1.8 About the Issuer

A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches / units and line of business containing at least following information:-

- i. Overview of the business
- ii. Corporate Structure of the group
- iii. Project cost and means of financing, in case of funding of new projects

1.9 Financial Information

The audited financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and audit qualifications contained in the draft offer document and offer document should be provided on a standalone and consolidated basis for a period of three full years and not be more than six months old from the date of the draft offer document and offer document, as applicable.

Provided, in case of listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) who are in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the offer document, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in offer document including risk factors.

Explanation: For the purpose of this regulation, “material” means anything which is likely to impact an investor’s informed investment decision.

Key Operational and Financial Parameters on consolidated and standalone basis for the last 3 Audited financial years

(1) For Non-Financial Sector Entities:

Balance Sheet				
Net Fixed assets				
Current assets				
Non-current assets				
Total assets				
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net)				

Other current liabilities				
Total liabilities				
Equity (equity and other equity)				
Total equity and liabilities				
Profit and Loss				
Total revenueFrom operations Other income				
Total Expenses				
Total comprehensive income Profit / loss Other comprehensive income				
Profit / loss after tax				
Earnings per equity share: (a) basic; and (b) diluted Continuing operations Discontinued operations Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities				
Net cash used in / generated from investing activities				
Net cash used in financing activities				
Cash and cash equivalents				
Balance as per statement of cash flows				
Additional information				
Net worth				
Cash and Cash Equivalents				
Current Investments				
Net Sales				
EBIDTA				
EBIT				
Dividend amounts				

Long term debt to working capital				
Current Liability ratio – Current liabilities / Non-current liabilities				
Total Debts to Total assets				
Debt Service Coverage Ratios				
Interest service coverage ratio				

(2) For Financial Sector Entities:

Balance Sheet				
Net Fixed assets				
Current assets				
Non-current assets				
Total assets				

Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities				
Equity (equity and other equity)				
Total equity and liabilities				
Profit and Loss				
Total revenue From operations				

Other income				
Total Expenses				
Total comprehensive income				
Profit / loss				
Other comprehensive income				
Profit / loss after tax				
Earnings per equity share: (a) basic; and (b) diluted				
Continuing operations				
Discontinued operations				
Total Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities				
Net cash used in / generated from investing activities				
Net cash used in financing activities				
Cash and cash equivalents				
Balance as per statement of cash flows				
Additional information				
Net worth				
Cash and Cash Equivalents				
Current Investments				
Assets Under Management				
Off Balance Sheet Assets				
Total Debts to Total assets				
Debt Service Coverage Ratios				
Interest Income				
Interest Expense				
Interest service coverage ratio				
Provisioning & Write-offs				
Bad debts to Account receivable ratio				

Gross NPA (%)				
Net NPA (%)				
Tier I Capital Adequacy Ratio (%)				
Tier II Capital Adequacy Ratio (%)				

Gross Debt: Equity Ratio of the Issuer:-

Before the issue of non convertible securities	
After the issue of non convertible securities	

1.9.1 Where the issuer is a NBFC or HFC the following disclosures on Asset Liability Management shall be provided:

S No.	Particulars of disclosure	Details
1	Details with regard to lending done out of the issue proceeds of earlier issuance of debt securities by NBFC	<ul style="list-style-type: none"> a. Lending Policy b. Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc c. Classification of loans into several maturity profile denomination, d. Aggregated exposure to top 20 borrowers e. Details of loans, overdue and classified as NPA
2	Details of borrowings made by NBFC	<ul style="list-style-type: none"> a. Portfolio Summary of borrowings made by NBFC b. Quantum and percentage of Secured vs. Unsecured borrowings
3	Details of change in shareholding	Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by RBI
4	Disclosure of Assets under management	Segment wise break up and Type of loans
5	Details of borrowers	Geographical location wise
6	Details of Gross NPA	Segment wise
7	Details of Assets and Liabilities	Residual maturity profile wise into several bucket

8	Additional details of loans made by HFC	
9	Disclosure of latest ALM statements to stock exchange	

1.9.2 The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - - subsidiary, JV entity, group company etc etc) on behalf of whom it has been issued

1.9.3 Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.

1.10 A brief history of the Issuer since its incorporation giving details of its following activities:-

1.10.1 Details of Share Capital as on last quarter end:-

Share Capital	Rs
Authorized Share Capital	
Issued, Subscribed and Paid-up Share Capital	

1.10.2 Changes in its capital structure as on last quarter end, for the last three years:-

Date of Change (AGMEGM)	Particulars

1.10.3 Equity Share Capital History of the Company, for the last three years:-

Date of Allotment	No of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No of Equity Shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)	

1.10.4 Details of any Acquisition of or Amalgamation with any entity in the last 1 year.

1.10.5 Details of any Reorganization or Reconstruction in the last 1 year:-

Type of Event	Date of Announcement	Date of Completion	Details

1.10.6 Details of the shareholding of the Company as on the latest quarter end, as per the format specified under the SEBI LODR Regulations:-

1.10.7 List of top 10 holders of equity shares of the Company as on the latest quarter end:-

Sr No	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares

1.11 The Following details regarding the directors of the Company:-

1.11.1 Details of the current directors of the Company

Name, Designation and DIN	Age	Address	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)

1.11.2 Details of directors' remuneration, and such particulars of the nature and extent of their interests in the issuer. (during the current year and last three financial years)

1.11.3 Remuneration payable or paid to a director by the subsidiary or associate company;

1.11.4 shareholding of the director in the company including any stock options; shareholding in subsidiaries and associate companies;

1.11.5 appointment of any relatives to an office or place of profit

1.11.6 the full particulars of the nature and extent of interest, if any, of every director:

- i. in the promotion of the issuer company; or
- ii. in any immoveable property acquired by the issuer company in the two years preceding the date of the Prospectus or any immoveable property proposed to be acquired by it.
- iii. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company shall be disclosed.
- iv. Contribution being made by the directors as part of the offer or separately in furtherance of such objects;
- v. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

1.11.7 Details of change in directors since last three years:-

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks

1.12 Following details regarding the auditors of the Issuer:-

1.12.1 Details of the auditor of the Issuer:-

Name	Address	Auditor since

1.12.2 Details of change in auditor since last three years:-

Name	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable	Remarks

1.13 Details of the following liabilities of the issuer, as at the end of the last quarter or if available, a later date:-

1.13.1 Details of Outstanding Secured Loan Facilities :-

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repaymen t Date / Schedule	Security

1.13.2 Details of Outstanding Unsecured Loan Facilities:-

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule

1.13.3 Details of Outstanding Non-Convertible Securities-

NCS Series	Tenor/ Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security

1.13.4 List of holders of Top 10 non convertible securities in terms of value (in cumulative basis)

Sr. No.	Name of holders of Non-convertible Securities	Amount	% of total NCS outstanding

1.13.5 Details of Outstanding Commercial Paper as at the end of the last quarter in the following format:-

ISIN of Commercial Paper	Maturity Date	Amount Outstanding

1.13.6 Details of the Rest of the borrowing (if any including hybrid debt like FCCB,

Optionally Convertible Debentures / Preference Shares) :-

Party Name (in case of Facility) / Instrument Name	Type of Facility / Instrument	Amount Sanctioned / Issued	Principal Amount Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security

1.14 Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years.

i. Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the non convertible securities. Details of acts of material frauds committed against the issuer in the last three years, if any, and if so, the action taken by the issuer

ii. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided

1.14.1 Details of pending proceedings initiated against the issuer for economic offences;

1.15 Details of default and non-payment of statutory dues;

1.16 Details of any outstanding borrowings taken/ debt securities issued where taken /

issued

- i. for consideration other than cash, whether in whole or part,
- ii. at a premium or discount, or
- iii. in pursuance of an option;

1.17 Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

1.18 any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company;

1.19 The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.

1.20 Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates, legal advisor, lead managers, registrar to the issue, lenders and experts;;

1.21 If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

1.22 Other details

- i. Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability.
- ii. Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc.).
- iii. Application process.

1.23 Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report

(if any), schedule of implementation of the project;

1.24 Other details in case of NCRPS issue

- a. Nature of the instrument: whether cumulative or non-cumulative and complete details thereof;
- b. Terms of Redemption: Out of distributable profits or out of fresh issue of shares for the purpose of redemption or both.
- c. Default in Payment;
- d. Delay in Listing
- e. Delay in allotment of securities and unblocking of application money in case of refund

1.25 Issue details:

1.25.1 The offer document shall not include a statement purporting to be made by an expert unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the company and has given his written consent to the issue of the prospectus and has not withdrawn such consent before the delivery of a copy of the prospectus to the Registrar for registration and a statement to that effect shall be included in the prospectus.

1.25.2 Summary of terms – the following terms to be included in the offer document:-

Security Name (Name of the non convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	
Issuer	
Type of Instrument	
Nature of Instrument (Secured or Unsecured)	
Seniority (Senior or Subordinated)	
Eligible Investors	
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	

Rating of the Instrument									
Issue Size									
Minimum subscription									
Option to retain oversubscription (Amount)									
Objects of the Issue / Purpose for which there is requirement of funds									
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	<table border="1"> <thead> <tr> <th>S No.</th> <th>Name of the Borrower (A)</th> <th>Amount of Advances /exposures to such borrower (Group)(Rs. Crore) (B)</th> <th>Percentage of Exposure (C)= B/Total AUM</th> </tr> </thead> <tbody> <tr> <td colspan="4"> <p>i.A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.</p> <p>ii. Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.</p> <p>iii. Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by RBI from time to time.</p> </td> </tr> </tbody> </table>	S No.	Name of the Borrower (A)	Amount of Advances /exposures to such borrower (Group)(Rs. Crore) (B)	Percentage of Exposure (C)= B/Total AUM	<p>i.A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.</p> <p>ii. Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.</p> <p>iii. Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by RBI from time to time.</p>			
S No.	Name of the Borrower (A)	Amount of Advances /exposures to such borrower (Group)(Rs. Crore) (B)	Percentage of Exposure (C)= B/Total AUM						
<p>i.A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.</p> <p>ii. Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.</p> <p>iii. Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by RBI from time to time.</p>									
Details of the utilization of the Proceeds									
Coupon / Dividend Rate									
Step Up/Step Down Coupon Rate ¹									
Coupon/Dividend Payment Frequency									
Coupon / Dividend payment dates									
(Cumulative / non cumulative, in case of dividend									
Coupon Type (Fixed, floating or other structure)									
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).									
Day Count Basis (Actual/Actual)									
Interest on Application Money									
Default Interest Rate									
Tenor									

⁵⁰ [Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.]	
Transaction Documents	
Conditions Precedent to Disbursement	
Condition Subsequent to Disbursement	
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	
Creation of recovery expense fund	
Conditions for breach of covenants (as specified in Debenture Trust Deed)]	
Provisions related to Cross Default Clause	

Role and Responsibilities of Debenture Trustee	
Risk factors pertaining to the issue	
Governing Law and Jurisdiction	

Notes:

1. If there is any change in Coupon Rate rate pursuant to any event including elapse of certain time period or downgrade in rating , then such new Coupon Rate and events which lead to such change should be disclosed.
2. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
3. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum , in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
4. The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

1.26 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

- (a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.
- (b) procedure and time schedule for allotment and issue of securities should be disclosed;
- (c) Cash flows emanating from the non convertible securities shall be mentioned in the offer document, by way of an illustration.

1.27 Declaration in case of public issue:

- i. Procedure of: allotment of NCS and unblocking of funds in case of refund.
- ii. a statement by the Board of Directors about the separate bank account where all monies received out of the issue are to be transferred and disclosure of details of all monies including utilised and unutilised monies out of the previous issue in the prescribed manner;
- iii. the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- iv. the interim use of funds, if any

1.28 UNDERTAKING BY THE ISSUER

- i) "Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number under the section 'General Risks'."
- ii) "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

- iii) "The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/offer document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."
- iv) A risk factor to state that while the debenture is secured against a charge to the tune of 100% of the principal and interest amount in favour of DT, and it is the duty of the DT to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
- v) All covenants including the accelerated payment covenants whether given by way of side letter shall be incorporated in the Information memorandum by the issuer at the time of issuance of debentures. If such covenants are later added or assured to an investor, then such side letters shall be publicly disclosed on the stock exchange website by the issuer in order to abridge the information asymmetry.

1.29 The issuer shall make a declaration about the compliance and a statement to the effect that nothing in the prospectus is contrary to the provisions of Companies Act, the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder;

1.30 In case of an issue of NCRPS, the following specific disclosure on the nature of the instrument in bold, on the cover page:

"Instruments offered through the offer document are non-convertible redeemable preference shares and not debentures/bonds. They are riskier than debentures/bonds and may not carry any guaranteed coupon and can be redeemed only out of the distributable profits of the company or out of the proceeds of a fresh issue of shares made, if any, by the company for the purposes of the redemption"

1.31 Risk factors

1.31.1 Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential implications should be disclosed.

1.31.2 Risk factors if applicable, should include but not be limited to the following:

- i. Risks in relation to the non convertible securities.
- ii. Risks in relation to the security created in relation to the debt securities, if any.
- iii. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.
- iv. Limited or sporadic trading of non convertible securities of the issuer on the stock exchanges.
- v. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.
- vi. If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

1.32 The following clause on 'General Risk' shall be incorporated in a box format:

“Investment in non convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section [•] of this offer document. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non convertible securities or investor’s decision to purchase such securities.”

1.33 The offer document shall include the following other matters and reports, namely:-

(1) If the proceeds, or any part of the proceeds, of the issue of the non-convertible securities are or is to be applied directly or indirectly –

- (a) in the purchase of any business; or

(b) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith; the company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty per cent. thereof, a report made by a chartered accountant (who shall be named in the prospectus) upon-

(i) the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the prospectus ; and

(ii) the assets and liabilities of the business as on the last date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the prospectus;

(c) in purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to even third parties, disclosures regarding -

(i) the names, addresses, descriptions and occupations of the vendors;

(ii) the amount paid or payable in cash, to the vendor and, where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;

(iii) the nature of the title or interest in such property proposed to be acquired by the company; and

(iv) the particulars of every transaction relating to the property, completed within the two preceding years, in which any vendor of the property or any person who is, or was at the time of the transaction, a promoter, or a director or proposed director of the company had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction.

(2)(a) If -

(i) the proceeds, or any part of the proceeds, of the issue of the non convertible securities are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and

(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the prospectus) upon -

(A) the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the prospectus; and

(B) the assets and liabilities of the other body corporate as on the last date to which its accounts were made up.

(b) The said report shall -

(i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer

company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in sub-clause (ii) of clause (a).

(3) The matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default.

(4) The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group and by the directors of the company which is a promoter of the issuer company and by the directors of the issuer company and their relatives within six months immediately preceding the date of filing the prospectus with the Registrar of Companies shall be disclosed.

(5) The matters relating to –

(A) Material contracts;

(B) Other material contracts;

(C) Time and place at which the contracts together with documents will be available for inspection from the date of prospectus until the date of closing of subscription list.

(6) The related party transactions entered during the last three financial years immediately preceding the issue of offer document as under –

(a) all transactions with related parties with respect to giving of loans or, guarantees, providing securities in connection with loans made, or investments made ;
(b) all other transactions which are material to the issuer company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which the issuer company or any of its parent companies was a party:

(7) The summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of issue of prospectus and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.

(8) The details of any inquiry, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies law in the last three years immediately preceding the year of issue of offer document in the case of company and all of its subsidiaries; and if there were any prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last three years immediately preceding the year of the prospectus for the company and all of its subsidiaries.

(9) The details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.

1.34 The directors in case of a body corporate and such authorized persons in case the issuer is not a body corporate shall attest that -

- a) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
 - b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non convertible securities, is guaranteed by the Central Government;
 - c) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
 - d) Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association
- i. In case of an issue of NCRPS, the following specific disclosure on the nature of the instrument in bold, on the cover page:

"Instruments offered through the offer document are non-convertible redeemable preference shares and not debentures/bonds. They are riskier than debentures/bonds and may not carry any guaranteed coupon and can be redeemed only out of the distributable profits of the company or out of the proceeds of a fresh issue of shares made, if any, by the company for the purposes of the redemption"

PART B

ABRIDGED PROSPECTUS

1.36 The Abridged prospectus shall contain such disclosures as may be specified by the Board.

SCHEDULE II
DISCLOSURES FOR PRIVATE PLACEMENT OF NON CONVERTIBLE SECURITIES

[See Regulation ____, Regulation __, Regulation __ and Regulation ____]

1.35 Applicability

An issuer seeking to list its non-convertible securities on a recognized stock exchange issued by way of a private placement, shall make the disclosures specified in this Schedule.

1.36 Instructions:

- vii. All information shall be relevant and updated as on the date of the offer document. The source and basis of all statements and claims shall be disclosed. Terms such as “market leader”, “leading player”, etc. shall be used only if these can be substantiated by citing a proper source.
- viii. Simple English shall be used to enable easy understanding of the contents. Technical terms, if any, used in explaining the business of the issuer shall be clarified in simple terms.
- ix. There shall be no forward-looking statements that cannot be substantiated.
- x. Consistency shall be ensured in the style of disclosures. If first person is used, the same may be used throughout. Sentences that contain a combination of first and third persons may be avoided.
- xi. For currency of presentation, only one standard financial unit shall be used.

DISCLOSURES

1.37 ISSUER INFORMATION:

The front page of the placement MEMORANDUM shall contain the following

information:

The front page of the OFFER DOCUMENT shall contain the following information:

- xviii. Name of the issuer, its logo (if any), corporate identity number, date and place of incorporation, latest registration / identification number issued by any regulatory authority which regulates such issuer (*viz.* RBI, IRDAI etc), if applicable, address of its registered and corporate offices, telephone number, compliance officer (name and contact details), website address and e-mail address.
- xix. Name, telephone number, email address of compliance officer, company secretary, Chief Financial officer, Promoters
- xx. Details of Promoters of the issuer
- xxi. Name, addresses, logo, telephone numbers, email addresses and contact person of the following in relation to the issue
 - a. Bankers
 - b. credit rating agency for the issue,
- xxii. Date of the offer document, type of Offer Document.
- xxiii. the nature, number, price and amount of securities offered and issue size, as may be applicable;
- xxiv. the aggregate amount proposed to be raised through all the stages of offers of non convertible securities made through the shelf prospectus;
- xxv. the name, logo and address of the registrar to the issue, along with its telephone number, fax number, website address and e-mail address;
- xxvi. the issue schedule -
 - (i) date of opening of the issue;
 - (ii) date of closing of the issue;
 - (iii) date of earliest closing of the issue, if any.
- xxvii. the credit rating, if applicable;
- xxviii. all the grades obtained for the private placement;
- xxix. the name(s) of the recognised stock exchanges where the securities are proposed to be listed;
- xxx. the details about eligible investors;

- xxxi. coupon rate, coupon payment frequency, redemption date, redemption amount and details of debenture trustee in case of debt securities.
- xxxii. dividend payment frequency, redemption date, redemption amount in case of Non convertible redeemable preference shares
- xxxiii. Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable.
- xxxiv. details about underwriting of the issue including the amount underwritten by the underwriters
- xxxv. Date of the placement memorandum.
- xxxvi. Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the private placement offer document on the Electronic Book Provider Platform, if applicable.

1.38 The following clause on 'Issuer's Absolute Responsibility' shall be incorporated in a box format:

"The issuer, having made all reasonable inquiries, accepts

- responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue,
- that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading,
- that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."

- c. Details of credit rating along with reference to the rating letter issued (not older than one month on the date of the opening the issue) by the rating agencies in relation to the issue shall be disclosed. The detailed press release of the CRA along with rating rationale(s) adopted (not older than six months on the date of opening of the issue) shall also be disclosed.

- d. Name(s) of the stock exchange(s) where the non convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).
- e. If non convertible securities are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue.
- f. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board.

- g. The following details regarding the issue to be captured in a table format under “Issue Schedule”, as prescribed below:

Heads	Date
Issue Opening Date	
Issue Closing Date	
Pay In Date	
Deemed Date of Allotment	

- h. Name, logo and address of the debenture trustee (in case of debt securities), registrar to the issue, arranger (if any), legal counsel (if any) to the issue, along with the contact person, telephone number, website address and e-mail address.

2. About the Issuer

A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information:-

- iv. Overview of the business of the issuer
 - v. Corporate Structure of the issuer
 - vi. Project cost and means of financing, in case of funding of new projects
- ii. Name, addresses, telephone numbers and email addresses of the chief financial officer, company secretary and compliance officer of the issuer.
 - iii. Name, addresses, telephone numbers, email addresses, contact persons, website address of the auditor of the issuer, legal adviser and/or guarantor, Arranger to the Issue as applicable.....to be added for public

3. Financial Information

The audited financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications contained in the draft offer document and offer document should be provided on a standalone and consolidated basis for a period of three full years and not be more than six months old from the date of the draft offer document and offer document, as applicable.

Provided that in case of listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) who are in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the offer document, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in offer document including risk factors.

Explanation: For the purpose of this regulation, “material” means anything which is likely to impact an investor’s informed investment decision.

Key Operational and Financial Parameters on consolidated and standalone basis for the last 3 Audited financial years

(3) For Non-Financial Sector Entities:

Balance Sheet				
Net Fixed assets				
Current assets				
Non-current assets				
Total assets				
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities				
Total liabilities				
Equity (equity and other equity)				
Total equity and liabilities				
Profit and Loss				
Total revenue From operations Other income				
Total Expenses				

Total comprehensive income				
Profit / loss				
Other comprehensive income				
Profit / loss after tax				
Earnings per equity share: (a) basic; and (b) diluted				
Continuing operations				
Discontinued operations				
Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities				
Net cash used in / generated from investing activities				
Net cash used in financing activities				
Cash and cash equivalents				
Balance as per statement of cash flows				
Additional information				
Net worth				
Cash and Cash Equivalentents				
Current Investments				
Net Sales				
EBIDTA				
EBIT				
Dividend amounts				
Long term debt to working capital				
Current Liability ratio – Current liabilities / Non-current liabilities				
Total Debts to Total assets				
Debt Service Coverage Ratios				
Interest service coverage ratio				

(4) For Financial Sector Entities:

Balance Sheet				
Net Fixed assets				
Current assets				
Non-current assets				
Total assets				

Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities				
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities				
Equity (equity and other equity)				
Total equity and liabilities				

Profit and Loss				
Total revenue From operations				
Other income				
Total Expenses				
Total comprehensive income Profit / loss				
Other comprehensive income				
Profit / loss after tax				
Earnings per equity share: (a) basic; and (b) diluted Continuing operations				

Discontinued operations Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities				
Net cash used in / generated from investing activities				
Net cash used in financing activities				
Cash and cash equivalents				
Balance as per statement of cash flows				
Additional information				
Net worth				
Cash and Cash Equivalents				
Current Investments				
Assets Under Management				
Off Balance Sheet Assets				
Total Debts to Total assets				
Debt Service Coverage Ratios				
Interest Income				
Interest Expense				
Interest service coverage ratio				
Provisioning & Write-offs				
Bad debts to Account receivable ratio				
Gross NPA (%)				
Net NPA (%)				
Tier I Capital Adequacy Ratio (%)				
Tier II Capital Adequacy Ratio (%)				

Interest Income				
Interest Expense				
Provisioning & Write-offs				
PAT				
Gross NPA (%)				
Net NPA (%)				
Tier I Capital Adequacy Ratio (%)				
Tier II Capital Adequacy Ratio (%)				

Gross Debt: Equity Ratio of the Company:-

Before the issue of non convertible securities	
After the issue of non convertible securities	

(a) Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.

vi. A brief history of the Issuer since its incorporation giving details of its following activities:-

i. Details of Share Capital as on last quarter end:-

Share Capital	Rs
Authorized Share Capital	
Issued, Subscribed and Paid-up Share Capital	

ii. Changes in its capital structure as on last quarter end, for the last three years:-

Date of Change (AGMEGM)	Rs	Particulars

iii. Equity Share Capital History of the Company, for the last three years:-

Date Of Allotment	No Of Equity Shares	Face Value (Rs)	Issue Price (Rs)	Consideration (Cash, other than cash, etc)	Nature of Allotment	Cumulative			Remarks
						No of equity shares	Equity Share Capital (Rs)	Equity Share Premium (in Rs)	

Notes: (If any)

iv. Details of any Acquisition or Amalgamation in the last 1 year.

v. Details of any Reorganization or Reconstruction in the last 1 year:-

Type of Event	Date of Announcement	Date of Completion	Details

d. d. Details of the shareholding of the Company as on the latest quarter end, as per the format specified under the SEBI LODR Regulations:-:- List of top 10 holders of equity shares of the Company as on the latest quarter end:-

Sr No	Name of the shareholders	Total No of Equity Shares	No of shares in demat form	Total Shareholding as % of total no of equity shares

e. Following details regarding the directors of the Company:-

i. Details of the current directors of the Company

Name, Designation and DIN	Age	Address	Date of appointment	Details of other directorship	Whether willful defaulter (Yes/No)

ii. Details of change in directors since last three years:-

Name, Designation and DIN	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable	Remarks

- iv. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;
- v. Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.
- vi. Remuneration of directors (during the current year and last three financial years)

f. Following details regarding the auditors of the Company:-

i. Details of the auditor of the Company:-

Name	Address	Auditor since

ii. Details of change in auditor since last three years:-

Name	Address	Date of Appointment	Date of Cessation, if applicable	Date of resignation, if applicable	Remarks

g. Details of the following liabilities of the issuer, as at the end of the last quarter or if available, a later date:-

i. Details of Outstanding Secured Loan Facilities :-

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount outstanding	Repayment Date / Schedule	Security

ii. Details of outstanding Unsecured Loan Facilities:-

Lender's Name	Type of Facility	Amt Sanctioned	Principal Amt outstanding	Repayment Date / Schedule

iii. Details of outstanding NCS'-

Series	Tenor/ Period of Maturity	Coupon	Amount	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security

iv. List of Top 10 non convertible securities holders in terms of value (in cumulative basis)

Sr. No.	Name of holders of Non convertible Securities	Amount	% of total NCS outstanding

- iii. The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - - subsidiary, JV entity, group company etc) on behalf of whom it has been issued.

1.38.1 Details of Outstanding Commercial Paper as at the end of the last quarter in the following format:-

ISIN of Commercial Paper	Maturity Date	Amount Outstanding

1.38.1 vii. Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) :-

:-

Party Name (in case Of Facility) / Instrument Name	Type of Facility / Instrument	Amt Sanctioned / Issued	Principal Amt Outstanding	Repayment Date / Schedule	Credit Rating	Secured / Unsecured	Security

- iv. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year.
- v. Details of acts of material frauds committed against the issuer in the last three years, if any, and if so, the action taken by the issuer..... not in public
- vi. Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided
- ix. Details of any outstanding borrowings / debt securities issued
 - (i) for consideration other than cash, whether in whole or part,
 - (ii) at a premium or discount, or
 - (iii)** in pursuance of an option;
- k. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.
- l. any litigation or legal action pending or taken by a Government Department or a statutory body during the last ~~five~~ three years immediately preceding the year of the issue of prospectus against the promoter of the company;
- m. Details of non-payment of statutory dues
- n. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.

o. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure(procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.

p. Other details

- i. Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant regulations and applicability.
- ii. Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).
- iii. Application process.
- iv. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any.
- v. Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project;

q. Other details in case of NCRPS issue

1. Nature of the instrument: whether cumulative or non-cumulative and complete details thereof;
2. Terms of Redemption: Out of distributable profits or out of fresh issue of shares for the purpose of redemption or both.
3. Default in Payment;
4. Delay in Listing

B. Issue details

- a. Summary of terms – the following terms to be included in the placement memorandum:-

Security Name (Name of the non convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	
Mode of Issue	
Issuer	
Type of Instrument	
Nature of Instrument (Secured or Unsecured)	
Seniority (Senior or Subordinated)	
Eligible Investors	
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	

Rating of the Instrument	
Issue Size	
Option to retain oversubscription (Amount)	
Objects of the Issue	
Details of the utilization of the Proceeds	
Coupon /Dividend Rate	
Step Up/Step Down Coupon Rate ¹	
Coupon/Dividend Payment Frequency	
Coupon / Dividend payment dates	
Coupon Type (Fixed, floating or other structure)	
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	
Day Count Basis (Actual/Actual)	
Interest on Application Money	
Default Interest Rate	
Tenor	
Redemption Date	
Redemption Amount	
Redemption Premium /Discount	
Issue Price	
Discount at which security is issued and the effective yield as a result of such discount.	
Put Date	
Put Price	
Call Date	

Call Price	
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	
Face Value	
Minimum Application and in multiples of Debt securities thereafter (Rs. 10 lakh and in multiples of 10 lakhs)	
Issue Timing 6. Issue Opening Date 7. Issue Closing Date 8. Pay-in Date 9. Deemed Date of Allotment	
Settlement mode of the Instrument	
Depository	
Disclosure of Interest/Dividend / redemption dates	
Record Date	
All covenants of the issue (including side letters, accelerated payment clause, etc.)	

Description regarding Security (where applicable) including principle terms of assets charged as Security, if applicable, type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.]	
Transaction Documents ²	
Conditions Precedent to Disbursement	
Condition Subsequent to Disbursement	
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)]	
Creation of recovery expense fund	
Conditions for breach of covenants (as specified in Debenture Trust Deed)]	
Provisions related to Cross Default Clause	

Role and Responsibilities of Debenture Trustee	
Risk factors pertaining to the issue]	
Governing Law and Jurisdiction	

Notes:

5. If there is any change in Coupon Rate rate pursuant to any event including elapse of certain time period or downgrade in rating , then such new Coupon Rate and events which lead to such change should be disclosed.
 6. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
 7. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum , in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.
 8. The issuer shall provide granular disclosures in their offer document, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue"
- (d) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made , should be disclosed.
- i. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention. Cash flows emanating from the non convertible securities shall be mentioned in the placement memorandum, by way of an illustration.

C. Disclosures pertaining to wilful defaulter

(1) the following disclosures shall be made:

- (a) Name of the bank declaring the entity as a wilful defaulter;
- (b) The year in which the entity is declared as a wilful defaulter;
- (c) Outstanding amount when the entity is declared as a wilful defaulter;
- (d) Name of the entity declared as a wilful defaulter;
- (e) Steps taken, if any, for the removal from the list of wilful defaulters;

- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
 - (g) Any other disclosure as specified by the Board.
- (2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.
- (3) Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index / Table of Contents.]

B. UNDERTAKING BY THE ISSUER

- i) "Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number under the section 'General Risks'."
- ii) "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."
- iii) "The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed."

C. Risk factors

- i. Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential implications should be disclosed.
- ii. Risk factors if applicable, should include but not be limited to the following:
 - (a) Risks in relation to the non convertible securities.

- (b) Risks in relation to the security created in relation to the debt securities, if any.
- (c) Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.
- (d) Limited or sporadic trading of non convertible securities of the issuer on the stock exchanges.
- (e) In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.
- (f) If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

The directors in case of a body corporate and such authorized persons in case the issuer is not a body corporate shall attest that -

- e) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- f) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non convertible securities, is guaranteed by the Central Government;
- g) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- h) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

- i. The following clause on 'General Risk' shall be incorporated in a box format:

“Investment in non convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section [•] of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non convertible securities or investor’s decision to purchase such securities.”

- ii. In case of an issue of NCRPS, the following specific disclosure on the nature of the instrument in bold, on the cover page:

"Instruments offered through the offer document are non-convertible redeemable preference shares and not debentures/bonds. They are riskier than debentures/bonds and may not carry any guaranteed coupon and can be redeemed only out of the distributable profits of the company or out of the proceeds of a fresh issue of shares made, if any, by the company for the purposes of the redemption"

SCHEDULE III

FORMAT FOR DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE LEAD MANAGERS AT THE TIME OF FILING THE OFFER DOCUMENT WITH REGISTRAR OF COMPANIES AND PRIOR TO OPENING OF THE ISSUE

[See regulation [____]]

To,

SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

1. We confirm that neither the issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.

2. We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the securities offered through this issue shall be informed through public notices/ advertisements in all those newspapers in which pre issue advertisement and advertisement for opening or closure of the issue have been given.

3. We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Non convertible Securities) Regulations, 2021.

4. We also confirm that all relevant provisions of the Companies Act, Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

We confirm that all comments/ complaints received on the draft offer document filed on the website of _____ (designated stock exchange) have been suitably addressed.

PLACE

DATE: LEAD MANAGER (S)

SCHEDULE IV
FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE
DEBENTURE TRUSTEE

[See regulation [_____]]

FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE BEFORE OPENING OF THE ISSUE

To,

SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

We, the Debenture Trustee (s) to the above mentioned forthcoming issue state as follows:

- (1) We have examined documents pertaining to the said issue and other such relevant documents.
- (2) On the basis of such examination and of the discussions with the issuer, its directors and other officers, other agencies and of independent verification of the various relevant documents,

WE CONFIRM that:

- (a) The issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- (b) The issuer has obtained the permissions / consents necessary for creating security on the said property (ies).
- (c) The issuer has made all the relevant disclosures about the security and also its continued obligations towards the holders of debt securities.
- (d) All disclosures made in the offer document with respect to the debt securities are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue. We have satisfied ourselves about the ability of the issuer to service the debt securities.

PLACE:

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH HIS RUBBER STAMP

SCHEDULE [V]
FORMAT OF ADVERTISEMENTS FOR PUBLIC ISSUES OF NON CONVERTIBLE
SECURITIES

[See regulation [____]]

This is an advertisement for information purposes

_____ LIMITED

(Incorporated on _____ under the Companies Act as

_____ and subsequently renamed _____ on _____)

Registered Office: _____ Tel: _____

Corporate Office: _____ Tel: _____

e-mail: _____ Website: _____

THE ISSUE

Public issue of _____ non-convertible securities of Rs. _____ each at a price of Rs. _____ (Summary Details of Coupon, Redemption, etc shall be disclosed)

PROMOTERS

XXXX

PROPOSED LISTING

Names of Stock Exchanges

LEAD MANAGERS

(Names)

COMPLIANCE OFFICER OF THE ISSUER

Name, address, telephone numbers, email ID, website address

CREDIT RATING

(The Rating Obtained shall be disclosed prominently along with the meaning of the same)

DEBENTURE TRUSTEES

(Names)

AVAILABILITY OF APPLICATION FORMS

Names of Issuer, Lead Managers, etc. (Addresses optional)

AVAILABILITY OF OFFER DOCUMENT

Investors are advised to refer to the offer document, and the risk factors contained therein, before applying in the issue. Full copy of the offer document is available on websites of issuer / lead manager(s) / Stock Exchange(s) on www._____

ISSUE OPENS ON:

ISSUE CLOSES ON:

Issued by

Directors of Issuer

SCHEDULE VI

[See Regulations [_____]]

REGULATORY FEES

1. There shall be a fee in respect of every draft offer document filed by a lead manager with the Board in terms of these regulations, a non-refundable fee of 0.00025% of issue size, subject to the minimum of twenty five thousand rupees and maximum of fifty lakh rupees.
2. The fees as specified in clause (1) above shall be paid by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or by means of a demand draft drawn at the place where the draft offer document is filed with the Board.
3. There shall be a fee in respect of every private placement of non-convertible securities and Commercial papers, which are listed in terms of these regulations, a non-refundable fee of five thousand rupees which shall be paid to the designated stock exchange at the time of listing of the such securities.
4. Every designated stock exchange shall remit the regulatory fee collected during the month under clause (3) above to the Board before the tenth day of the subsequent month by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or payable at Mumbai along with the details of the securities listed during the month.