

**SECURITIES AND EXCHANGE BOARD OF INDIA****NOTIFICATION**

Mumbai, the 9th August, 2021

**SECURITIES AND EXCHANGE BOARD OF INDIA****(ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021**

**No. SEBI/LAD-NRO/GN/2021/39.**—In exercise of the powers conferred under sub-section (1) of Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations, namely: -

**CHAPTER I****PRELIMINARY****Short title and commencement**

1. (1) These regulations may be called the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.
- (2) These regulations shall come into force on the seventh day from the date of its 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 merchant banker or a broker registered with the Board, a primary dealer registered with Reserve Bank of India, 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 the persons eligible to participate on the electronic book provider platform;
  - (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 the Reserve Bank of India;
  - (h) “credit rating agency” means a Credit Rating Agency registered with the Board;
  - (i) “day count convention” is the system used to determine the number of days and the amount of accrued interest/dividend between two interest/dividend payment dates;
  - (j) “debenture trustee” means a debenture trustee registered with the Board;
  - (k) “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 the Reserve Bank of India, and bonds issued by the Government or such other bodies as may be specified by the Board;
  - (l) “depository” means a depository registered with the Board;
  - (m) “designated stock exchange” means a recognised stock exchange, in which non-convertible securities and/or commercial paper 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;
  - (n) “draft offer document” means a draft prospectus or draft shelf prospectus filed with the stock

- exchange(s) and the Board in relation to a public issue of debt securities or non-convertible redeemable preference shares under these regulations;
- (o) “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 the Board;
- (p) “fugitive economic offender” shall mean an individual who is declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018);
- (q) “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 categories, subject to the conditions as may be specified by the 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
  - (ix) a category as may be specified by the Board, from time to time.
- (r) “group companies” includes such companies, other than promoter(s), subsidiary/subsidiaries, 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;
- (s) “issuer” means a company or a body corporate or a statutory corporation or a multilateral institution or a trust registered with the Board as a Real Estate Investment Trust (REIT) or an Infrastructure Investment Trust (InvIT), authorised to issue non-convertible securities and/or commercial paper under the relevant laws and in accordance with these regulations and seeks to list its non-convertible securities, with any recognized stock exchange(s);
- (t) “lead manager” means a merchant banker registered with the Board and appointed by the issuer to manage the public issue of debt securities and/or non-convertible redeemable preference shares 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;
- (u) “listing regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- (v) “net worth” shall have the same meaning assigned to it under Section 2 of the Companies Act, 2013 (18 of 2013);
- (w) “non-convertible redeemable preference share” means a preference share which is redeemable in accordance with the relevant provisions of the Companies Act, 2013 (18 of 2013) and does not include a preference share which is convertible into or exchangeable with equity shares of the issuer at a later date, at the option of the holder or not;
- (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 debt securities and/or non-convertible redeemable preference shares and a placement memorandum in case of private placement of non-convertible securities and includes a draft offer document;
- (z) “perpetual debt instrument” means a perpetual debt instrument issued in accordance with the guidelines

- framed by the Reserve Bank of India;
- (aa) "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;
- (bb) "placement memorandum" means a 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 a private placement basis;
- (cc) "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, 2013 (18 of 2013);
- (dd) "prospectus" shall have the same meaning assigned to it under Section 2 of the Companies Act, 2013 (18 of 2013);
- (ee) "promoter" shall have the same meaning assigned to it under regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (ff) "promoter group" shall have the same meaning assigned to it under regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Explanation:* In case of Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (InvIT), 'promoter' and 'promoter group' shall mean 'sponsor' and 'sponsor group' as per the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014 and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, respectively;
- (gg) "public issue" means an offer or invitation by an issuer to the public to subscribe to its debt securities and/or non-convertible redeemable preference shares which is not in the nature of a private placement;
- (hh) "schedule" means a schedule annexed to these regulations;
- (ii) "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;
- (jj) "shelf placement memorandum" means a placement memorandum in relation to the debt securities 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;
- (kk) "shelf prospectus" shall have the same meaning assigned to it in Section 31 of the Companies Act, 2013 (18 of 2013);
- (ll) "specified" means specified by a general or special order or circular or guidelines issued under the Act or these regulations;
- (mm) 'specified securities' shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (nn) "statutory corporation" means a body corporate formed by a special Act of the Central or State Legislature;
- (oo) "stock exchange" means any recognised stock exchange having nationwide trading terminals chosen by the issuer on which the non-convertible securities and/or commercial paper of an issuer are listed or proposed to be listed for the purpose of a particular issue of such securities and includes a designated stock exchange;
- (pp) "tranche placement memorandum" means a document supplementing the shelf placement memorandum, whereby subscription to debt securities is invited by an issuer on a private placement basis;
- (qq) "tranche prospectus" means an information memorandum as provided under sub-section (2) of Section 31 of the Companies Act, 2013 (18 of 2013);
- (rr) "trust deed" means a deed executed between the issuer and the debenture trustee for the benefit of the holders of the debt securities;
- (ss) "wilful defaulter" shall have the same meaning as under regulation (2) of the Securities and Exchange

Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (tt) “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 -

- (i) Announcement of 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;

- (ii) 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 Saturdays, 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, 2013 (18 of 2013) or the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Depositories Act, 1996 (22 of 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 otherwise provided, these regulations shall apply to the:

- (a) issuance and listing of debt securities and non-convertible redeemable preference shares by an issuer by way of public issuance;
- (b) issuance and listing of non-convertible securities by an issuer issued on private placement basis which are proposed to be listed; and
- (c) listing of commercial paper issued by an issuer in compliance with the guidelines framed by the Reserve Bank of India.

## **CHAPTER II**

### **GENERAL CONDITIONS AND ELIGIBILITY CRITERIA**

#### **Applicability of this chapter**

4. (1) This chapter shall apply to the issuance and listing of:

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

(2) Unless otherwise provided in these regulations, an issuer making an offer of non-convertible securities shall satisfy the conditions of these regulations as on:

- (a) date of filing of the draft offer document with the Board or stock exchange(s);
- (b) date of filing the offer document with the Board or stock exchange (s), as the case may be; and,
- (c) date of filing the offer document with the Registrar of Companies.

#### **Eligible issuers**

5. (1) No issuer shall make an issue of non-convertible securities if as on the date of filing of draft offer document or offer document:

- (a) 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) any of the promoters or directors of the issuer is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by the Board;
- (c) the issuer or any of its promoters or directors is a wilful defaulter;

- (d) any of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter;
- (e) any of its promoters or directors is a fugitive economic offender; or
- (f) any fine or penalties levied by the Board /Stock Exchanges is pending to be paid by the issuer at the time of filing the offer document:

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 as on date of filing of the draft offer document with the Board.
- (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 repayment of principal amount in respect of non-convertible securities, if any, for a period of more than six months.

#### **In-principle approval**

- 6. The issuer shall make an 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 such securities are proposed to be listed:

Provided that where the application is made to more than one stock exchange, the issuer shall choose one among 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**

- 7. The issuer shall enter into an arrangement with a depository for dematerialization of the non-convertible securities in accordance with the Depositories Act, 1996 (22 of 1996) and regulations made thereunder and also take such steps to ensure that such securities are admitted on all the depositories.

#### **Debenture Trustee**

- 8. The issuer shall appoint a debenture trustee in case of an issue of debt securities.

#### **Registrar to the Issue**

- 9. The issuer shall appoint a Registrar to the Issue, registered with the Board, which has established connectivity with all the depositories:

Provided that if the issuer itself is a Registrar to the Issue, it shall not appoint itself as a Registrar to the Issue:

Provided further that the lead manager shall not act as a Registrar to the Issue in which it is also handling the post-issue responsibilities.

#### **Credit rating**

- 10. The issuer shall obtain credit rating from at least one credit rating agency, which shall be disclosed in the offer document:

Provided that where the 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) In case of public issue of debt securities and/or non-convertible redeemable preference shares, the issuer shall while filing a draft offer document with the stock exchange(s) forward a soft copy of the draft offer document to the Board for its records along with regulatory fees as specified in Schedule VI of these regulations.
- (2) In case of non -convertible securities issued on a private placement basis, the designated stock exchange shall collect a regulatory fee as specified in Schedule VI of these regulations from the issuer at the time of their listing.

### Day Count Convention

14. (1) The day count convention for calculation of interest/dividend payments for non- convertible securities shall be on Actual/Actual.
- (2) All payments required to be made by an issuer shall be made on a working day.
- (3) In case 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.

15. (1) An issuer making issuance of non-convertible securities shall:
- have the right to recall such securities prior to the maturity date (call option); or,
  - shall have a right to provide such right of redemption of debt securities prior to the maturity date (put option) to all the investors or only to retail investors.
- (2) Such right to recall non-convertible securities or redeem debt securities prior to the maturity date shall be exercised in accordance with the terms of issue and detailed disclosure in this regard shall be made in offer document including date from which such right is exercisable, period of exercise (which shall not be less than three working days) and 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 the expiry of one year 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 an english national daily and regional daily having wide circulation at the place where the registered office of the issuer is situated, indicating the details of such rights and eligibility of the holders who are entitled to avail such right.
- (8) Issuer shall pay interest at the rate of fifteen percent per annum for the period of delay, if any.
- (9) After the completion of the exercise of such right, the issuer shall:
- submit a report to the stock exchange(s) where the non-convertible securities are listed for public dissemination regarding the details of non-convertible securities redeemed during the exercise period and details of redemption thereof;
  - inform the debenture trustee regarding the debt securities redeemed during the exercise period and details of redemption thereof; and,
  - inform the depositories for extinguishing the non-convertible securities that have been redeemed.

*Explanation:* For the purpose of this regulation, “retail investor” shall mean the holder of non-convertible securities having the aggregate face value not more than rupees two lakh.

**Debenture Redemption Reserve/ Capital Redemption Reserve**

16. The issuer shall create a debenture redemption reserve or capital redemption reserve in accordance with the relevant provisions of the Companies Act, 2013 (18 of 2013).

**International Securities Identification Number**

17. (1) An issuer issuing non-convertible securities shall comply with the conditions relating to the issue of International Securities Identification Number, as may be specified by the Board from time to time.
- (2) Any default committed by the issuer shall be reckoned at the International Securities Identification Number level notwithstanding the debt securities and/or non-convertible redeemable preference shares being issued under different offer documents.

**Trust Deed**

18. (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 or such other rate, as specified by the Board to the holder of debt securities, 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 provided under Section 71 of the Companies Act, 2013 (18 of 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.
- (5) The trust deed shall not contain any clause which has the effect of:
- (a) 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;
- (b) limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by the Board;
- (c) indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.
- (6) The trust deed shall contain the issuer's bank details from which it proposes to pay the interest and redemption amount of the debt securities and the issuer shall pre-authorise the debenture trustee(s) at the time of executing the trust deed to allow the debenture trustee to seek information about interest payment and redemption payment from such bank.
- (7) The trust deed shall also contain such other particulars as may be specified by the Board.

**Listing Agreement.**

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

**Continuous Listing Conditions**

20. All the issuers of non-convertible securities 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 from time to time.

**Trading of Non-Convertible Securities**

21. (1) The trades in non-convertible securities listed on stock exchange(s) shall be cleared and settled through clearing corporation of stock exchange(s), subject to conditions as 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 platforms 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 such other platform as referred to in sub-regulation (2).

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

22. Where the issuer has defaulted in payment of interest 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.

#### **Obligations of the Issuer**

23. (1) The issuer shall treat all applicants to an issue of non-convertible securities in a fair and equitable manner as per the procedures as may be 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 the recognized stock exchange(s).

(3) The issuer shall apply for Securities and Exchange Board of India Complaints Redress System (SCORES) authentication in the format specified by the Board and shall use the same for all issuance of non-convertible securities.

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

(5) The issuer shall ensure that secured debt securities are secured by hundred percent security cover.

#### **Obligations of Debenture Trustee**

24. (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 III**

#### **PUBLIC ISSUE AND LISTING OF DEBT SECURITIES AND NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES**

##### **PART A**

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

#### **Other 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.

(2) Where the issue is managed by more than one lead manager, the rights, obligations and responsibilities, relating to disclosures, allotment, refund and underwriting obligations, if any, of each lead manager shall be predetermined and disclosed in the draft offer document and the offer document.

(3) Where there is only one lead manager it shall not be an associate of the issuer as provided under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992:

Provided that in case 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 shall not issue any due diligence certificate, in relation to the issue of such debt securities and/or non-convertible redeemable preference shares:



Provided further that in case there is more than one lead manager, at least one lead manager to the issue shall not be an associate.

(4) The issuers shall not make a public issue of debt securities and non-convertible redeemable preference shares for providing loan to or acquisition of shares of any entity who is part of the promoter group or group companies:

Provided that where the issuer is a Non-Banking Finance Company, Housing Finance Company or a Public Financial Institution the aforesaid restriction shall not apply and appropriate disclosures shall be made as specified in the Schedule I of these regulations.

#### **Issuance of green debt securities**

26. An issuer desirous of issuing and listing of green debt securities shall comply with the conditions as may be specified by the Board.

#### **Filing of draft offer document**

27. (1) No issuer shall make a public issue of debt securities and/or non-convertible redeemable preference shares unless a draft offer document has been filed with all the stock exchanges on which such 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 including the postal and email address and telephone number of the compliance officer who shall be a Company Secretary of the issuer.

(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 III of these regulations.

#### **Disclosures in the offer document**

28. (1) The offer document shall contain all material true, fair and adequate disclosures which are necessary for the subscribers of the debt securities and non-convertible redeemable preference shares 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 under the Companies Act, 2013 (18 of 2013) and rules prescribed thereunder;
- (c) additional disclosures as may be specified by the Board;

(3) The lead manager(s) shall exercise due diligence and satisfy themselves on all aspects of the issue including the veracity of the disclosure in the offer document.

(4) The issuer shall ensure that the audited financial statements 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 are listed on stock exchange(s) and are in compliance with the listing regulations,
- ii. issuers of non-convertible securities who are subsidiaries of entities who have listed their specified securities, and are in compliance with the listing regulations,

instead of audited financial statements 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.

(5) The lead manager(s) shall:

- (a) 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 including all the transaction specific disclosures as required in Schedule I of these regulations, disclosures as required under the relevant provisions of the Companies Act, 2013 (18 of 2013) and any other disclosures as may be specified by the Board.
- (b) ensure that the track record of the public issues of non-convertible securities managed by them is disclosed on their website with a reference in the offer document, for a period of three financial years from the date of listing of each public issue managed by the lead manager(s):

Provided that all lead managers who have signed the due diligence certificate for such issue to the public, as disclosed in the offer document, shall also disclose the track record of the public issue managed by them.

*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**

29. (1) The offer document shall be displayed on the websites of stock exchange(s), issuer and lead manager which shall be available for download in PDF or any other format as may be specified by the Board.
- (2) 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.

#### **Advertisements for Public issues**

30. (1) The issuer shall make an advertisement in an english national daily and regional daily with wide circulation at the place where the registered office of the issuer is situated, 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 and non-convertible redeemable preference shares or be used for solicitation for debt securities and non-convertible redeemable preference shares.
- (7) The credit rating shall be prominently displayed in the advertisement.

#### **Prohibition on payment of incentives**

31. 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**

32. (1) The issuer and lead manager shall ensure that:
  - (a) every application form and the abridged prospectus is in the format 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.
- (3) The abridged prospectus shall be in the format as specified in Part B of Schedule I of these regulations.

#### **Price Discovery and Book building**

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

#### **Minimum subscription.**

34. (1) Minimum subscription for a public issue shall not be less than seventy-five percent of the base issue size or as may be specified by the Board:
- Provided that the requirement of minimum subscription shall not apply to issuers issuing tax-free bonds as specified by the 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 than eight working days from the date of closure of the issue or such time as may be specified by the Board. In case such application money is not unblocked within such period, the issuer shall pay interest at the rate of fifteen percent per annum for the delayed period.

#### **Allotment of securities and payment of interest.**

35. (1) The issuer shall ensure that in case of listing of debt securities and non-convertible redeemable preference shares 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 debt securities and non-convertible redeemable preference shares 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.

#### **Underwriting**

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

#### **Mandatory listing of a public issue of debt securities and non-convertible redeemable preference shares**

37. (1) An issuer desirous of making an offer of debt securities and non-convertible redeemable preference shares to the public shall make an application for listing to stock exchange(s) in terms of sub-sections (1) and (2) of Section 40 of the Companies Act, 2013 (18 of 2013).
- (2) In the event of failure to list such securities within such days from the date of closure of issue as may be 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. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors 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 (in case of debt 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;
- (d) Copy of last three years Annual Reports;
- (e) Reports about the business or transaction to which the proceeds of the securities are to be applied directly or indirectly;
- (f) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (g) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever 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 such securities have been listed;
- (h) An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, wherever applicable, in favour of the debenture trustee, as applicable, to the proposed issue has been obtained; and,
- (i) Any other particulars or documents that the recognized stock exchange may call for, as it deems fit.

#### **Other Obligations of the Lead Manager**

38. (1) The lead manager shall not employ any device, scheme, or artifice to defraud in connection with issue or subscription or distribution of debt securities and non-convertible redeemable preference shares which are listed or proposed to be listed on a recognized stock exchange.
- (2) The lead manager shall ensure that secured debt securities are secured by hundred percent security cover.
- (3) The lead manager shall ensure payment of additional interest by the issuer in accordance with these regulations in case of non-allotment of debt securities and non-convertible redeemable preference shares.

### **PART B**

#### **ADDITIONAL CONDITIONS APPLICABLE TO A PUBLIC ISSUE AND LISTING OF DEBT SECURITIES**

##### **Roll-over of debt securities**

39. (1) The issuer shall redeem the debt securities in terms of the offer document.
- (2) Where the issuer intends to roll-over debt securities of a particular International Securities Identification Number, it shall do so only upon giving fifteen days notice for the proposed roll over.
- (3) The roll-over shall be approved by a majority of holders holding not less than three-fourths in value through postal ballot or e-voting of such debt securities in a duly convened meeting as per the offer document.
- (4) 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.
- (5) The issuer shall, prior to sending the notice to holders of debt securities, file a copy of the notice and proposed resolution with the stock exchange(s) where such debt securities are listed, for dissemination of the same to public on its website.
- (6) The existing trust deed 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.
- (7) The issuer shall on completion of the roll over, intimate the stock exchange(s) about the roll-over of the debt securities.
- (8) The issuer shall create and maintain adequate security in respect of such debt securities to be rolled over.
- (9) The issuer shall redeem the debt securities of all such holders, who have not given their positive consent for the roll-over.

##### **Due Diligence by Debenture trustee**

40. 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 of debt securities, furnish to the Board and stock exchange(s), a due diligence certificate in the format as specified in Schedule IV of these regulations.

**Filing of Shelf Prospectus and Tranche Prospectus.**

41. (1) Without prejudice to regulation 27 of these regulations, the following issuers may file shelf prospectus under Section 31 of the Companies Act, 2013 (18 of 2013) for public issuance of their debt securities:
- (a) Public financial institutions as defined under clause (72) of Section 2 of the Companies Act, 2013 (18 of 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 the 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 the Reserve Bank of India; or
  - (d) Listed entities whose specified securities or publicly issued debt securities and non-convertible redeemable preference shares or units of REIT and InvIT, 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 the Reserve Bank of India and a Housing Finance Company registered with the National Housing Bank or the Reserve Bank of India, complying with the following criteria:
    - (i) having a net worth of at least rupees five hundred 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 regulatory action is pending against the issuer or its promoters or directors before the Board or the Reserve Bank of India; and
    - (v) the issuer is not in default for:
      - 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 and 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 who has filed 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 of Company.
- (3) The shelf prospectus shall contain the following disclosures:
  - (a) disclosures specified in Schedule I of these regulations;
  - (b) disclosures specified in the Companies Act (18 of 2013), as applicable; and
  - (c) additional disclosures as may be specified by the Board.
- (4) The tranche prospectus shall contain details of the issue and material changes, if any, in the information including the financial information provided in the shelf prospectus or the earlier tranche prospectus, as applicable.

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

**Retention of Over Subscription**

42. An issuer shall be allowed to retain over-subscription up to a maximum of hundred percent of the base issue

size or any lower limit as specified in the prospectus subject to necessary corporate authorization, credit rating and any other condition as may be specified by the Board:

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 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 the 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**

43. (1) While creating a 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 charge created 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 has been created to meet the hundred percent security cover is 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 has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge:

Provided that sub regulation (2) shall not apply if the charge is created on additional assets other than the assets comprising of hundred percent security cover.

### **CHAPTER IV**

#### **LISTING OF PRIVATE PLACEMENT OF DEBT SECURITIES AND NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES**

##### **PART A**

##### **COMMON CONDITIONS**

#### **Listing Application**

44. (1) Where the issuer has disclosed the intention to seek listing of debt securities and non-convertible redeemable preference shares 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 that in case of delay in listing of such securities beyond such time period 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 as may be specified by the Board from time to time, over and above the coupon/dividend applicable for such securities.

(2) The issuer shall file the following documents along with the listing application to the stock exchange and with the debenture trustee (in case of debt 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 securities;
- (d) Copy of last three years Annual Reports;
- (e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (f) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever applicable, including the Trust Deed has been 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 such securities have been proposed to be listed;
- (g) In case of debt securities, an undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, wherever applicable, in favour of the debenture trustee to the proposed issue has been obtained; and
- (h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit:

Provided that issuers desirous of issuing debt securities on private placement basis who are in existence for less than three years may provide Annual Reports pertaining to the years of existence.

(3) Debenture trustee shall submit a due diligence certificate to the stock exchange in the format as specified in Schedule IV of these regulations.

(4) The stock exchange(s) shall list the debt securities only upon receipt of the due diligence certificate from the debenture trustee as per format specified by the Board.

#### **Disclosures in respect of Private Placements**

45. (1) The issuer making a private placement of debt securities and non-convertible redeemable preference shares and seeking listing thereof on a recognised stock exchange shall make the following disclosures in the placement memorandum:

- (a) disclosures specified in Schedule II of these regulations;
- (b) disclosures specified in the Companies Act, 2013 (18 of 2013), 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 websites 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 audited financial statements contained in the placement memorandum and tranche placement memorandum shall not be more than six months old from the date of filing placement memorandum or the issue opening date, as applicable:

Provided that in case of:

- (a) listed issuers (whose non-convertible securities or specified securities are listed on recognised stock exchange(s)), who are in compliance with the listing regulations;
- (b) the issuers of non-convertible securities, who are subsidiaries of entities who have listed their specified securities, and are in compliance with the listing regulations,

instead of audited financial statements 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 placement memorandum including risk factors.

#### **Allotment of securities**

46. The issuer shall ensure allotment of debt securities and non-convertible redeemable preference shares 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**

#### **ADDITIONAL PROVISIONS FOR LISTING OF DEBT SECURITIES ISSUED ON PRIVATE PLACEMENT BASIS**

##### **Filing of shelf placement memorandum**

47. (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 including the financial information provided in the shelf placement memorandum or the earlier tranche placement memorandum, as applicable.

*Explanation:* For the purpose of this regulation, “material” means anything which is likely to impact an

investor's informed investment decision.

### Creation of security

48. (1) While creating a 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 charge created 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 has been created to meet the hundred percent security cover is 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 has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge:

Provided that sub regulation (2) shall not apply if the charge is created on additional assets other than the assets comprising of hundred percent security cover.

### Consolidation and re-issuance

49. 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 contain 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 reviewed on a periodic basis as specified by the Board and the change, if any, shall be disclosed;
- (d) appropriate disclosures are made with regard to consolidation and re-issuance in the placement memorandum.

## CHAPTER V

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

#### General Conditions

50. (1) Issuers permitted by the Reserve Bank of India 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 the Reserve Bank of India and/or any other relevant laws applicable to them.

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

- (a) disclosures as specified under Schedule II;
- (b) any disclosure as may be provided under the guidelines framed by the Reserve Bank of India or the Companies Act, 2013 (18 of 2013), as applicable;
- (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 PAPER

51. (1) Issuers desirous of listing of commercial paper shall comply with the conditions as may be specified by the Board from time to time.

(2) The designated stock exchange shall collect a regulatory fee as specified in Schedule VI of these regulations from an issuer of commercial paper at the time of their listing.



(3) The issuer shall apply for Securities and Exchange Board of India Complaints Redress System (SCORES) authentication in the format specified by the Board and shall use the same for issuance and listing of commercial paper.

## CHAPTER VII

### PROCEDURE FOR ACTION IN CASE OF VIOLATION OF REGULATIONS

#### Inspection by the Board

52. (1) The Board may *suo-moto* 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, for any of the following purposes, namely, -
- (a) to verify whether the provisions of the Act, the Companies Act, 2013 (18 of 2013), Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) and/or the rules and regulations made thereunder in respect of issue of securities have been complied with;
  - (b) to verify whether the requirements in respect of issue of non-convertible securities as specified in these regulations have been complied with;
  - (c) to verify whether the requirements of listing conditions and continuous disclosure requirements 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; and,
  - (f) to inquire whether any direction issued by the Board has been complied with.
- (2) 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

53. 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, 2013 (18 of 2013), the Board may either *suo-moto* or on receipt of information or on completion or pendency of inspection, inquiry 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 the 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.

**CHAPTER VIII**  
**MISCELLANEOUS**

**Delegation**

54. The powers exercisable by the Board under these regulations shall 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.**

55. (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) In case 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 difficulty and issue clarifications**

56. In order to remove any difficulties in the application or interpretation of the provisions of these regulations, the Board may issue clarifications and/or guidelines from time to time.

**Power to relax strict enforcement of the regulations**

57. (1) 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.
- (2) 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.
- (3) The application referred to under sub-regulation 2 shall be accompanied by a non-refundable fee of rupees one lakh, payable by way of direct credit in the bank account through electronic modes including payment gateways or such other mode allowed by the Reserve Bank of India.
- (4) 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 relating to testing new products, processes, services, business models, etc. in live environment of regulatory sandbox in the securities markets.
- (5) Any exemption granted by the Board under sub-regulation (4) 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.

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

58. In exercise of the powers conferred by sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957, the Board relaxes the strict enforcement of:

- (a) sub-rules (1) and (3) of Rule 19 the said rules in relation to listing of an issue of non-convertible securities;
- (b) clause (b) of sub-rule (2) of rule 19 of the said rules in relation to listing of debt securities:
  - i. issued by way of a private placement by any issuer; and,
  - ii. issued to the public by an infrastructure company, a Government company, a statutory authority or corporation or any special purpose vehicle set up by any of them, which is engaged in the infrastructure sector.

*Explanation:* For the purposes of this regulation the term ‘infrastructure sector’ shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

### Repeal and Savings

59. (1) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 shall stand repealed from the date on which these regulations come to force.

(2) Notwithstanding such repeal:

- (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 adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations, prior to such repeal, 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 repealed regulations, prior to such repeal, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations; and,
- (c) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, incurred in respect of any violation committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the repealed regulations has never been repealed.

(3) Subsequent to the repeal of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

## SCHEDULE I

### DISCLOSURES FOR PUBLIC ISSUUE OF DEBT SECURITIES AND NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES

#### SCHEDULE I

[See Regulation 25(4), Regulation 28(2), Regulation 28(5) and Regulation 41(3)]

#### Applicability

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

### PART A

1 Instructions:

- 1.1 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.
- 1.2 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.

**1.3 There shall be no forward-looking statements that cannot be substantiated.**

**1.4 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.**

**1.5 For currency of presentation, only one standard financial unit shall be used.**

## **2 DISCLOSURES**

**The disclosures stipulated here are applicable for public issuances.**

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

- a. Name of the issuer, its logo (if any), corporate identification number, Permanent account number, date and place of incorporation, latest registration / identification number issued by any regulatory authority which regulates such issuer (viz. Reserve Bank of India, Insurance Regulatory Development Authority of India etc), if applicable, address of its registered and corporate offices,
- b. Name, telephone number, email address of compliance officer, company secretary, Chief Financial officer and Promoters.
- c. Name, addresses, logo, telephone numbers, email addresses and contact person of
  - Lead Managers,
  - Debenture trustees
  - Credit Rating Agencies
  - Statutory Auditors
  - such other persons as may be prescribed.
- d. A disclosure that a copy of the offer document has been delivered for filing to the Registrar of Companies as required under sub-section (4) of Section 26 of Companies Act, 2013 (18 of 2013);
- e. Date of the offer document, type of Offer Document (“Shelf Prospectus” or “Prospectus”)
- f. The nature, number, price and amount of securities offered and issue size (base issue and green shoe option), as may be applicable;
- g. The aggregate amount proposed to be raised through all the stages of offers of debt securities and non-convertible redeemable preference shares made through the shelf prospectus;
- h. The name, logo and address of the Registrar to the Issue, along with its telephone number, fax number, website address and e-mail address;
- i. 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.
- j. Credit ratings; (cross reference to press release be provided)
- k. All the ratings obtained for the public issue;
- l. The name(s) of the recognised stock exchanges where the securities are proposed to be listed;
- m. Coupon rate, coupon payment frequency, redemption date, redemption amount in case of debt securities;
- n. Dividend rate, dividend payment frequency, redemption date, redemption amount in case of non-convertible redeemable preference shares;
- o. Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable;
- p. Details about underwriting of the issue, including the amount undertaken to be underwritten by the underwriters.

## 2.2 Following disclosure shall be contained in the other pages of the prospectus

### 2.2.1 '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."*

### 2.2.2 Details of Promoters of the Issuer 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.

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document.

### 2.2.3 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.

The detailed press release of the CRA along with rating rationale adopted (not older than one year on the date of opening of the issue).

### 2.2.4 Name(s) of the stock exchange(s) where the debt securities or non- convertible redeemable preference shares are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

If debt securities or non- convertible redeemable preference shares are proposed to be listed on more than one stock exchange(s) then the issuer shall specify the designated stock exchange for the issue. The issuer shall specify the stock exchange where the recovery expense fund, where applicable, is being/has been created as specified by the Board.

### 2.2.5 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 |      |

### 2.2.6 Issue Details:

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

- Merchant bankers and co-managers to the issue,
- Debenture trustee 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.

#### 2.2.7 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:-

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

#### 2.2.8 Financial Information

- a. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the draft offer document or offer document or issue opening date, as applicable.

However if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

- b. Listed issuers (whose debt securities or specified securities are listed on stock exchange(s)) 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.
- c. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.
- d. Key Operational and Financial Parameters on consolidated and standalone basis

##### **i. For Non-Financial Sector Entities:**

| Balance Sheet   |  |  |  |  |
|---|--|--|--|--|
| Net Fixed assets  |  |  |  |  |
| Current assets  |  |  |  |  |
| Non-current assets  |  |  |  |  |
| Total assets  |  |  |  |  |
| Non-Current Liabilities<br>(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<br>(including maturities of long-term borrowings)<br>Financial (borrowings, trade payables, and other financial liabilities)<br>Provisions<br>Current tax liabilities (net)<br>Other current liabilities |  |  |  |  |
| Total liabilities  |  |  |  |  |
| Equity (equity and other equity)   |  |  |  |  |
| Total equity and liabilities   |  |  |  |  |
| <b>Profit and Loss</b>   |  |  |  |  |
| Total revenue From operations<br>Other income  |  |  |  |  |
| Total Expenses   |  |  |  |  |
| Total comprehensive income<br>Profit / loss<br>Other comprehensive income  |  |  |  |  |
| Profit / loss after tax  |  |  |  |  |
| Earnings per equity share: (a) basic; and (b) diluted<br>Continuing operations<br>Discontinued operations<br>Continuing and discontinued operations  |  |  |  |  |
| <b>Cash Flow</b>   |  |  |  |  |
| 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   |  |  |  |  |
| <b>Additional information</b>  |  |  |  |  |
| Net worth  |  |  |  |  |
| Cash and Cash Equivalents  |  |  |  |  |
| Current Investments  |  |  |  |  |
| Net Sales  |  |  |  |  |
| EBIDTA   |  |  |  |  |
| EBIT   |  |  |  |  |
| Dividend amounts   |  |  |  |  |

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

**ii. For Financial Sector Entities:**

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

e.

f. Debt: Equity Ratio of the Issuer:-

|                  |  |
|------------------|--|
| Before the issue |  |
| After the issue  |  |

2.2.9 Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management shall be provided for the latest audited financials:



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

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

| Type of Event | Date of Announcement | Date of Completion | Details |
|---------------|----------------------|--------------------|---------|
|               |                      |                    |         |

f. Details of the shareholding of the Company as on the latest quarter end, as per the format specified under the listing regulations:-

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

| S. 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 |
|--------|--------------------------|---------------------------|----------------------------|--|
|        |                          |                           |                            |  |

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

a. Details of the current directors of the Company:

| Name, Designation and DIN | Age | Address | Date of appointment | Details of other Directorship |
|---------------------------|-----|---------|---------------------|-------------------------------|
|                           |     |         |                     |                               |

b. 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)

(i) Remuneration payable or paid to a director by the subsidiary or associate company; shareholding of the director in the company including any stock options; shareholding in subsidiaries and associate companies;

(ii) appointment of any relatives to an office or place of profit;

(iii) the full particulars of the nature and extent of interest, if any, of every director:

(a) in the promotion of the issuer company; or

(b) in any immovable property acquired by the issuer company in the two years preceding the date of the Prospectus or any immovable property proposed to be acquired by it; or

(c) 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.

c. Contribution being made by the directors as part of the offer or separately in furtherance of such objects;

d. 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.

e. 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 |
|---------------------------|---------------------|----------------------------------|------------------------------------|---------|
|                           |                     |                                  |                                    |         |

2.2.14 Following details regarding the auditors of the Issuer:-



| Name of Instrument | Instrument | issued | outstanding | Schedule |  |  |  |
|--------------------|------------|--------|-------------|----------|--|--|--|
|                    |            |        |             |          |  |  |  |

- g. Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

- (iv) in whole or part,
- (v) at a premium or discount, or
- (vi) in pursuance of an option or not;

- 2.2.16 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.
- 2.2.17 Details of default and non-payment of statutory dues;
- 2.2.18 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 debt securities and/ or non- convertible redeemable preference shares.
- 2.2.19 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.
- 2.2.20 Details of pending proceedings initiated against the issuer for economic offences;
- 2.2.21 Any litigation or legal action pending or taken against the promoter of the company by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus;
- 2.2.22 Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided.
- 2.2.23 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.
- 2.2.24 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.
- 2.2.25 Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates, legal advisor, lead managers, Registrar to the Issue, lenders and experts;;
- 2.2.26 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.
- 2.2.27 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 debt securities /non- convertible redeemable preference shares 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 debt securities / non- convertible redeemable preference shares shall be mentioned in the offer document, by way of an illustration.
- 2.2.28 Other details**
- a. Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability.

- b. Issue/instrument specific regulations - relevant details (Companies Act, 2013 (18 of 2013), Reserve Bank of India guidelines, etc.).
- c. Default in Payment;
- d. Delay in Listing
- e. Delay in allotment of securities and unblocking of application money in case of refund
- f. Issue details:
- g. Application process.
- h. 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;
- 2.2.29 Other details in case of Non-convertible redeemable preference shares
- 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.
- 2.2.30 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.
- 2.2.31 In case the issuer is a Non-Banking Finance Company (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:

| S No. | Name of the Borrower<br>(A) | Amount of Advances<br>/exposures to such<br>borrower<br>(Group)(Rs. Crore) (B) | Percentage of<br>Exposure<br>(C)= B/Total AUM |
|-------|-----------------------------|--|---|
|       |                             |  |   |

- a. In order to allow investors to better assess the NBFC issue, the following additional disclosures shall be made by NBFCs in their offer documents: -
- A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.
  - Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.
  - Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, Reserve Bank of India has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by Reserve Bank of India from time to time.
- 2.2.32 Declaration in case of public issue:
- a. Procedure of: allotment of debt securities and non-convertible redeemable preference shares and unblocking of funds in case of refund.
- b. 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;
- c. 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;

- d. the interim use of funds, if any

#### 2.2.33 DISCLAIMER CLAUSES:

- a. The offer document shall contain the following disclaimer clause in bold capital letters:

"It is to be distinctly understood that filing of the offer document to the Securities and Exchange Board of India (SEBI) should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The lead manager(s), has certified that the disclosures made in the offer document are generally adequate and are in conformity with the Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

- b. Disclaimer Statement from the issuer and lead manager(s): A statement to the effect that the issuer and the lead manager(s) accept no responsibility for statements made otherwise than in the offer document or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at their own risk.
- c. Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which provisions of law and the rules and regulations are applicable to the offer document.
- d. Disclaimer clause of the stock exchanges and Credit Rating Agencies.
- e. Disclaimer clause of the Reserve Bank of India, the Insurance Regulatory and Development Authority of India or of any other relevant regulatory authority.

#### 2.2.34 UNDERTAKING BY THE ISSUER

"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 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'."

"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."

"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."

#### 2.2.35 RISK FACTOR

- a. 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.
- b. Risk factors if applicable, should include but not be limited to the following:
- c. Risks in relation to the debt securities/non-convertible redeemable preference shares.
- d. Risks in relation to the security created in relation to the debt securities, if any.
- e. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.
- f. Limited or sporadic trading of debt securities/non-convertible redeemable preference shares of the issuer on the stock exchanges.
- g. 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.

- h. If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement
- i. The following clause on 'General Risk' shall be incorporated in a box format:

“Investment in debt securities/non-convertible redeemable preference shares 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 debt securities/non-convertible redeemable preference shares or investor's decision to purchase such securities.”

- j. 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 debenture trustee, and it is the duty of the debenture trustee 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.
- k. All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the offer document by the issuer.
- l. 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, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder;
- m. In case of an issue of non-convertible redeemable preference shares, 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"*

2.2.36 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 debt securities/non-convertible redeemable preference shares 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 percent. 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 debt securities/non-convertible redeemable preference shares 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.

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

(i) the issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;

(ii) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debt securities/non-convertible redeemable preference shares, is guaranteed by the Central Government;

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;

(iv) 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

(11) In case of an issue of non-convertible redeemable preference shares, 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"*

### 2.3 TERM SHEET

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

|   |  |
|---|--|
| Security Name ( Name of the debt securities/non-convertible redeemable preference shares 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  |  |
|   |  |
| Details of the utilization of the Proceeds  |  |
| Coupon / Dividend Rate  |  |
| Step Up/Step Down Coupon Rate   |  |
| 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   |  |
| 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 thereafter  |  |
| Issue Timing  |  |
| Issue Opening Date  |  |
| Issue Closing date  |  |
| Date of earliest closing of the issue, if any.  |  |
| Pay-in Date   |  |
| 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 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:**

- If there is any change in coupon rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new coupon rate and events which lead to such change should be disclosed.
- The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
- While debt securities are secured to the tune of 100% of the principal and interest amount or such higher amount as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that such security is maintained.
- 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". Further, the amount earmarked for "General Corporate Purposes", shall not exceed 25% of the amount raised by the issuer in the proposed issue.

## PART B

## ABRIDGED PROSPECTUS

**THIS ABRIDGED PROSPECTUS CONSISTS OF XX PAGES, PLEASE ENSURE THAT YOU GET ALL PAGES**

Please ensure that you read the Prospectus and the general instructions contained in this Memorandum before applying in the Issue. Unless otherwise specified, all capitalised terms used in this form shall have the meaning ascribed to such terms in the Prospectus. The investors are advised to retain a copy of Abridged Prospectus for their future reference.

You may obtain a physical copy of the Application form from our Registered Office, the Lead Managers, syndicate members, Registrar to the Issue, the Designated Branches of Self Certified Syndicate Banks. You may also download the Prospectus from the websites of SEBI, Lead Managers and Stock Exchanges that is [www.sebi.gov.in](http://www.sebi.gov.in); [www.nseindia.com](http://www.nseindia.com); [www.bseindia.com](http://www.bseindia.com); websites of LM's (to be specified).

**ISSUER'S LOGO**

**XXX LIMITED**

The Corporate Identification Number of our Company is XXX.

**Registered Office:**

**Corporate Office:**

**Telephone:** ;

**Company Secretary and Compliance Officer:**

**;Telephone:** ;

**E-mail:****Website:****BRIEF DESCRIPTION OF THE ISSUE****GENERAL RISKS**

Investors are advised to read the section titled “*Risk Factors*” on page [●] carefully before taking an investment decision in relation to this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. The Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India (“SEBI”), any Registrar of Companies or any stock exchange in India.

**ISSUER’S ABSOLUTE RESPONSIBILITY**

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Prospectus does contain and will contain 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 Prospectus will be true and correct in all material respects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other material facts, the omission of which makes the Prospectus as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect at the time of the relevant Issue.

**CREDIT RATING**

Name of Credit Rating Agency(ies) and the rating(s) obtained along with the date(s) of the rating letter and date(s) of letters of revalidation of the prescribed rating(s), if any along with the relevant disclosures.

**LISTING**

Please mention the stock exchange on which the instrument is proposed to be listed and detail thereof

**PROMOTER**

Brief profile of promoter(s) not exceeding 500 words

**DIRECTORS**

| Sr. No | Name | Designation (Independent / Whole time / Executive / Nominee) | Experience |
|--------|------|--|------------|
| 1.     |      |  |            |
| 2.     |      |  |            |
| 3.     |      |  |            |
| 4.     |      |  |            |
| 5.     |      |  |            |
| 6.     |      |  |            |
| 7.     |      |  |            |
| 8.     |      |  |            |
| 9.     |      |  |            |
| 10.    |      |  |            |

For further details, please refer to page no.[●] of the Prospectus.



|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

For detailed financial results of our Company, please refer to page no. [●] of the Prospectus.

**CONTACT DETAILS:**

| Name   | Address | Tel: | Facsimile: | E-mail: | Investor<br>Grievance<br>E-mail: | Website | Contact<br>Person | Registration<br>No |
|--|---------|------|------------|---------|----------------------------------|---------|-------------------|--------------------|
| <b>LEAD MANAGERS</b>                             |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
| <b>CONSORTIUM/LEAD BROKERS</b>                   |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
| <b>REGISTRAR TO THE ISSUE</b>                    |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
| <b>DEBENTURE TRUSTEE</b>                         |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |
| <b>BANKERS TO THE ISSUE AND<br/>SPONSOR BANK</b> |         |      |            |         |                                  |         |                   |                    |
|  |         |      |            |         |                                  |         |                   |                    |

ESCROW COLLECTION BANKS/BANKERS TO THE ISSUE:

Only names to be included

SELF CERTIFIED SYNDICATE BANKS:

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or at such other website as may be prescribed by SEBI from time to time.

**OBJECTS OF THE ISSUE:**

The Net Proceeds raised through the Issue will be utilised for following activities in the ratio provided as below :

- a) For the purpose of [●]–[●] % of the amount raised and allotted in the Issue
- b) For General Corporate Purposes- [●]% of the amount raised and allotted in the Issue

**ISSUE PROCEDURE:****1) Applications Cannot be made by:**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- a) Minors without a guardian name (A guardian may apply on behalf of a minor.  
However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian; It is further clarified that it is the responsibility of the Applicant to ensure that the guardians are competent to contract under applicable statutory/regulatory requirements);
- b) Persons Resident Outside India, Foreign nationals (including FIIs, FPIs, Qualified Foreign Investors) and other foreign entities;
- c) Foreign Venture Capital Investor;
- d) Overseas Corporate Bodies; and
- e) Person ineligible to contract under applicable statutory/ regulatory requirements.
- f) Any other category of Applicants not provided for under “*Issue Procedure – Who are eligible to apply?*” on page [●] of the Prospectus.

**INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM****1. General Instructions for completing the Application Form:**

- a) Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Members of the Syndicate, or the Trading Members, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
- b) Applications are required to be for a minimum of such Bonds as specified in the Prospectus.
- c) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- d) Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form may contain only the name of the first Applicant whose name should also appear as first holder of the depository account held in joint names.
- e) Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the Bonds.
- f) If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- g) Applications for all the Series of the Bonds may be made in a single Application Form only.
- h) All Applicants are required to tick the relevant box of the “Mode of Application” in the Application Form, choosing either the ASBA or Non-ASBA mechanism.
- i) It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.



- j) All Applicants should check if they are eligible to apply as per the terms of the Shelf & Tranche with Prospectus and applicable laws
- k) The Applicants should ensure that the Application Forms are submitted at the Collection Centres provided in the Application Forms, bearing the stamp of a Members of the Syndicate or Trading Member of the stock exchange(s), as the case may be, for Applications other than ASBA Applications/Direct Online Applications.
- l) The Applicants should ensure that they have been given a TRS and an acknowledgement as proof of having accepted the Application Form;
- m) In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, the Applicants should ensure that they have first withdrawn their original Application and submit a fresh Application. For instance, as per the notice no. 20120831-22 dated August 31, 2012 issued by the stock exchange(s), fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
- n) In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta;
- o) Applicants (other than ASBA Applicants) are requested to write their names and Application Form number on the reverse of the instruments by which the payments are made;
- p) All Applicants need to tick the Series of Bonds in the Application Form that they wish to apply for.
- q) ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch
- r) ASBA Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue;

In case of ASBA Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries;>

- s) ASBA Applicants should ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder
- t) ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form

## 2. Rejection of Applications:

- a) Applications submitted without payment of the entire Application Amount. However, the Company may Allot Bonds up to the value of Application monies paid, if such Application monies exceed the minimum Application size as prescribed hereunder.
- b) In case of partnership firms, the Application Forms submitted in the name of individual partners and/or accompanied by the individual's PAN rather than the PAN of the partnership firm;
- c) Applications by persons not competent to contract

under the Indian Contract Act, 1872

- d) GIR number furnished instead of PAN
- e) Applications by OCBs

- f) Applications for an amount below the minimum

Application size;

- g) Applications of more than five ASBA Forms per ASBA Account;
- h) In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted
- i) Applications accompanied by Stock invest/ money order/postal order/cash;
- j) Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- k) In case of Applicants applying for the Bonds in physical form, if the address of the Applicant is not provided in the Application Form;
- l) Copy of KYC documents not provided in case of option to hold Bonds in physical form;
- m) In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- n) With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- o) Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- p) Applications not uploaded on the terminals of the stock exchange(s);
- q) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the stock exchange(s), as applicable;
- r) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form;
- s) Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/ MRD/DP/22/2010;
- t) Applications tendered to the Trading Members of the stock exchange(s) at centres other than the centres mentioned in the Application Form;
- u) Application Form accompanied with more than one payment instrument.
- v) SCSB making an ASBA Application(a) through an ASBA Account maintained with its own self or (b) through an ASBA account maintained through a different SCSB not in its own name, or (c) through an ASBA Account maintained through a different SCSB in its own name, which ASBA Account is not utilised for the purpose of applying in public issue
- w) Application Amount paid being higher than the value of Bonds applied for. However, the Company may allot Bonds upto the number of Bonds applied for, if the value of such Bonds applied for exceeds the Minimum Application Size;
- x) Application Amounts paid not tallying with the number of Bonds applied for;
- y) Applications for amounts greater than the maximum permissible amounts prescribed by applicable regulations
- z) Applications by persons/entities who have been debarred from accessing the capital markets by SEBI;
- aa) Applications (except for ASBA Applications) where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- ab) In case of ASBA Applicants, payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;

1) Reservations shall be made for each of the Categories in the below mentioned format:

| Particulars         | Category   | Category   | Category   | Category   |
|---------------------|------------|------------|------------|------------|
|                     | I          | II         | III        | IV         |
| % of the Issue Size | [●]%       | [●]%       | [●]%       | [●]%       |
| Size in Amount      | ` [●] lakh | ` [●] lakh | ` [●] lakh | ` [●] lakh |

Determined on the basis of date of upload of the Applications on the electronic Application platform of the relevant stock exchanges.

(b) Under subscription:

If there is any under subscription in any Category the spill over to shall be in the following order:

- i. Category IV; ii. Category III; iii. Category II; and
- iv. Category I.

(c) For all Categories, all Applications uploaded on the same day on the online Application platform of the relevant stock exchanges would be treated at par with each other.

(d) Allotments in case of oversubscription:

In case of an oversubscription in any of the Categories, Allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full Allotment of Bonds to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Bonds to the Applicants on the date of oversubscription (based on the date of upload of each Application on the online Application platform of the relevant stock exchanges, in each Portion). The method of proportionate allotment is as described below:

- i. Allotments to the applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer,
- ii. If the process of rounding off to the nearest integer results in the actual allocation of Bonds being higher than the Issue size, not all applicants will be allotted the number of Bonds arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference;
- iii. In the event, there are more than one Applicant whose entitlement remains equal after the manner of distribution referred to above, the Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

(e) Applicants applying for more than one Series of Bonds:

If an Applicant has applied for more than one Series of Bonds, and in case such Applicant is entitled to allocation of only a part of the aggregate number of Bonds applied for, the Series-wise allocation of Bonds to such Applicants shall be in proportion to the number of Bonds with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate, in consultation with the Lead Managers and the Designated Stock Exchange.

All decisions pertaining to the basis of allotment of Bonds pursuant to the Issue shall be taken by the Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of the Prospectus. Any other queries/issues in connection with the Applications will be appropriately dealt with and decided upon by the Company in consultation with the Lead Managers.

The Company shall allocate and allot [●] (depending upon the category of applicants) to all valid applications, wherein the Applicants have not indicated their choice of the relevant Bond Series.

The Company has the discretion to close the Issue early irrespective of whether any of the Portion(s) are fully subscribed or not. The Company shall allot Bonds with respect to the Applications received till the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

**INVESTOR WITHDRAWALS:**

Applicants are allowed to withdraw their Applications at any time [●].

**TERMS OF THE ISSUE:****1) Minimum Subscription**

If the Company does not receive the minimum subscription of 75 % of the Base Issue, i.e. [●] prior to the Issue Closing Date, the entire subscription amount shall be unblocked within 8 Working Days from the date of closure of the Issue. If there is delay in the unblocking of Application Amounts beyond the time prescribed above, the Company will pay interest for the delayed period at rate of 15% per annum for the delayed period.

**2) Right to Recall or Redeem prior to Maturity:**

Please refer to page no. [●] of the Prospectus

**3) Security**

The NCDs will be secured by [●] pari passu charge over the [●] assets of the Issuer as set out in the Debenture Trust Deed to the extent of at least 100% of the principal amounts outstanding and interest due thereon in respect of the NCDs until all amounts on the NCDs are repaid in full pursuant to the terms of the Debenture Trust Deed.

For details please refer to page no. [●] of the Prospectus.

**DEBT TO EQUITY RATIO**

The Debt-Equity ratio of the Company as of [●]:

| Description                            | Standalone |            | Consolidated |            |
|--|------------|------------|--------------|------------|
|  | Pre Issue  | Post Issue | Pre Issue    | Post Issue |
| Debt                                   |            |            |              |            |
|  |            |            |              |            |
|  |            |            |              |            |
| <b>Total Debt</b>                      |            |            |              |            |
| Shareholder's funds                    |            |            |              |            |
|  |            |            |              |            |
|  |            |            |              |            |
| <b>Total Shareholder's funds</b>       |            |            |              |            |
| <b>Debt Equity Ratio (No of Times)</b> |            |            |              |            |

**LEGAL AND OTHER INFORMATION**

- A. Total number of material outstanding litigations against the company and amount involved  
 B. Brief details of top 5 material outstanding litigations against the company and amount involved

| Sr. No. | Particulars | Litigation filed by | Current Status | Amount Involved |
|---------|-------------|---------------------|----------------|-----------------|
|         |             |                     |                |                 |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

- C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters / Group companies in last 5 financial years including outstanding action, if any (200 - 300 word limit in total)
- D. Brief details of outstanding criminal proceedings against Promoters (200 - 300 word limit in total)

#### MATERIAL DEVELOPMENTS

To be provided as mentioned in the Prospectus(es) (Only Headings)

#### DECLARATION

We, the Directors of the Company, certify that all applicable legal requirements in connection with the Issue, including under the Companies Act, 2013 (to the extent in force) and the rules made thereunder, the Companies Act, 1956 (to the extent not repealed) and the rules made thereunder, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, the Securities Contracts (Regulation) Act, 1956 and the rules and regulations made thereunder, the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder, each, as amended, and rules/ regulations/guidelines/ circulars issued by the Government of India, the Securities and Exchange Board of India and other competent authorities in this respect, from time to time, have been duly complied with and that no statement made in the Prospectus contravenes any such requirements. We further certify that the Prospectus does not omit disclosure of any material information that may make the statements made herein, in the light of the circumstances in which they were made, misleading and that all statements in the Prospectus are true and correct in all material respects.

Date: Place:

#### BIDDING AND/OR COLLECTION CENTRE DETAILS

#### SCHEDULE II

#### DISCLOSURES FOR PRIVATE PLACEMENT OF NON CONVERTIBLE SECURITIES

#### SCHEDULE II

[See Regulation 45(1) and Regulation 50(3)]

#### 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 Instructions:

- 1.1 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.
- 1.2 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.
- 1.3 There shall be no forward-looking statements that cannot be substantiated.

**1.4 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.**

**1.5 For currency of presentation, only one standard financial unit shall be used.**

## **2 DISCLOSURES**

**2.1 The disclosures stipulated here are applicable for private placement**

**2.2 The front page of the placement memorandum shall contain the following information:**

- a. Name of the issuer, its logo (if any), corporate identity number, Permanent account number, date and place of incorporation, latest registration / identification number issued by any regulatory authority which regulates such issuer (*viz.* Reserve Bank of India, 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.
- b. Name, telephone number, email address of compliance officer, company secretary, Chief Financial Officer and Promoters
- c. Name, addresses, logo, telephone numbers, email addresses and contact person of the debenture trustee and credit rating agency for the issue,
- d. Date of the placement memorandum, type of placement memorandum.
- e. The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable;
- f. The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf placement memorandum;
- g. The name, logo and address of the Registrar to the Issue, along with its telephone number, fax number, website address and e-mail address;
- h. 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.
- i. The credit rating (cross reference of press release be provided) ;
- j. All the ratings obtained for the private placement;
- k. The name(s) of the stock exchanges where the securities are proposed to be listed;
- l. The details about eligible investors;
- m. Coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount and details of debenture trustee;
- n. Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable;
- o. Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters;
- p. Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.

**2.3 Following disclosure shall be contained in the other pages of the placement memorandum:**

**2.3.1 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 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.”*

### 2.3.2 Details of Promoters of the Issuer 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.

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document.

### 2.3.3 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 Credit Rating Agencies along with rating rationale(s) adopted (not older than one year on the date of opening of the issue) shall also be disclosed.

### 2.3.4 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. The issuer shall specify the stock exchange where the recovery expense fund is being/has been created as specified by the Board.

### 2.3.5 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 |      |

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

- Debenture trustee to the issue,
- Credit rating agency for the issue,
- Registrar to the Issue,
- Statutory Auditors,
- Legal Counsel, (If any)
- Guarantor, if applicable
- Arrangers, if any.

### 2.3.7 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:-

- Overview of the business of the issuer
- Corporate Structure of the issuer
- Project cost and means of financing, in case of funding of new projects

### 2.3.8 Financial Information

- a. A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet

and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the placement memorandum or issue opening date, as applicable.

However, if the issuer being a listed REIT/listed InvIT has been in existence for a period less than three completed years and historical financial statements of such REIT/InvIT are not available for some portion or the entire portion of the reporting period of three years and interim period, then the combined financial statements need to be disclosed for the periods when such historical financial statements are not available.

- b. Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) 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 placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors.
- c. Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:
  - i. The issue is made on the EBP platform irrespective of the issue size; and
  - ii. The issue is open for subscription only to Qualified Institutional Buyers.
- d. The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.
- e. Key Operational and Financial Parameters on consolidated and standalone basis:

**iii. For Non-Financial Sector Entities:**

| Balance Sheet   |  |  |  |  |
|---|--|--|--|--|
| Net Fixed assets  |  |  |  |  |
| Current assets  |  |  |  |  |
| Non-current assets  |  |  |  |  |
| Total assets  |  |  |  |  |
| Non-Current Liabilities<br>(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<br>(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   |  |  |  |  |
| <b>Profit and Loss</b>   |  |  |  |  |
| 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                                     |  |  |  |  |
| <b>Cash Flow</b>   |  |  |  |  |
| 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                                     |  |  |  |  |
| <b>Additional information</b>  |  |  |  |  |
| Net worth  |  |  |  |  |
| Cash and Cash Equivalents  |  |  |  |  |
| Current Investments  |  |  |  |  |
| Net Sales  |  |  |  |  |
| EBIDTA   |  |  |  |  |
| EBIT   |  |  |  |  |
| Dividend amounts   |  |  |  |  |
| Long term debt to working capital  |  |  |  |  |
| Current Liability ratio –<br>Current liabilities / Non-current liabilities |  |  |  |  |
| Total Debts to Total assets  |  |  |  |  |
| Debt Service Coverage Ratios   |  |  |  |  |
| Interest service coverage ratio  |  |  |  |  |

**iv. For Financial Sector Entities:**

|   |  |  |  |  |
|---|--|--|--|--|
| Balance Sheet   |  |  |  |  |
| Net Fixed assets  |  |  |  |  |
| Current assets  |  |  |  |  |
| Non-current assets  |  |  |  |  |
| Total assets  |  |  |  |  |
| Non-Current Liabilities<br>(including maturities of long-term borrowings and short-term borrowings)<br>Financial (borrowings, trade payables, and other financial liabilities)<br>Provisions<br>Deferred tax liabilities (net)<br>Other non-current liabilities |  |  |  |  |
| Current Liabilities<br>(including maturities of long-term borrowings)<br>Financial (borrowings, trade payables, and other financial liabilities)<br>Provisions<br>Current tax liabilities (net)<br>Other current liabilities                                    |  |  |  |  |
| Equity (equity and other equity)  |  |  |  |  |
| Total equity and liabilities  |  |  |  |  |
| <b>Profit and Loss</b>  |  |  |  |  |
| 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  |  |  |  |  |
| <b>Cash Flow</b>  |  |  |  |  |
| 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 (%)                     |  |  |  |  |

f. Debt: Equity Ratio of the Issuer:-

|                  |  |
|------------------|--|
| Before the issue |  |
| After the issue  |  |

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

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

a. Details of Share Capital as at last quarter end:-

| Share Capital                                | Amount |
|--|--------|
| Authorized Share Capital                     |        |
| Issued, Subscribed and Paid-up Share Capital |        |

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

| Date of Change ( AGM/EGM) | Particulars |
|---------------------------|-------------|
|                           |             |

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

| Date of Allotment | No. of Equity Shares | Face Value | Issue Price | Consideration (Cash, Other than cash, etc) | Nature of Allotment | Cumulative           |                      |                      | Remarks |
|-------------------|----------------------|------------|-------------|--|---------------------|----------------------|----------------------|----------------------|---------|
|                   |                      |            |             |  |                     | No. of Equity Shares | Equity Share Capital | Equity Share Premium |         |
|                   |                      |            |             |  |                     |                      |                      |                      |         |
|                   |                      |            |             |  |                     |                      |                      |                      |         |

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

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

| Type of Event | Date of Announcement | Date of Completion | Details |
|---------------|----------------------|--------------------|---------|
|               |                      |                    |         |

f. Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations:-

g. List of top 10 holders of equity shares of the Company as at the latest quarter end:-

| S. 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 |
|--------|--------------------------|---------------------------|----------------------------|--|
|        |                          |                           |                            |  |

2.3.11 Following details regarding the directors of the Company:-

a. 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) |
|---------------------------|-----|---------|---------------------|-------------------------------|------------------------------------|
|                           |     |         |                     |                               |                                    |

b. 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 |
|---------------------------|---------------------|----------------------------------|------------------------------------|---------|
|                           |                     |                                  |                                    |         |

2.3.12 Following details regarding the auditors of the Issuer:-

a. Details of the auditor of the Issuer:-

| Name of the Auditor | Address | Auditor since |
|---------------------|---------|---------------|
|                     |         |               |

b. Details of change in auditor for last three years:-

| Name of the Auditor | Address | Date of Appointment | Date of cessation, if applicable | Date of Resignation, if applicable |
|---------------------|---------|---------------------|----------------------------------|------------------------------------|
|                     |         |                     |                                  |                                    |

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

## a. Details of Outstanding Secured Loan Facilities :-

| Name of lender | Type of Facility | Amount Sanctioned | Principal Amount outstanding | Repayment Date / Schedule | Security |
|----------------|------------------|-------------------|------------------------------|---------------------------|----------|
|                |                  |                   |                              |                           |          |

## b. Details of Outstanding Unsecured Loan Facilities:-

| Name of lender | Type of Facility | Amount Sanctioned | Principal Amount outstanding | Repayment Date / Schedule |
|----------------|------------------|-------------------|------------------------------|---------------------------|
|                |                  |                   |                              |                           |

## c. Details of Outstanding Non-Convertible Securities-

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

## d. List of top 10 holders of non-convertible securities in terms of value (in cumulative basis)

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

## e. Details of outstanding Commercial Paper as at the end of the last quarter in the following format:-

| S. No. | ISIN of Commercial Paper | Maturity Date | Amount Outstanding |
|--------|--------------------------|---------------|--------------------|
|        |                          |               |                    |

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

| Name of Party ( in case of facility)/ Name of Instrument | Type of facility/ Instrument | Amount sanctioned/ issued | Principal Amount outstanding | Date of Repayment/ Schedule | Credit Rating | Secured/ Unsecured | Security |
|--|------------------------------|---------------------------|------------------------------|-----------------------------|---------------|--------------------|----------|
|  |                              |                           |                              |                             |               |                    |          |

2.3.14 Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued:

(vii) in whole or part,

(viii) at a premium or discount, or

(ix) in pursuance of an option or not

2.3.15 Where the issuer is a Non-Banking Finance Company or Housing Finance Company the following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

| S. No. | Particulars of disclosure  | Details  |
|--------|--|--|
| 1.     | <b>Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC</b> | <b>Lending Policy</b><br><b>Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc</b><br><b>Classification of loans into several maturity profile denomination,</b><br><b>Aggregated exposure to top 20 borrowers</b><br><b>Details of loans, overdue and classified as Non performing assets (NPA)</b> |
| 3.     | <b>Details of borrowings made by NBFC</b>  | <b>Portfolio Summary of borrowings made by NBFC</b><br><b>Quantum and percentage of Secured vs. Unsecured borrowings</b>   |
| 4.     | <b>Details of change in shareholding</b>   | <b>Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India</b>   |
| 5.     | <b>Disclosure of Assets under management</b>   | <b>Segment wise break up and Type of loans</b>   |
| 6.     | <b>Details of borrowers</b>  | <b>Geographical location wise</b>  |
| 7.     | <b>Details of Gross NPA</b>  | <b>Segment wise</b>  |
| 8.     | <b>Details of Assets and Liabilities</b>   | <b>Residual maturity profile wise into several bucket</b>  |
| 9.     | <b>Additional details of loans made by, Housing Finance Company</b>  |  |
| 10.    | <b>Disclosure of latest ALM statements to stock exchange</b>   |  |

- 2.3.16 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.
- 2.3.17 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 non-convertible securities.
- 2.3.18 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;
- 2.3.19 Details of default and non-payment of statutory dues
- 2.3.20 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.
- 2.3.21 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.
- 2.3.22 Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention
- 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.
  - 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.

#### 2.3.23 Disclosures pertaining to wilful defaulter

- a. The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter:
  - i. Name of the bank declaring as a wilful defaulter;
  - ii. The year in which it was declared as a wilful defaulter;
  - iii. Outstanding amount when declared as a wilful defaulter;
  - iv. Name of the entity declared as a wilful defaulter;
  - v. Steps taken, if any, for the removal from the list of wilful defaulters;
  - vi. Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
  - vii. Any other disclosure as specified by the Board.
- b. 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.

#### 2.3.24 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."

#### 2.3.25 Risk factors

- a. 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.
- b. Risk factors if applicable, should include but not be limited to the following:
- c. Risks in relation to the non-convertible securities.
- d. Risks in relation to the security created in relation to the debt securities, if any.
- e. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.
- f. Limited or sporadic trading of non-convertible securities of the issuer on the stock exchanges.
- g. 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.
- h. If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement

#### 2.3.26 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
- e) 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."*

- 2.3.27 In case of an issue of non-convertible redeemable preference shares, 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"***

2.3.28 Other details

- a. Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability.
- b. Issue/instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines, etc.).
- c. Default in Payment;
- d. Delay in Listing
- e. Delay in allotment of securities
- f. Issue details:
- g. Application process.
- h. Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any.
- i. 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;

2.3.29 Other Details in case of non-convertible redeemable preference shares 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.

**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. |  |
|---|--|



|  |  |
|--|--|
| 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: |  |
| Details of the utilization of the Proceeds   |  |
| Coupon / Dividend Rate   |  |
| Step Up/Step Down Coupon Rate  |  |
| 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  |  |
| 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 thereafter   |  |
| Issue Timing   |  |
| Issue Opening Date   |  |
| Issue Closing date   |  |
| Date of earliest closing of the issue, if any.   |  |
| Pay-in Date  |  |
| 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 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 placement 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:**

- If there is any change in Coupon Rate rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
- The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
- While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.
- The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

**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 [27 (6)] ]**

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 40 and Regulation 44(3)]****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.

PLACE:

DATE:

DEBENTURE TRUSTEE TO THE ISSUE WITH RUBBER STAMP

#### SCHEDULE V

#### FORMAT OF ADVERTISEMENTS FOR PUBLIC ISSUES OF DEBT SECURITIES AND NON- CONVERTIBLE REDEEMABLE PREFERENCE SHARES

[See Regulation 30(1)]

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 \_\_\_\_\_ debt securities/non convertible redeemable preference shares of Rs. \_\_\_\_\_ each at a price of Rs. \_\_\_\_\_ (Summary Details of Coupon, Dividend, 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 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 Regulation 13 and Regulation 51(2)]

**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 Reserve Bank of India or by means of a demand draft drawn in favour of 'the Securities and Exchange Board of India' payable at the place where the draft offer document is filed with the Board.
3. In respect of every private placement of non-convertible securities and Commercial Paper which are listed in terms of these regulations, a non-refundable fee of five thousand rupees shall be paid to the designated stock exchange at the time of listing of 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 Reserve Bank of India or by means of a demand draft drawn in favour of 'the Securities and Exchange Board of India' payable at Mumbai along with the details of the securities listed during the month.

AJAY TYAGI, Chairman

[ADVT.-III/4/Exty./190/2021-22]