

Issue and Listing of Debt Securities



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

July 2017

Price : Rs. 150/- (Excluding postage)

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Published by :

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Printed at /Chandu Press/100/2017

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PREFACE

Debt Markets are the market for issuance, trading and settlement of various types and features offixed income securities.

Today, the Indian Debt Market is in India comprising broadly of two segments, viz., Government Securities Market and Corporate Debt Market on the threshold of momentous change and transition to an efficient, transparent and vibrant market with significant retail participation. A vibrant debt market enables investors to shuffle and re-shuffle their portfolio depending upon the expected changes. A well-functioning debt market becomes significant for all the market participants.

In order to facilitate development of a vibrant primary market for Debt Securities, Securities and Exchange Board of India (SEBI) notified the Regulations for Issue and Listing of Debt Securities on 19th June 2008, to provide for simplified regulatory framework for issuance and listing of non-convertible debt securities (excluding bonds issued by Governments) issued by any company, public sector undertaking or statutory corporations. The Regulations do not apply to issue and listing of, securitized debt instruments and security receipts for which separate regulatory regime is in place.

This publication divided into five Chapters containing four Annexures focuses on Issue and listing of Debt securities under various laws. The Annexures incorporated in this publication include text of relevant Regulations and formats issued by SEBI.

I commend the dedicated efforts put in by CS Khusbu Mohanty, Assistant Director, and CS Sunaina Bhardwaj, Consultant, Directorate of Professional Development, Perspective Planning & Studies, ICSI in preparing the manuscript of this publication under the guidance and overall supervision of CS Mahavir Lunawat, Chairman, Financial Services Committee & Central Council Member, The ICSI.

I am sure that this publication would be a guiding one stop document for the professionals as well as merchant bankers and investors to learn

and understand the facts and facets of various compliances required under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS) along with the mechanism of adhering to those legal and mandatory requirements while ensuring the smooth governance and growth of debt securities in India.

In any publication of this kind, there would always be scope for further refinements and improvements. I would be personally grateful to the users and readers for offering their suggestions/comments for further improvement.

New Delhi
14 July, 2017

CS (Dr.) Shyam Agrawal
President
The Institute of Company Secretaries of India

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Chapter 1

INTRODUCTION

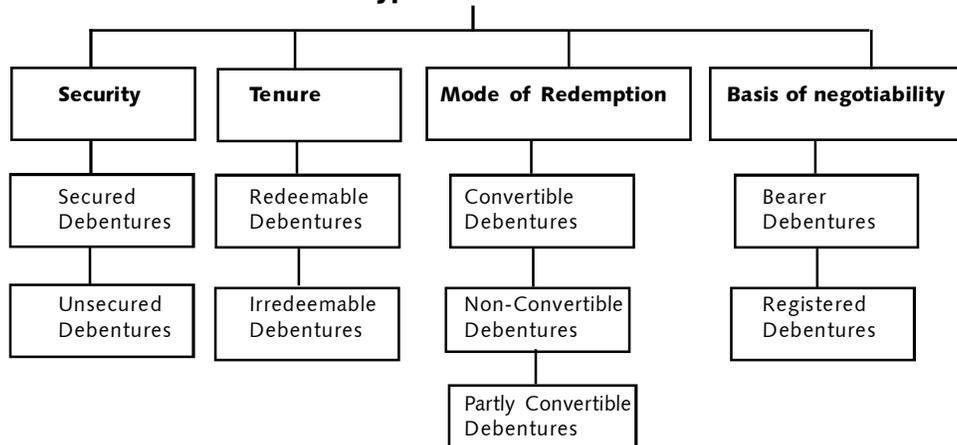


The word 'debenture' has been derived from a Latin word 'debere' which means to borrow. Debentures have been defined under section 2(30) of the Companies Act, 2013 ("2013 Act"). Debenture is a document evidencing a debt or acknowledging it and any document which fulfills either of these conditions is a debenture.

Debenture includes debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of a company or not as defined in the Companies Act. This is an inclusive definition and amounts to borrowing of monies from the holders of debentures on such terms and conditions subject to which the debentures have been issued. Basically it is a document or certificate signed by the authorized officers of a company acknowledging money lent and guaranteeing repayment with interest and creating security on the assets of the company for due performance of its obligation.

Debenture is a written instrument acknowledging a debt to the Company. It contains a contract for repayment of principal after a specified period or at intervals or at the option of the company and for payment of interest at a fixed rate payable usually either half-yearly or yearly on fixed dates.

Types of debentures



Security(a) *Secured Debentures*

Secured debentures refer to those debentures where a charge is created on the assets of the company for the purpose of payment in case of default. A charge ranking *Pari Passu* with the first charge on any assets referred to in Schedule III of the Act excluding intangible assets of the company.

The secured debenture holders have greater protection. Holders of secured debentures remain convinced about the payment of interest and payment of principal in the event of redemption.

(b) *Unsecured Debentures*

These debentures are also known as naked debentures. These debentures are not secured by way of charge on the company's assets. Interest rate payable on unsecured debentures is generally higher than that which is payable on secured debentures.

Tenure*Redeemable Debentures*

Redeemable debentures are those which are payable on the expiry of the specific period (Maximum period 10 years from the date of issue) either in lump sum or in Installments during the life time of the company. Debentures can be redeemed either at par or at premium.

Irredeemable Debentures

Irredeemable debentures are also known as Perpetual Debentures because the company does not give any undertaking for the repayment of money borrowed by issuing such debentures. These debentures are repayable on the winding-up of a company or on the expiry of a long period. Debentures may be for fixed terms or payable on demand. Debentures may be for fixed term of years or repayable on notice. They can legally be framed as payable to bearer.

Mode of Redemption

These debentures are issued by a company on the basis of option provided to them for conversion of debenture in the equity shares of the company after a certain period. It may be classified in the following categories:—

(a) *Convertible Debenture*

These debentures are converted into equity shares of the company on the expiry of a specified period.

(b) *Non-Convertible Debenture*

Non-convertible debentures do not have any option to convert the same into equity shares and are redeemed at the expiry of specified period(s).

(c) *Partly Convertible Debenture*

Partly convertible debentures are divided into two portions, viz., convertible

and non-convertible portion. The convertible portion is converted into equity shares of the company at the expiry of specified period. The non-convertible portion is redeemed at the expiry of the specified period in terms of the issue.

Basis of negotiability

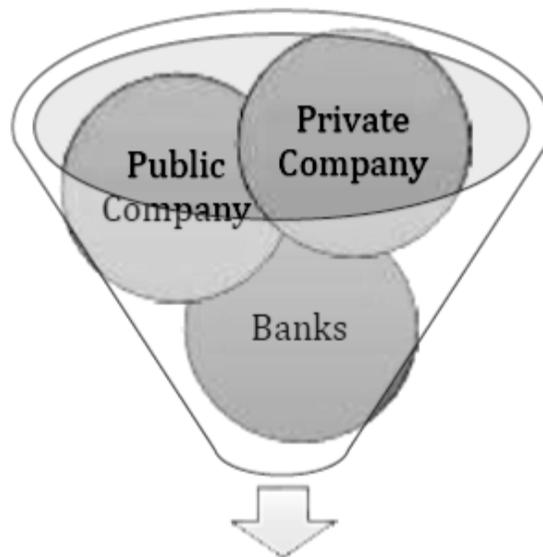
Debentures issued by a company may be negotiable or non-negotiable. There are following two types of debentures:—

Bearer Debentures

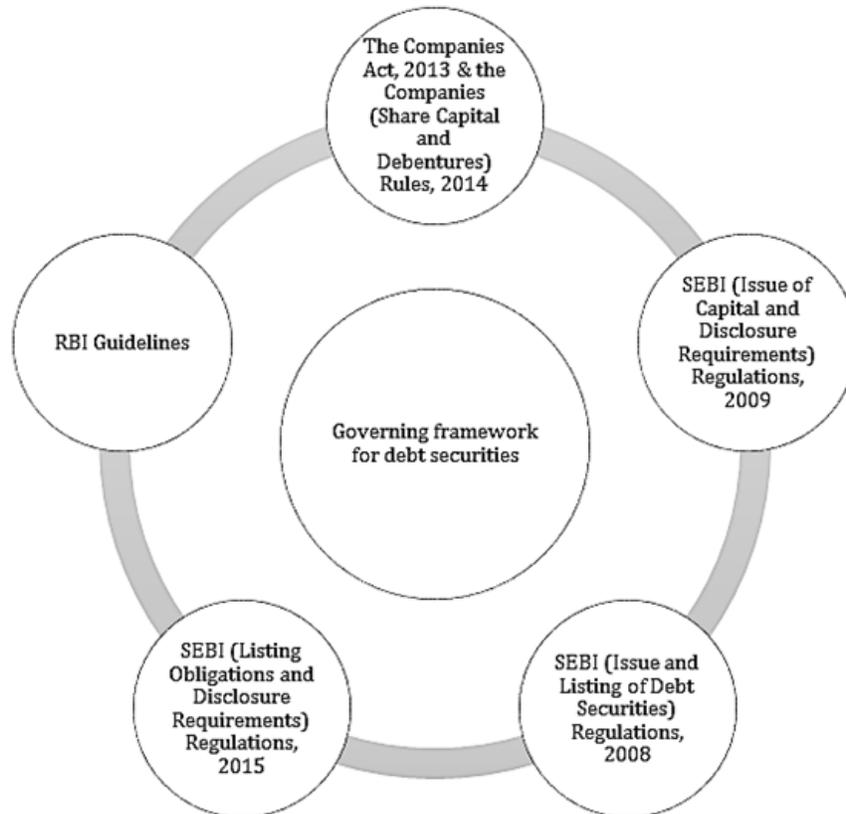
These debentures are payable to bearer of the debentures and transferable by mere delivery. These debentures are also known as unregistered debentures.

Registered Debentures

These debentures are not transferable by mere delivery of debenture certificates and shall be transferred as per the provisions of the Companies Act 2013, by executing transfer deeds and the transfer registered by the company. Registered debentures are not negotiable instruments. A registered holder of a debenture means a person whose name appears both in the debenture certificate and in the register of debenture holders. Principal and interest amount, when due in respect of these debentures are payable to the registered holders thereof only.



Who can Issue Debt Securities ?

GOVERNING FRAMEWORK FOR DEBT SECURITIES

(1) The Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014

Section 71 of the Companies Act, 2013 provides the condition for issue of debentures. A debenture is a legal document that represents a secure means by which a creditor can lend money to the debtor. A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption. The issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting. This means debenture may be non – convertible debenture or convertible debenture. Convertible debenture may either be Fully Convertible Debenture (FCD) or Partly Convertible Debenture.

The companies is required to comply section 71 (Debentures) read with rule 18 of the Companies (Share Capital and Debentures) Rules 2014.

(2) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

SEBI had issued SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”), **to promote the development of a healthy capital market and to protect the interests of investors in securities.** SEBI carefully monitors the dealings and actions of companies planning to raise money on the stock exchanges. The Regulations were notified on September 3, 2009 and replace the Disclosure and Investor Protection (DIP) Guidelines 2000 that now stand rescinded.

Debt securities which are convertible, either partially or fully or optionally into listed or unlisted equity shall be guided by the disclosure norms applicable to equity or other instruments offered on conversion in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(3) SEBI (Issue and Listing of Debt Securities) Regulations, 2008

SEBI (Issue and Listing of Debt Securities) Regulations, 2008 pertaining to issue and listing of debt securities which are not convertible, either in whole or part into equity instruments. They provide for a rationalized disclosure requirements and a reduction of certain onerous obligations attached to an issue of debt securities.

SEBI had notified amendments to the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (**Debt Regulations**) on November 13, 2012. SEBI has undertaken a series of reforms in order to make regulatory framework for debt markets more robust. However, despite constant regulatory efforts to improve the debt markets, the private placement of debt securities has been highly unregulated. Therefore, SEBI has introduced additional disclosure requirements in the recent amendment with a view to make the regulatory framework for private placement of debt securities more robust, and to align the same with the disclosure requirements that are applicable to public issuance of equity shares.

(4) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

The listing of securities is ensured by way of an agreement which is entered into between a stock exchange and the issuing company. This agreement called listing agreement. All Listed entities shall comply with the listing conditions as stipulated in Listing Regulations to provide substantial information about the company to the stock exchanges on a daily basis. The provisions of Chapter V from Regulation 49 to 62 of 'Listing Regulations' shall apply only to a listed entity which has listed its 'Non-convertible Debt Securities' and/or 'Non-Convertible Redeemable Preference Shares' on a recognised stock exchange in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 respectively. The provisions of chapter V shall also be applicable to “perpetual debt instrument” and “perpetual non-cumulative preference share” listed by banks.

(5) RBI Guidelines

RBI guidelines allow banks to raise capital by issue of non-equity instruments such

as Perpetual Non-Cumulative Preference Shares (PNCPS) and innovative Perpetual Debt Instruments (PDI). These instruments need to be in compliance with the specified criteria for inclusion in Additional Tier I Capital. Further, these instruments *inter-alia* should be able to absorb loss either through: (i) conversion to common shares at an objective pre-specified trigger point or (ii) a write-down mechanism that allocates losses to the instruments at a pre-specified trigger point.

Whereas RBI vide circular dated September 01, 2014 on the "Implementation of Basel III Capital Regulations in India – Amendments" has inter-alia allowed banks to issue Additional Tier 1 (AT1) instruments to retail investors. Further, RBI vide its Master Circular on Basel III Capital Regulations dated July 1, 2015 has also specified additional disclosure requirements for PNCPS and PDIs.

* * *

Chapter 2

ISSUE OF DEBT SECURITIES BY PRIVATE & UNLISTED COMPANY

A debenture means a document, which creates or acknowledges a debt. [*Levyv. Abercorries State Co. (1887) 37 Ch D 260*]

Debenture is a written instrument acknowledging a debt to the Company. It contains a contract for repayment of principal after a specified period or at intervals or at the option of the company and for payment of interest at a fixed rate payable usually either half-yearly or yearly on fixed dates. Basically it is a document or certificate signed by the authorized officers of a company acknowledging money lent and guaranteeing repayment with interest and creating security on the assets of the company for due performance of its obligation.

ISSUE AND REDEMPTION OF DEBENTURES [Section 71 of the Companies Act, 2013]

Issue of Debentures

A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption. However, the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

The company shall not issue any debentures carrying any voting rights.

Following are the conditions for issue of Debentures –

- The company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilised by the company except for the redemption of debentures. **[Section 71(4)]**
- The company shall not issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be prescribed in rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. **[Section 71(5)]**
- A debenture trustee shall take steps to protect the interests of the debenture-holders and redress their grievances in accordance with rule 18 of the Companies (Share Capital and Debentures) Rules, 2014. **[Section 71(6)]**
- A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue. **[Section 71(8)]**

- Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders. **[Section 71(9)]**
- Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon. **[Section 71(10)]**
- If any default is made in complying with the order of the Tribunal, every officer of the company who is in default shall be punishable with imprisonment for a term of maximum three years or with minimum fine of two lakh rupees which may extend to five lakh rupees, or with both. **[Section 71(11)]**
- A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance. **[Section 71(12)]**
- The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters. **[Section 71(13)]**

As per Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the following are the procedure for issue of secured debentures:-

Term of Debentures [Rule 18(1)(a)]

An issue of secured debentures may be made, provided the date of its redemption shall not exceed ten years from the date of issue.

However, the following classes of companies may issue secured debentures for a period exceeding ten years but not exceeding thirty years,

- (i) Companies engaged in setting up of infrastructure projects;
- (ii) 'Infrastructure Finance Companies' as defined in clause (viia) of sub direction (1) of direction 2 of Non-Banking Financial (Non-deposit accepting or holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
- (iii) Infrastructure Debt Fund Non-Banking Financial Companies' as defined in clause (b) of direction 3 of Infrastructure Debt Fund Non-Banking Financial Companies (Reserve Bank) Directions, 2011;
- (iv) Companies permitted by a Ministry or Department of the Central Government or by Reserve Bank of India or by the National Housing Bank or by any other statutory authority to issue debentures for a period exceeding ten years.

Secured by Charge [Rule 18(1) (b)]

Debentures shall be secured by the creation of a charge on the properties or assets of the company or its subsidiaries or its holding company or its associate companies, having a value which is sufficient for the due repayment of the amount of debentures and interest thereon.

Appointment of Debentures Trustee [Rule 18(1) (c)]

The company shall appoint the debenture trustee before the issue of prospectus or letter of offer for subscription of its debentures and not later than sixty days after the allotment of the debentures, execute a debenture trust deed to protect the interest thereon.

Charge/Mortgage in favour of Debenture Trustee [Rule 18(1) (d)]

The security for the debentures by way of a charge or mortgage shall be created in favour of the debenture trustee on:-

- (i) any specific movable property of the company or its holding company or subsidiaries or associate companies or otherwise.
- (ii) any specific immovable property wherever situate, or any interest therein.

However, in case of a non-banking financial company, the charge or mortgage under sub-clause (i) may be created on any movable property.

Further that in case of any issue of debentures by a Government company which is fully secured by the guarantee given by the Central Government or one or more State Government or by both, the requirement for creation of charge under this sub-rule shall not apply.

In case of any loan taken by a subsidiary company from any bank or financial institution the charge or mortgage under this sub-rule may also be created on the properties or assets of the holding company.

Conditions for Appointment of Debenture Trustee [Rule 18(2)]

The company shall appoint debenture trustees under section 71(5) of the Companies Act, 2013, after obeying with the following conditions, namely:-

- (a) The names of the debenture trustees shall be stated in letter of offer inviting subscription for debentures and also in all the subsequent notices or other communications sent to the debenture holders;
- (b) Before the appointment of Debenture Trustee or trustees, a written consent shall be obtained from such debenture trustee or trustees proposed to be appointed and a statement to that effect shall appear in the letter of offer issued for inviting the subscription of the debentures;
- (c) A person shall not be appointed as a debenture trustee, if he-
 1. beneficially holds shares in the company;

2. is a promoter, director or key managerial personnel or any other officer or an employee of the company or its holding, subsidiary or associate company;
 3. is beneficially entitled to moneys which are to be paid by the company otherwise than as remuneration payable to the debenture trustee;
 4. is indebted to the company, or its subsidiary or its holding or associate company or a subsidiary of such holding company;
 5. has furnished any guarantee in respect of the principal debts secured by the debentures or interest thereon;
 6. has any pecuniary relationship with the company amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 7. is relative of any promoter or any person who is in the employment of the company as a director or key managerial personnel.
- (d) The Board of directors may fill any casual vacancy in the office of the trustee but while any such vacancy continues, the remaining trustee or trustees, if any, may act. However, where such vacancy is caused by the resignation of the debenture trustee, the vacancy shall only be filled with the written consent of the majority of the debenture holders.
- (e) Any debenture trustee may be removed from office before the expiry of his term only if it is approved by the holders of not less than three fourth in value of the debentures outstanding, at their meeting.

Duties of Debentures Trustee [Rule 18(3)]

It shall be the duty of every debenture trustee to-

- (a) satisfy himself that the letter of offer does not contain any matter which is inconsistent with the terms of the issue of debentures or with the trust deed;
- (b) satisfy himself that the covenants in the trust deed are not prejudicial to the interest of the debenture holders;
- (c) call for periodical status or performance reports from the company;
- (d) communicate promptly to the debenture holders defaults, if any, with regard to payment of interest or redemption of debentures and action taken by the trustee therefor;
- (e) appoint a nominee director on the Board of the company in the event of-
 - two consecutive defaults in payment of interest to the debenture holders;
or
 - default in creation of security for debentures; or
 - default in redemption of debentures.

-
- (f) ensure that the company does not commit any breach of the terms of issue of debentures or covenants of the trust deed and take such reasonable steps as may be necessary to remedy any such breach;
 - (g) inform the debenture holders immediately of any breach of the terms of issue of debentures or covenants of the trust deed;
 - (h) ensure the implementation of the conditions regarding creation of security for the debentures, if any, and debenture redemption reserve;
 - (i) ensure that the assets of the company issuing debentures and of the guarantors, if any, are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the debenture holders;
 - (j) do such acts as are necessary in the event the security becomes enforceable;
 - (k) call for reports on the utilization of funds raised by the issue of debentures;
 - (l) take steps to convene a meeting of the holders of debentures as and when such meeting is required to be held;
 - (m) ensure that the debentures have been converted or redeemed in accordance with the terms of the issue of debentures;
 - (n) perform such acts as are necessary for the protection of the interest of the debenture holders and do all other acts as are necessary in order to resolve the grievances of the debenture holders.

Liability of Debenture Trustee [Section 71(7) of Companies Act, 2013]

Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion.

The liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than 3/4th in value of the total debentures at a meeting held for the purpose.

Meetings of Debenture Holders by Debenture Trustee [Rule 18(4)]

The meeting of all the debenture holders shall be convened by the debenture trustee on-

- (a) requisition in writing signed by debenture holders holding at least one-tenth in value of the debentures for the time being outstanding;
- (b) the happening of any event, which constitutes a breach, default or which in the opinion of the debenture trustees affects the interest of the debenture holders.

Debenture Trust Deed [Rule 18(5)]

Debenture Trust deed is a written instrument legally conveying property to a trustee often for the purpose of securing a loan or mortgage. It is the document creating and setting out the terms of a trust. It will usually contain the names of the trustees, the identity of the beneficiaries and the nature of the trust property, as well as the powers and duties of the trustees. It constitutes trustees charged with the duty of looking after the rights and interests of the debenture holders.

A trust deed for securing any issue of debentures shall be open for inspection to any member or debenture holder of the company, in the same manner, to the same extent and on the payment of the same fees, as if it were the register of members of the company; and a copy of the trust deed shall be forwarded to any member or debenture holder of the company, at his request, within seven days of the making thereof, on payment of fee.

As per section 71 and sub-rule (1) of Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 a trust deed in Form No. SH.12 or as near thereto as possible shall be executed by the company issuing debentures in favour of the debenture trustees within three months of closure of the issue or offer.

Debentures Redemption Reserve [Rule 18(7)]

The company shall create a Debenture Redemption Reserve for the purpose of redemption of debentures, in accordance with the conditions given below-

- (a) the Debenture Redemption Reserve shall be created out of the profits of the company available for payment of dividend;
- (b) *No need of creation of DRR* : No need of creation of DRR for debenture issued by
 - All India Financial Institutions (AIFIs) regulated by Reserve Bank of India.
 - Banking Companies.

For other Financial Institutions (FIs) within the meaning of clause (72) of section 2 of Companies Act, 2013, DRR will be as applicable to NBFCs registered with RBI.

- (c) *Percentage of contribution in DRR* : Companies other than clause (b) including manufacturing and infrastructure companies, the adequacy of DRR will be 25% of the value of outstanding debentures issued through public issue as per present SEBI (Issue and Listing of Debt Securities), Regulations 2008 and 25% also in the case of privately placed debentures by listed companies.

For unlisted companies issuing debentures on private placement basis, the DRR will be 25% of the value of outstanding debentures. However, where a Company intends to redeem its debentures prematurely, it may provide for transfer of such amount in Debenture Redemption Reserve as is necessary for redemption of such debentures even if it exceeds the limits specified in this sub-rule.

- (d) every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:-
- (i) in deposits with any scheduled bank, free from any charge or lien;
 - (ii) in unencumbered securities of the CG or of any SG;
 - (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
 - (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882;
 - (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year ending on the 31st March of that year.

However, the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen per cent of the amount of the debentures maturing during the year ending on the 31st day of March of that year;

- (e) in case of partly convertible debentures, Debenture Redemption Reserve shall be created in respect of non-convertible portion of debenture issue in accordance with this sub-rule.
- (f) the amount credited to the Debenture Redemption Reserve shall not be utilised by the company except for the purpose of redemption of debentures.

Inspection of Trust Deed [Rule 18(8)]

A trust deed for securing any issue of debentures shall be open for inspection to any member or debenture holder of the company, in the same manner, to the same extent and on the payment of the same fees, as if it were the register of members of the company.

A copy of the trust deed shall be forwarded to any member or debenture holder of the company, at his request, within seven days of the making thereof, on payment of fee.

PROCEDURE FOR ISSUE OF DEBENTURES UNDER COMPANIES ACT, 2013

- (1) Identify the person to whom you will issue Debentures. Prepare the list of such persons to whom offer to subscribe debenture will give. Prepare Draft offer letter under **PAS-4**.
- (2) Issue Notice of Board Meeting to all the directors of Company **at least 7 days before the date of Board Meeting**. Attach Agenda, Notes to Agenda and draft resolution of Board Meeting along with Notice. Approach the Debenture trustee and obtain the consent of the Debenture Trustee.
- (3) Approve the list of such persons to whom offer for subscription will be given.

- (4) Pass Board Resolution for following purposes :
 - Approval of offer letter;
 - To increase borrowing limit of the Company subject to approval of the Shareholder in General Meeting;
 - Issue the Notice of General Meeting along with explanatory statement. (According to SS-2);
 - Authorize a Company Secretary or director of Company to issue notice of General Meeting;
 - Take note of valuation report.
 - Open Separate Bank Account for allotment of debentures.
 - Appointment of debenture trustee, if required.
- (5) Hold Extra Ordinary General Meeting and pass special resolution for issue of debentures and to increase the borrowing limit of the Company to issue Debentures.
- (6) Offer letter shall be accompanied by an application form serially numbered and addressed specifically to the person to whom the offer is made. Offer Letter sent either in writing or electronic mode. Issue offer letter within 30 days of General Meeting/recording the name of such person. Offer letter should mention the name of the Debenture Trustee, if appointed.
- (7) File **MGT-14** with Registrar **within 30 days** of passing of Special Resolution. Attachments: Notice of General Meeting along with Explanatory Statement, Certified True copy of Special Resolution and Minutes of General Meeting (**No need to file this MGT-14 in case of Private Limited Company**)
- (8) Open a Separate Bank Account for debentures and File GNL-2 with Registrar within 30 days of circulation of offer letter.
- (9) Hold the Board Meeting and Present List of Allottees before the Meeting. Pass Board Resolution for allotment of Debentures (within 60 days of receiving of money).
- (10) Issue of Debentures Certificate in same Meeting and authorize two directors and a person to sign Debentures certificate.
- (11) Enter into Debenture Trust deed (**SH-12**), if required.
- (12) File **CHG-9** and File **PAS-3** with Registrar of Company.
- (13) The entries in the registers maintained under section 88 in form **MGT-2** shall be made within 7(Seven) days after the Board of Directors approves the allotment of debentures.
- (14) The Debenture Certificate shall be issue within 6 (Month) months from the date of allotment of Debentures.

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- (15) Stamp Duty settlement as per provisions & rates of Stamp Act of the State (only applicable on Marketable Debenture).

Note:

- Required to appoint debenture trustee in case company giving offer to subscribe debentures to more than 500 persons.
- This resolution will be passed only in the condition when the current borrowing along with old borrowing exceeding the 100% of paid up share capital and free reserve.
- The Company have time of 3 months from the date of closure of offer for execute debenture trust deed.

* * *

Chapter 3

ISSUE OF LISTING OF DEBT SECURITIES BY PUBLIC COMPANY

When a public company wishes to issue and list its debt securities on stock exchanges, then it has to comply with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 in addition to Companies Act, 2013. SEBI notified these regulations on 19th June 2008 in order to facilitate development of a vibrant primary market for debt securities in India.

The regulations specify a simplified regulatory framework for issuance and listing of debt securities issued by public company, public sector undertaking or statutory corporations. The Regulations will not apply to issue and listing of, securitized debt instruments and security receipts for which separate regulatory regime is in place.

Further, for listing of Debt Securities is required to comply with SEBI LODR Regulations, 2015. However, it may be noted that SEBI (ICDR) regulations, 2009 is also applicable to issue and listing of debt securities.

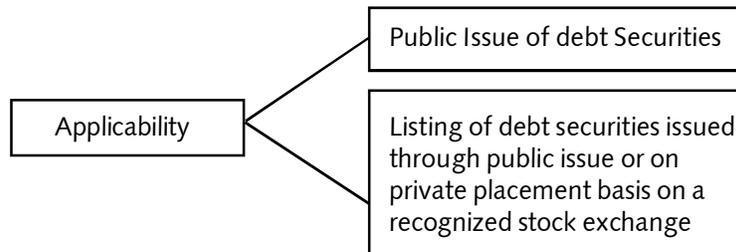
SEBI (Issue and Listing of Debt Securities) Regulations, 2008 ('ILDS Regulations')

These regulations contain 7 chapters and five schedules dealing with the following:

- Chapter I - Preliminary - Regulations 1, 2 and 3;
- Chapter II - Issue Requirements for Public Issues - Regulations 4 to 18;
- Chapter III - Listing of Debt Securities - Regulations 19 to 22;
- Chapter IV - Conditions for Continuous Listing and Trading of Debt Securities - Regulations 23 and 24;
- Chapter V - Obligations of Intermediaries and Issuers - Regulation 25 and 26;
- Chapter VI - Procedure for Action In Case Of Violation of Regulations - Regulation 27, 28 and 29;
- Chapter VII - Miscellaneous - Regulations 30, 31, 32 and 33;
- Schedule I - Disclosures;
- Schedule II - Format for Due Diligence Certificate at the time of filing the offer document with ROCs and Prior to opening of the issue;
- Schedule III - Format of Due Diligence Certificate to be given by the Debenture Trustee before Opening of the Issue
- Schedule IV - Format of Issue Advertisements for Public Issues
- Schedule V - Regulatory Fees

Applicability [Regulation 3]

These Regulations are applicable to –

**Conditions [Regulation 4]**

- The issuer or the person in control of the issuer or its promoter or its director is not restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities; or the issuer or any of its promoters or directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.
- It has made an application to one or more recognized stock exchanges for listing of such securities therein. If the application is made to more than one recognized stock exchanges, the issuer must choose one of them which has nationwide trading terminals as the designated stock exchange.
- It has obtained in-principle approval for listing of its debt securities.
- Credit rating including the unaccepted ratings obtained from more than one credit rating agencies, registered with SEBI shall be disclosed in the offer document.
- The issuer cannot issue debt securities for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.

Explanation:-

- two persons shall be deemed to be “part of the same group” if they belong to the same group within the meaning of clause (ef) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 or if they own “inter-connected undertakings” within the meaning of clause (g) of section 2 of that Act;
- the expression “**under the same management**” shall have the meaning derived from sub-section (1B) of section 370 of the Companies Act, 1956.

Appointment of Intermediaries

- It shall enter into an arrangement with a depository registered with SEBI in accordance with the Depositories Act, 1996 and regulations made there under. **[Regulation 4(2)(d)]**

- The issuer should appoint one or more merchant bankers registered with SEBI at least one of whom shall be a lead merchant banker. **[Regulation 4(3)]**
- The issuer is required to appoint one or more debenture trustees in accordance with the provisions of Section 71 of the Companies Act, 2013 and SEBI (Debenture Trustees) Regulations, 1993. **[Regulation 4(4)]**

Disclosures of Material Information [Regulation 5]

The offer document must contain all material disclosures which are necessary for the subscribers of the debt securities to take an informed investment decision. The offer document contains the following:-

- the disclosures specified in Section 26 of the Companies Act, 2013;
- disclosure specified in Schedule I of these regulations;
- additional disclosures as may be specified by SEBI

The amount of minimum subscription which the issuer seeks to raise and underwriting arrangements shall be disclosed in the offer document.

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

Filing [Regulation 6(1)]

The issuer shall file a draft offer document with the designated stock exchange through the lead merchant banker and also forward a copy of the draft & final offer document to SEBI.

Responsibilities of Merchant Banker

The lead merchant banker must ensure that –

- The draft offer document clearly specifies the names and contact particulars of the compliance officer of the lead merchant banker and the Company including the postal and email address, telephone and fax numbers. **[Regulation 6(4)]**
- All comments received on the draft offer document are suitably addressed and shall also furnish to SEBI a due diligence certificate as per these regulations prior to the filing of the offer document with the Registrar of Companies. **[Regulation 6(5)& (7)]**
- The lead merchant banker shall, prior to filing of the offer document with the Registrar of Companies, furnish to SEBI a due diligence certificate as per Schedule II of these regulations. **[Regulation 6(8)]**

Filing of Shelf Prospectus [Regulation 6A]

- (1) The following companies or entities may file shelf prospectus under section 31 of Companies Act, 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, and scheduled banks as defined under clause (e) of section 2 of the Reserve Bank of India Act, 1934; or

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- (b) Issuers authorized by the notification of Central Board of Direct Taxes to make public issue of tax free secured bonds, with respect to such tax free bond issuances; or
- (c) Infrastructure Debt Funds – Non-Banking Financial Companies regulated by Reserve Bank of India; or
- (d) Non-Banking Financial Companies registered with Reserve Bank of India and Housing Finance Companies registered with National Housing Bank complying with the following criteria:
- having a net worth of at-least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
 - having consistent track record of distributable profit for the last three years;
 - securities issued under the shelf prospectus have been assigned a rating of not less than “AA-” category or equivalent by a credit rating agency registered with SEBI;
 - no regulatory action is pending against the company or its promoters or directors before SEBI, Reserve Bank of India or National Housing Bank;
 - the issuer has not defaulted in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years.

Or

- (e) Listed entities complying with the following criteria:
- whose public issued equity shares or debt securities are listed on recognized stock exchange for a period of at least three years immediately preceding the issue and have been complying with the listing agreement entered into between the issuer and the recognized stock exchanges where the said securities of the issuer are listed;
 - having a net worth of at-least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
 - having consistent track record of distributable profit for the last three years;
 - securities issued under the shelf prospectus have been assigned a rating of not less than “AA-” category or equivalent by a credit rating agency registered with SEBI;
 - no regulatory action is pending against the company or its promoters or directors before SEBI, Reserve Bank of India or National Housing Bank;

- the issuer has not defaulted in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years.
- (2) The issuer filing a shelf prospectus shall file a copy of an information memorandum with the recognised stock exchanges and SEBI, immediately on filing the same with the Registrar.
 - (3) The information memorandum shall contain the disclosures specified in Companies Act, 1956 or Companies Act, 2013, whichever is applicable and rules made thereunder and shall include disclosures regarding summary term sheet, material updation including revision in ratings, if any along with the rating rationale and financial ratios specified in Schedule I, indicating the pre and post issue change.
 - (4) Not more than four issuances shall be made through a single shelf prospectus.

Mode of Disclosure [Regulation 7]

- The draft offer document shall be made public by posting it on the website of the designated stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.
- The draft offer document can also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the debt securities are proposed to be listed.
- The draft and final offer document shall be displayed on the websites of stock exchanges and shall be available for download in PDF / HTML formats.
- Where any person makes a request for a physical copy of the offer document, the same shall be provided to him by the issuer or lead merchant banker.

Advertisements [Regulation 8]

- (1) The issuer should make an advertisement in a national daily with wide circulation, on or before the issue opening date and such advertisement, amongst other things must contain the disclosures as per Schedule IV specified in this regulations.
- (2) An issuer should not issue an advertisement –
 - which is misleading in material particular or which contains any information in a distorted manner or which is manipulative or deceptive or extraneous matters.
 - which contain a statement, promise or forecast which is untrue or misleading and the advertisement shall be truthful, fair and clear.
 - during the subscription period any reference to the issue of debt securities or be used for solicitation.

Abridged Prospectus and Application Forms [Regulation 9]

The issuer and lead merchant banker shall ensure that:

- Every application form issued is accompanied by a copy of the abridged prospectus and it shall not contain any extraneous matters.
- Adequate space has been provided in the application form to enable the investors to fill in various details like name, address, etc.

The issuer may provide the facility for subscription of application in electronic mode.

On-line Issuances [Regulation 10]

An issuer proposing to issue debt securities to the public through the on-line system of the designated stock exchange shall comply with the relevant applicable requirements as may be specified by SEBI.

Issue Price (Regulation 11)

A Company may determine the price of debt securities in consultation with the lead merchant banker and the issue may be at fixed price or the price may be determined through book building process in accordance with the procedure as may be specified by SEBI.

Minimum Subscription [Regulation 12]

The minimum subscription for public issue of debt securities shall be specified as 75% of the base issue size for both NBFCs and Non NBFC issuers. Further, if the issuer does not receive minimum subscription of its base issue size (75%), then the entire application monies shall be refunded within 12 days from the date of the closure of the issue. In the event, there is a delay, by the issuer in making the aforesaid refund, then the issuer shall refund the subscription amount along with interest at the rate of 15% per annum for the delayed period.

However, the issuers issuing tax-free bonds, as specified by CBDT, shall be exempted from the above proposed minimum subscription limit.

Explanation : In any public issue of debt securities, the base issue size shall be minimum Rs 100 crores.

Optional Underwriting [Regulation 13]

A public issue of debt securities may be underwritten by an underwriter registered with SEBI and in such a case adequate disclosures regarding underwriting arrangement shall be disclosed in the offer document.

Prohibition of Mis-statements in the Offer Document [Regulation 14]

- The offer document shall not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading.
- The offer document or abridged prospectus or any advertisement issued by an

issuer in connection with a public issue of debt securities shall not contain any false or misleading statement.

Trust Deed [Regulation 15]

A trust deed shall –

- (1) be executed by the issuer in favour of the debenture trustee within three months of the closure of the issue.
- (2) contain such clauses as may be prescribed under section 71 of the Companies Act, 2013 and those mentioned in Schedule IV of SEBI (Debenture Trustees) Regulations, 1993.
- (3) not contain a clause which has the effect of –
 - limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the investors.
 - limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by SEBI.
 - indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.

Debenture Redemption Reserve [Regulation 16]

- The issuer shall create a debenture redemption reserve in accordance with the provisions of the Companies Act, 2013 and circulars issued by Central Government in this regard.
- Where the Company has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities, any distribution of dividend shall require approval of the debenture trustees.

Creation of Charge [Regulation 17]

The proposal to create a charge or security, if any, in respect of secured debt securities shall be disclosed in the offer document along with its implications.

An undertaking from the Company is given in the offer document that the assets on which charge is created are free from any encumbrances and if the assets are already charged to secure a debt, the permissions or consent to create second or pari passu charge on the assets of the issuer have been obtained from the earlier creditor.

The issue proceeds shall be kept in an escrow account until the documents for creation of security as stated in the offer document, are executed.

Right to recall or redeem prior to maturity [Regulation 17A]

An issuer making public issue of debt securities may recall such securities prior to maturity date at his option (call) or provide such right of redemption prior to maturity date (put) to all the investors or only to retail investors, at their option, subject to the following:

- Such right to recall or redeem debt securities prior to maturity date is exercised

in accordance with the terms of issue and detailed disclosure in this regard is made in the offer document including date from which such right is exercisable, period of exercise (which shall not be less than three working days), redemption amount (including the premium or discount at which such redemption shall take place);

- The issuer or investor may exercise such right with respect to all the debt securities issued or held by them respectively or with respect to a part of the securities so issued or held ;
- 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;
- No such right shall be exercisable before expiry of twenty four months from the date of issue of such debt securities;
- Issuer shall send notice to all the eligible holders of such debt securities at least twenty one days before the date from which such right is exercisable;
- Issuer shall also provide a copy of such notice to the stock exchange where the such debt securities are listed for wider dissemination and shall make an advertisement in the national daily having wide circulation indicating the details of such right and eligibility of the holders who are entitled to avail such right ;
- Issuer shall pay the redemption proceeds to the investors along with the interest due to the investors within fifteen days from the last day within which such right can be exercised;
- Issuer shall pay interest at the rate of fifteen per cent per annum for the period of delay, if any,
- After the completion of the exercise of such right, the issuer shall submit a detailed report to the stock exchange for public dissemination regarding the debt securities redeemed during the exercise period and details of redemption thereof.

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

Redemption and Roll-over [Regulation 18]

- (1) The issuer shall redeem the debt securities in terms of the offer document.
- (2) An issuer desirous of rolling-over the debt securities issued by it, it shall do so only upon passing of a special resolution of holders of such securities and give twenty one days' notice of the proposed roll over to them.
- (3) The notice shall contain disclosures with regard to credit rating and rationale for roll-over.
- (4) Prior to sending the notice to holders of debt securities, the issuer must file a copy of the notice and proposed resolution with the stock exchanges where such securities are listed, for dissemination of the same to public on its website.

- (5) The debt securities issued can be rolled over subject to the following conditions—
- A special resolution has been passed by the holders of debt securities through postal ballot having the consent of not less than 75% of the holders by value of such debt securities.
 - At least one rating is obtained from a credit rating agency within a period of six months prior to the due date of redemption and is disclosed in the notice.
 - Fresh trust deed shall be executed at the time of such roll-over or the existing trust deed can be continued if the trust deed provides for such continuation.
 - Adequate security shall be created or maintained in respect of such debt securities to be rolled-over.

The issuer shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

Mandatory Listing [Regulation 19]

- An issuer desirous of making an offer of debt securities to public shall make an application for listing to one or more recognized stock exchanges in terms of sub-section (1) of section 40 of the Companies Act, 2013.
- It must comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.
- Where of the company has disclosed the intention to seek listing of debt securities issued on private placement basis, it shall forward the listing application along with the disclosures specified in Schedule I to the recognized stock exchange within fifteen days from the date of allotment of such debt securities.

Consolidation and re-issuance [Regulation 20A]

An issuer may carry out consolidation and re-issuance of its debt securities, subject to the fulfilment of the following conditions:

- (a) there is such an enabling provision in its articles under which it has been incorporated;
- (b) the issue is through private placement;
- (c) the issuer has obtained fresh credit rating for each re-issuance from at least one credit rating agency registered with SEBI and is disclosed;
- (d) such ratings shall be revalidated on a periodic basis and the change, if any, shall be disclosed;
- (e) appropriate disclosures are made with regard to consolidation and re-issuance in the Term Sheet.

Relaxation of strict enforcement of rule 19 of Securities Contracts (Regulation) Rules, 1957 [Regulation 22]

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

- (a) sub-rules (1) and (3) of rule 19 the said rules in relation to listing of debt securities issued by way of a public issue or a private placement;
- (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;
 - (ii) issued to 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 infrastructure sector.

Explanation : For the purposes of this regulation the terms "Infrastructure Company" and "Infrastructure Sector" shall have the same meaning as assigned to them under the SEBI (Disclosure and Investor Protection) Guidelines, 2000 or any successor thereof.

Continuous Listing [Regulation 23]

- (1) All the issuer shall comply with the conditions of listing specified in the respective listing agreement for debt securities while making public issues of debt securities or seeking listing of debt securities issued on private placement basis.
- (2) Each rating obtained by the issuer shall be periodically reviewed by the registered credit rating agency and any revision in the rating shall be promptly disclosed by the issuer to the stock exchange(s) where the debt securities are listed.
- (3) Any change in rating shall be promptly disseminated to investors and prospective investors in such manner as the stock exchange may determine from time to time.
- (4) Debenture trustee must disclose the information to the investors and the general public by issuing a press release in any of the following events:
 - (a) default by the issuer to pay interest on debt securities or redemption amount;
 - (b) failure to create a charge on the assets;
 - (c) revision of rating assigned to the debt securities.

Trading [Regulation 24]

- While issuing debt securities to the public or on a private placement basis, which are listed in recognized stock exchanges, shall be traded and such trades shall be cleared and settled in recognized stock exchanges it should satisfy the conditions as specified by SEBI.
- The trades of debt securities which have been made over the counter shall be

reported on a recognized stock exchange having a nationwide trading terminal or such other platform as may be specified by SEBI.

- SEBI may specify conditions for reporting of trades on the recognized stock exchange or other platform.

Information to be displayed on Website

- The disclosures as specified in Schedule-I accompanied by the latest annual report shall be made on the websites of stock exchanges where such securities are proposed to be listed and shall be available for download in PDF / HTML formats.
- The issuer, the respective debenture trustees and stock exchanges shall disseminate all information and reports including compliance reports filed by the issuers and the debenture trustees regarding the debt securities to the investors and the general public by placing them on their websites.
- The information shall also be placed on the websites, if any, of the debenture trustee, the issuer and the stock exchanges.

Obligations of Debenture Trustee [Regulation 25]

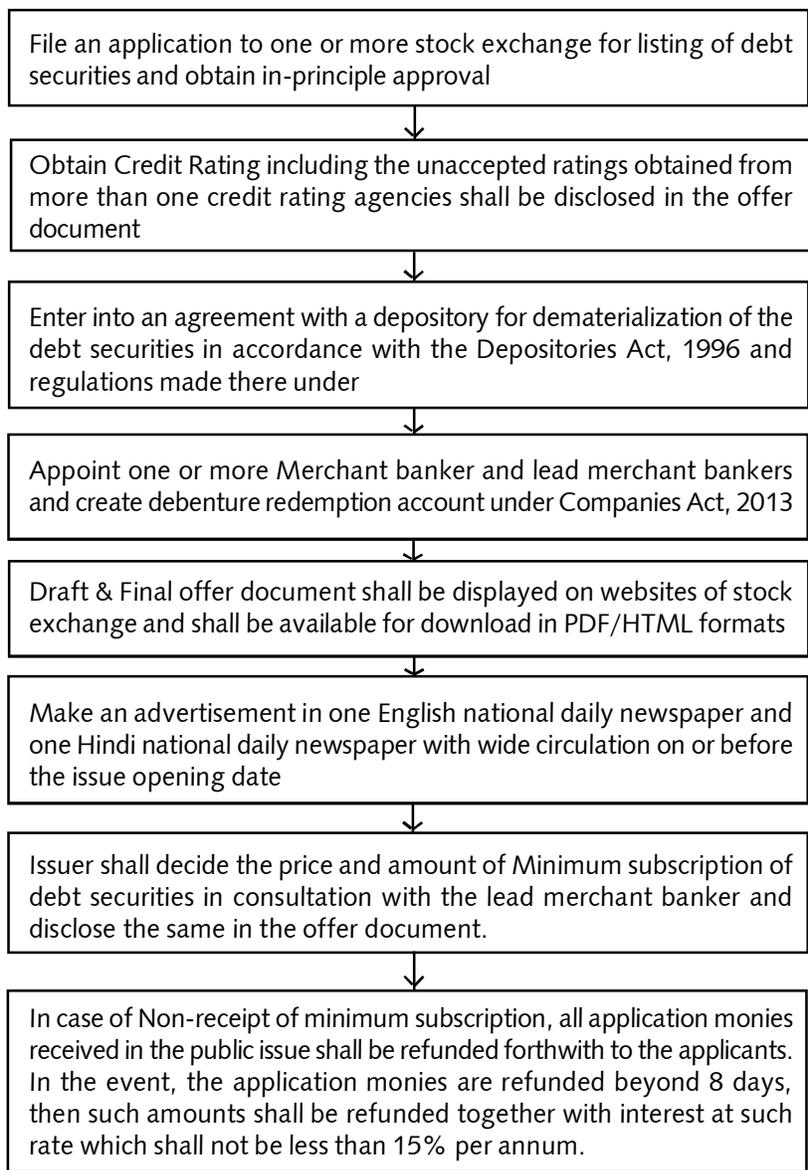
- The debenture trustee shall prior to the opening of the public issue, furnish to SEBI a due diligence certificate as per these regulations.
- The debenture trustee shall be vested with the requisite powers for protecting the interest of holders of debt securities including a right to appoint a nominee director on the Board of the issuer in consultation with institutional holders of such securities.
- The debenture trustee shall carry out its duties and perform its functions under these regulations, the SEBI (Debenture Trustees) Regulations, 1993, the trust deed and offer document, with due care, diligence and loyalty.
- The debenture trustee shall ensure disclosure of all material events on an ongoing basis.
- The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities and debenture redemption reserve.

Obligations of the Issuer, Lead Merchant Banker, etc. [Regulation 26]

- The issuer ensure that all the material facts disclosed in the offer documents issued or distributed to the public are true, fair and adequate and there is no mis-leading or untrue statements or mis-statement in the offer document.
- The Merchant Banker shall ensure verify and confirm that the disclosures made in the offer documents are true, fair and adequate and the issuer is in compliance with these regulations as well as all transaction specific disclosures specified in section 26 of the Companies Act, 2013.
- The issuer shall treat the applicant in a fair and equitable manner as per the procedures as may be specified by SEBI.

- In respect of assignments undertaken for issue, offer and distribution of securities to the public the intermediaries shall be responsible for the due diligence.
- A person shall not employ any device, scheme or artifice to defraud in connection with issue or subscription or distribution of debt securities which are listed or proposed to be listed on a recognized stock exchange.
- The issuer and the merchant banker shall ensure that the security created to secure the debt securities is adequate to ensure 100% asset cover for the debt securities.

Procedure for Issue of debt securities under SEBI (Issue and Listing of Debt Securities) Regulations, 2008



ISSUANCE AND LISTING OF GREEN DEBT SECURITIES

SEBI (Issue and Listing of Debt Securities) Regulations, 2008 ("SEBI ILDS Regulations"), governs public issue of debt securities and listing of debt securities issued through public issue or on private placement basis, on a recognized stock exchange. For public issue and listing of Green Debt Securities and listing of privately placed Green Debt Securities, in addition to the requirements as prescribed under SEBI ILDS Regulations and Circulars made thereunder, following shall also be applicable.

Meaning of Green Debt Securities

A Debt Security shall be considered as "Green or Green Debt Securities", if the funds raised through issuance of the debt securities are to be utilised for project(s) and/or asset(s) falling under any of the following broad categories:

- (a) Renewable and sustainable energy including wind, solar, bioenergy, other sources of energy which use clean technology etc.;
- (b) Clean transportation including mass/public transportation etc.;
- (c) Sustainable water management including clean and/or drinking water, water recycling etc.;
- (d) Climate change adaptation;
- (e) Energy efficiency including efficient and green buildings etc.;
- (f) Sustainable waste management including recycling, waste to energy, efficient disposal of wastage etc.;
- (g) Sustainable land use including sustainable forestry and agriculture, afforestation etc.;
- (h) Biodiversity conservation;
- (i) Any other category as may be specified by SEBI, from time to time.

Disclosures in Offer Document/Disclosure Document and other requirements

The issuer of a Green Debt Securities shall make following disclosures:

- (a) A statement on environmental objectives of the issue of Green Debt Securities;
- (b) Brief details of decision-making process issuer has followed/would follow for determining the eligibility of project(s) and/or asset(s), for which the proceeds are been raised through issuance of Green Debt Securities. An indicative guideline of the details to be provided is as under:
 - process followed/to be followed for determining how the project(s) and/or asset(s) fit within the eligible green projects categories;
 - the criteria, making the project(s) and/or asset(s) eligible for using the Green Debt Securities proceeds; and
 - environmental sustainability objectives of the proposed green investment.

- (c) Issuer shall provide the details of the system/procedures to be employed for tracking the deployment of the proceeds of the issue.
- (d) Details of the project(s) and/or asset(s) or areas where the issuer, proposes to utilise the proceeds of the issue of Green Debt Securities, including towards refinancing of existing green project(s) and/or asset(s), if any.
- (e) The issuer may appoint an independent third party reviewer/certifier, for reviewing /certifying the processes including project evaluation and selection criteria, project categories eligible for financing by Green Debt Securities, etc. Such appointment is optional and shall be disclosed in the offer document.

Continuous Disclosure

An issuer who has listed its Green Debt Securities, alongwith compliances as under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall provide following disclosures along with its annual report and financial results:

- (a) Details of utilisation of the proceeds and unutilized proceeds of the issue, as disclosed in offer document/disclosure document. These details shall be provide along with the half yearly and annual financial results.

However, the utilisation of the proceeds shall be verified by the report of an external auditor, to verify the internal tracking method and the allocation of funds towards the project(s) and/or asset(s), from the proceeds of Green Debt Securities.

- (b) Other additional disclosures have to be provided along with annual report:
 - List of project(s) and/or asset(s) to which proceeds of the Green Debt Securities have been allocated/invested including a brief description of such project(s) and/or asset(s) and the amounts disbursed.

However, where confidentiality agreements limit the amount of details that can be made available about specific project(s) and/or asset(s), information shall be presented about the areas in which such project(s) and/or asset(s) fall into.

- Qualitative performance indicators and, where feasible, quantitative performance measures of the environmental impact of the project(s) and/or asset(s). If the quantitative benefits/impact cannot be ascertained, then the said fact may be appropriately disclosed along with the reasons for non-ascertainment of the benefits/impact on the environment.
- Methods and the key underlying assumptions used in preparation of the performance indicators and metrics;

Obligations of the issuer

An issuer of Green Debt Securities shall:

- Maintain a decision-making process which it uses to determine the continuing eligibility of the project(s) and/or asset(s). This includes, without limitation a

statement on the environmental objectives of the Green Debt Securities and a process to determine whether the project(s) and/or asset(s) meet the eligibility requirements.

- Ensure that all project(s) and/or asset(s) funded by the proceeds of Green Debt Securities, meet the documented objectives of Green Debt Securities.
- Utilise the proceeds only for the stated purpose, as disclosed in the offer document.

An issuer of Green Debt Securities or any agent appointed by the issuer, if follows any globally accepted standard(s) for the issuance of Green Debt Securities including measurement of the environmental impact, identification of the project(s) and/or asset(s), utilisation of proceeds, etc., shall disclose the same in the offer document/disclosure document and/or in continuous disclosures.

SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Chapter V of SEBI (LODR) Regulations, 2015 provides for the obligations of Listed Entity which has listed its '**Non-convertible Debt Securities' and/or 'Non-Convertible Redeemable Preference Shares'** on a recognised stock exchange in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 respectively.

"Non-Convertible Debt Securities" means a securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments.

Compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Obligation of Listed Entity which has listed its non-convertible debt securities

The Provisions of Chapter V of SEBI (LODR) Regulations, 2015 shall apply only to a listed entity which has listed its 'Non-convertible Debt Securities' on a recognised stock exchange in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 respectively.

Intimation to stock exchange(s) [Regulation 50]

- The listed entity shall give prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds shall be payable.
- The listed entity shall intimate the stock exchange(s), its intention to raise funds through new non-convertible debt securities or non-convertible

redeemable preference shares it proposes to list either through a public issue or on private placement basis, prior to issuance of such securities.

However, the above intimation may be given prior to the meeting of board of directors wherein the proposal to raise funds through new non-convertible debt securities or non-convertible redeemable preference shares shall be considered.

- The listed entity shall intimate to the stock exchange(s), at least two working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of directors, at which the recommendation or declaration of issue of non-convertible debt securities or any other matter affecting the rights or interests of holders of non-convertible debt securities or non-convertible redeemable preference shares is proposed to be considered.

Disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information [Regulation 51]

- The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares.

Explanation.-The expression 'promptly inform', shall imply that the stock exchange must be informed as soon as practically possible and without any delay and that the information shall be given first to the stock exchange(s) before providing the same to any third party.

- Without prejudice to the generality of sub-regulation(1), the listed entity who has issued or is issuing non-convertible debt securities and/or non-convertible redeemable preference shares shall make disclosures as specified in **Part B of Schedule III.**

Part B of Schedule III

Disclosure of Information Having Bearing on Performance/Operation of Listed Entity And/ or Price Sensitive Information: Non-Convertible Debt Securities & Non-convertible Redeemable Preference Shares

The listed entity shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non-convertible debt securities or redeemable preference shares including:

- (1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;
- (2) any attachment or prohibitory orders restraining the listed entity from transferring

non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;

- (3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;
- (4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
- (5) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
- (6) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
- (7) any events such as strikes and lock outs which have a bearing on the interest payment/ dividend payment /principal repayment capacity;
- (8) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;
- (9) delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;
- (10) failure to create charge on the assets within the stipulated time period;
- (11) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for rescheduling or postponement of the repayment programmes of the dues/ debts of the listed entity with any investor(s)/lender(s).

Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

- (12) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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- (13) any revision in the rating;
 - (14) the following approvals by board of directors in their meeting:-
 - (a) the decision to pass any interest payment;
 - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;
 - (15) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non-convertible debt securities;
 - (16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

Financial Results [Regulation 52]

- The listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by SEBI within forty five days from the end of the half year to the recognised stock exchange(s).
- The listed entity shall comply with following requirements with respect to preparation, approval, authentication and publication of annual and half-yearly financial results:
 - (a) Un-audited financial results shall be accompanied by limited review report prepared by the statutory auditors of the listed entity or in case of public sector undertakings, by any practising Chartered Accountant, in the format as specified by SEBI.

However, if the listed entity intimates in advance to the stock exchange(s) that it shall submit to the stock exchange(s) its annual audited results within sixty days from the end of the financial year, un-audited financial results for the last half year accompanied by limited review report by the auditors need not be submitted to stock exchange(s).
 - (b) Half-yearly results shall be taken on record by the board of directors and signed by the managing director / executive director.
 - (c) The audited results for the year shall be submitted to the recognised stock exchange(s) in the same format as is applicable for half-yearly financial results.
 - (d) If the listed entity opts to submit un-audited financial results for the last half year accompanied by limited review report by the auditors, it shall also submit audited financial results for the entire financial year, as soon as they are approved by the board of directors.

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- (e) Modified opinion(s) in audit reports that have a bearing on the interest payment/ dividend payment pertaining to non-convertible redeemable debentures/ redemption or principal repayment capacity of the listed entity shall be appropriately and adequately addressed by the board of directors while publishing the accounts for the said period.
 - (a) The annual audited financial results shall be submitted along with the annual audit report and Statement on Impact of Audit Qualifications, applicable only for audit report with modified opinion.

However, in case of audit reports with unmodified opinion, the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.
 - (b) The Statement on Impact of Audit Qualifications (for audit report with modified opinion and the accompanying annual audit report submitted in terms of clause (a) shall be reviewed by the stock exchange(s).
 - (c) The applicable format of Statement on Impact of Audit Qualifications for audit report with modified opinion shall be in the manner as specified by SEBI.
 - The listed entity, while submitting half yearly / annual financial results, shall disclose the following line items along with the financial results:
 - (a) credit rating and change in credit rating (if any);
 - (b) asset cover available, in case of non-convertible debt securities;
 - (c) debt-equity ratio;
 - (d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non-convertible debt securities and whether the same has been paid or not; and, (e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount;
 - (e) debt service coverage ratio;
 - (f) interest service coverage ratio;
 - (g) outstanding redeemable preference shares (quantity and value);
 - (h) capital redemption reserve/debenture redemption reserve;
 - (i) net worth;
 - (j) net profit after tax;
 - (k) earnings per share:

However, the requirement of disclosures of debt service coverage ratio, asset cover and interest service coverage ratio shall not be applicable for banks or non-banking financial companies registered with the Reserve Bank of India.

Further, the requirement of this sub- regulation shall not be applicable in case of unsecured debt instruments issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.

- While submitting the information required, the listed entity shall submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents.
- The listed entity shall submit to the stock exchange on a half yearly basis along with the half yearly financial results, a statement indicating material deviations, if any, in the use of proceeds of issue of non-convertible debt securities and non-convertible redeemable preference shares from the objects stated in the offer document.
- The listed entity shall, within two calendar days of the conclusion of the meeting of the board of directors, publish the financial results and statement, in at least one English national daily newspaper circulating in the whole or substantially the whole of India.

Annual Report [Regulation 53]

The annual report of the listed entity shall contain disclosures as specified in Companies Act, 2013 along with the following:

- (a) audited financial statements i.e. balance sheets, profit and loss accounts etc, and Statement on Impact of Audit Qualifications as stipulated in regulation 52, if applicable;
- (b) cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3/ Indian Accounting Standard 7, mandated under Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or by the Institute of Chartered Accountants of India, whichever is applicable;
- (c) auditors report;
- (d) directors report;
- (e) name of the debenture trustees with full contact details ;
- (f) related party disclosures as specified in **Para A of Schedule V**.

Para A of Schedule V

The annual report shall contain the following additional disclosures:

A. Related Party Disclosure:

1. The listed entity shall make disclosures in compliance with the Accounting Standard on "Related Party Disclosures".

2. The disclosure requirements shall be as follows:

<i>Sr. no.</i>	<i>In the accounts of</i>	<i>Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.</i>
1.	Holding Company	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount.
2.	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3.	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

For the purpose of above disclosures directors' interest shall have the same meaning as given in Section 184 of Companies Act, 2013.

3. The above disclosures shall be applicable to all listed entities except for listed banks.

B. Management Discussion and Analysis:

1. This section shall include discussion on the following matters within the limits set by the listed entity's competitive position:
 - (a) Industry structure and developments;
 - (b) Opportunities and Threats;
 - (c) Segment-wise or product-wise performance;
 - (d) Outlook;
 - (e) Risks and concerns.
 - (f) Internal control systems and their adequacy.
 - (g) Discussion on financial performance with respect to operational performance.
 - (h) Material developments in Human Resources / Industrial Relations front, including number of people employed.
2. Disclosure of Accounting Treatment:

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

C. Corporate Governance Report

The following disclosures shall be made in the section on the corporate governance of the annual report.

- (1) A brief statement on listed entity's philosophy on code of governance.
- (2) Board of directors:
 - (a) composition and category of directors (e.g. promoter, executive, non-executive, independent non-executive, nominee director – institution represented and whether as lender or as equity investor);
 - (b) attendance of each director at the meeting of the board of directors and the last annual general meeting;
 - (c) number of other board of directors or committees in which a directors is a member or chairperson;
 - (d) number of meetings of the board of directors held and dates on which held;
 - (e) disclosure of relationships between directors inter-se;
 - (f) number of shares and convertible instruments held by non- executive directors;
 - (g) weblink where details of familiarisation programmes imparted to independent directors is disclosed.
- (3) Audit committee:
 - (a) brief description of terms of reference;
 - (b) composition, name of members and chairperson;
 - (c) meetings and attendance during the year.
- (4) Nomination and Remuneration Committee:
 - (a) brief description of terms of reference;
 - (b) composition, name of members and chairperson;
 - (c) meeting and attendance during the year;
 - (d) performance evaluation criteria for independent directors.
- (5) Remuneration of Directors:
 - (a) all pecuniary relationship or transactions of the non-executive directors *vis-à-vis* the listed entity shall be disclosed in the annual report;
 - (b) criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report;

- (c) disclosures with respect to remuneration: In addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
 - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
 - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
 - (iii) service contracts, notice period, severance fees;
 - (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.
- (6) Stakeholders' grievance committee:
 - (a) name of non-executive director heading the committee;
 - (b) name and designation of compliance officer;
 - (c) number of shareholders' complaints received so far;
 - (d) number not solved to the satisfaction of shareholders;
 - (e) number of pending complaints.
- (7) General body meetings:
 - (a) location and time, where last three annual general meetings held;
 - (b) whether any special resolutions passed in the previous three annual general meetings;
 - (c) whether any special resolution passed last year through postal ballot – details of voting pattern;
 - (d) person who conducted the postal ballot exercise;
 - (e) whether any special resolution is proposed to be conducted through postal ballot;
 - (f) procedure for postal ballot.
- (8) Means of communication:
 - (a) quarterly results;
 - (b) newspapers wherein results normally published;
 - (c) any website, where displayed;
 - (d) whether it also displays official news releases; and
 - (e) presentations made to institutional investors or to the analysts.
- (9) General shareholder information:
 - (a) annual general meeting - date, time and venue;
 - (b) financial year;
 - (c) dividend payment date;
 - (d) the name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);

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- (e) stock code;
 - (f) market price data- high, low during each month in last financial year;
 - (g) performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc;
 - (h) in case the securities are suspended from trading, the directors report shall explain there as on thereof;
 - (i) registrar to an issue and share transfer agents;
 - (j) share transfer system;
 - (k) distribution of shareholding;
 - (l) dematerialization of shares and liquidity;
 - (m) outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;
 - (n) commodity price risk or foreign exchange risk and hedging activities;
 - (o) plant locations;
 - (p) address for correspondence.
- (10) Other Disclosures:
- (a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;
 - (b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;
 - (c) details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;
 - (d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
 - (e) weblink where policy for determining 'material' subsidiaries is disclosed;
 - (f) weblink where policy on dealing with related party transactions;
 - (g) disclosure of commodity price risks and commodity hedging activities.
- (11) Non-compliance of any requirement of corporate governance report of sub paras (2) to (10) above, with reasons thereof shall be disclosed.
- (12) The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

- (13) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report.

D. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

F. Disclosures with respect to demat suspense account/ unclaimed suspense account

The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

- (a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
- (b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year;
- (c) number of shareholders to whom shares were transferred from suspense account during the year;
- (d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Asset Cover [Regulation 54]

- In respect of its listed non-convertible debt securities, the listed entity shall maintain hundred percent asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued.
- The listed entity shall disclose to the stock exchange in quarterly, half-yearly, year to date and annual financial statements, as applicable, the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities.
- The requirement specified above in Clause, shall not be applicable in case of unsecured debt securities issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.

Credit Rating [Regulation 55]

Each rating obtained by the listed entity with respect to non-convertible debt securities shall be reviewed at least once a year by a credit rating agency registered by SEBI.

Documents and Intimation to Debenture Trustees [Regulation 56]

(1) The listed entity shall forward the following to the debenture trustee promptly:

- (a) a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilisation of funds during the implementation period of the project for which the funds have been raised.

Provided that in the case of debentures or preference shares issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

- (b) a copy of all notices, resolutions and circulars relating to-
- new issue of non convertible debt securities at the same time as they are sent to shareholders/ holders of non convertible debt securities;
 - the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;
- (c) intimations regarding :
- any revision in the rating;
 - any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
 - failure to create charge on the assets;
- (d) a half-yearly certificate regarding maintenance of hundred percent asset cover in respect of listed non-convertible debt securities, by either a practicing company secretary or a practicing chartered accountant, along with the half yearly financial results.

However, submission of such half yearly certificates is not applicable in cases where a listed entity is a bank or non-banking financial companies registered with Reserve Bank of India or where bonds are secured by a Government guarantee.

- (2) The listed entity shall forward to the debenture trustee any such information sought and provide access to relevant books of accounts as required by the debenture trustee.
- (3) The listed entity may, subject to the consent of the debenture trustee, send the information stipulated in sub-regulation (1), in electronic form/fax.

Other submissions to stock exchange(s) [Regulation 57]

- The listed entity shall submit a certificate to the stock exchange within two

days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non-convertible debt securities.

- The listed entity shall provide an undertaking to the stock exchange(s) on annual basis stating that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 have been complied with.

The listed entity shall forward to the stock exchange any other information in the manner and format as specified by SEBI from time to time.

Documents and information to holders of non - convertible debt securities and non-convertible preference shares [Regulation 58]

- (1) The listed entity shall send the following documents:
 - (a) Soft copies of full annual reports to all the holders of non-convertible preference share who have registered their email address (es) for the purpose;
 - (b) Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible preference share who have not so registered;
 - (c) Hard copies of full annual reports to those holders of non-convertible debt securities and non-convertible preference share, who request for the same.
 - (d) Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52, to holders of non-convertible debt securities and non-convertible preference shares;
- (2) The listed entity shall send the notice of all meetings of holders of non-convertible debt securities and holders of non-convertible redeemable preference shares specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting.
- (3) The listed entity shall send proxy forms to holders of non-convertible debt securities and non-convertible redeemable preference shares which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.

Structure of non-convertible debt securities and non-convertible redeemable preference Shares [Regulation 59]

- (1) The listed entity shall not make material modification without prior approval of the stock exchange(s) where the non-convertible debt securities or non-convertible redeemable preference shares, as applicable, are listed, to:
 - (a) the structure of the debenture in terms of coupon, conversion, redemption, or otherwise.

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- (b) the structure of the non-convertible redeemable preference shares in terms of dividend of non-convertible preference shares payable, conversion, redemption, or otherwise.
 - (2) The approval of the stock exchange referred to in sub-regulation (1) shall be made only after:
 - (a) approval of the board of directors and the debenture trustee in case of nonconvertible debt securities and
 - (b) after complying with the provisions of Companies Act, 2013 including approval of the consent of requisite majority of holders of that class of securities.

Record Date [Regulation 60]

The listed entity shall fix a record date for purposes of payment of interest, dividend and payment of redemption or repayment amount or for such other purposes as specified by the stock exchange.

The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.

Terms of non-convertible debt securities and non-convertible redeemable preference shares [Regulation 61]

- The listed entity shall ensure timely payment of interest or dividend of nonconvertible redeemable preference shares or redemption payment.

However, the listed entity shall not declare or distribute any dividend wherein it has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities.

Further, this requirement shall not be applicable in case of unsecured debt securities issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.
- The listed entity shall not forfeit unclaimed interest/dividend and such unclaimed interest/dividend shall be transferred to the 'Investor Education and Protection Fund' set up as per Section 125 of the Companies Act, 2013.
- Unless the terms of issue provide otherwise, the listed entity shall not select any of its listed securities for redemption otherwise than pro rata basis or by lot.
- The listed entity shall comply with requirements as specified in regulation 40 for transfer of securities including procedural requirements specified in Schedule VII.

Schedule VII – TRANSFER OF SECURITIES**A. REQUIREMENT OF PAN**

1. For registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed entity for registration of transfer of securities.

2. For securities market transactions and/or for off-market or private transactions involving transfer of shares in physical form, the transferee(s) as well as transferor(s) shall furnish copy of PAN card to the listed entity for registration of such transfer of securities.
3. In cases where PAN card is not available i.e. in case of residents of Sikkim, the requirement of PAN Card may be substituted with Identity proof.
4. In case of mismatch in PAN card details as well as difference in maiden name and current name, in case of married women, of the holder(s) of securities, the listed entity may collect the PAN card as submitted by the transferee(s) or transferor(s) as the case may be:

Provided that this shall be subject to the listed entity verifying the veracity of the claim of such transferee(s) or transferor(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s) or transferor(s).

DIFFERENCES IN SIGNATURE

1. In case of minor differences in the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities:
 - (a) the listed entity shall promptly send to the first transferor(s), via speed post an intimation of the aforesaid defect in the documents and inform the transferor(s) that objection, supported by valid proof, is not lodged by the transferor(s) with the listed entity within fifteen days of receipt to the listed entity's letter, then the securities shall be transferred;
 - (b) if the intimation to the transferor(s) is delivered and the objection from the transferor(s) with supporting documents is not received within fifteen days, the listed entity shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter.

Provided that the listed entity shall maintain proof of delivery for in their record(s).
2. In case of major differences in, or non-availability of, the signature of the transferor(s), the listed entity shall follow the following procedure for registering transfer of securities.
 - (a) The listed entity shall promptly send to the transferee(s), via Speed Post, an Objection Memo along with the documents in original marking the reason as "material signature difference/ non-availability of signature" and an advice to ensure submission of requested documents of the transferor(s);
 - (b) The listed entity shall also send a copy of the Objection memo as per clause (a) of sub-para (2) to the transferor(s), via Speed Post, simultaneously;
 - (c) The above Objection Memo in clause (a) and (b) of sub-para (2) shall also state the requirement of additional documents of transferor(s) as follows for effecting the transfer:
 - (i) an Affidavit to update transferor(s) signature in its records;

- (ii) an original unsigned cancelled cheque and banker's attestation of the transferor(s) signature and address);
- (iii) contact details of the transferor(s) and ;
- (d) If the intimation to both the transferor(s) and the transferee(s) are delivered, requested documents of the transferor(s) are submitted to the listed entity and the address attested by the bank tallies with the address available in the database of listed entity, the listed entity, shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter.
Provided that listed entity shall maintain proof of delivery in their record(s).

ADDITIONAL DOCUMENTATION REQUIREMENTS IN CASE OF TRANSMISSION OF SECURITIES

1. In case of transmission of securities held in dematerialized mode, where the securities are held in a single name without a nominee, for the purpose of following simplified documentation, as prescribed by the depositories vide bye-laws or operating instructions, as applicable, the threshold limit is rupees five lakhs only per beneficiary owner account.
2. In case of transmission of securities held in physical mode:
 - (a) where the securities are held in single name with a nominee:
 - (i) duly signed transmission request form by the nominee;
 - (ii) original or copy of death certificate duly attested by a notary public or by a gazetted officer;
 - (iii) self attested copy of PAN card of the nominee.
 - (b) where the securities are held in single name without a nominee, an affidavit made on appropriate non-judicial stamp paper , to the effect of identification and claim of legal ownership to the securities shall be required and additionally
 - (i) for value of securities, threshold limit of upto rupees two lakh only, per listed entity, as on date of application, one or more of the following documents may be submitted :
 1. No objection certificate from all legal heir(s) who do not object to such transmission or copy of family settlement deed duly notarized or attested by a gazetted officer and executed by all the legal heirs of the deceased holder;
 2. indemnity made on appropriate non judicial stamp paper, indemnifying the listed entity ;
 - (ii) for value of securities, threshold limit, more than rupees two lakh, per listed entity, as on date of application, succession certificate or probate of will or letter of administration or court decree shall be submitted;
 - (iii) the listed entity however, at its discretion, may enhance value of securities, threshold limit, of rupees two lakh.

Website [Regulation 62]

- (1) The listed entity shall maintain a functional website containing the following information about the listed entity:-
- (a) details of its business;
 - (b) financial information including complete copy of the annual report including
 - (c) balance sheet, profit and loss account, directors report etc;
 - (d) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
 - (e) email address for grievance redressal and other relevant details;
 - (f) name of the debenture trustees with full contact details;
 - (g) the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non-convertible debt securities;
 - (h) all information and reports including compliance reports filed by the listed entity;
 - (i) information with respect to the following events:
 - default by issuer to pay interest on or redemption amount;
 - failure to create a charge on the assets;
 - revision of rating assigned to the non-convertible debt securities;
- (2) The listed entity may also issue a press release with respect to the events specified in sub regulation (1).
- (3) The listed entity shall ensure that the contents of the website are correct and updated at any given point of time.

Compliance Calendar under SEBI (LODR), 2015 regarding listing of Non-Convertible Debt Securities

<i>Regulation No. of SEBI (LODR) Regulations, 2015</i>	<i>SEBI (LODR) Regulation, 2015</i>	<i>Time Period</i>
Regulation 50(1) Prior intimation for payment of interest/Redemption Due	The company has to make prior intimation for payment of interest/ Redemption amount to Stock Exchange.	At least 11 days before the date on which interest/ redemption amount is payable
Regulation 50(2) & (3) Prior Intimation to Stock Exchange in case of fresh NCDs.	The company shall give PRIOR intimation to stock exchange, whenever intention of the company is raise fresh NCDs. The intimation will be given before the board meeting to be held for above purpose.	At least 2 working days in advance, (while calculating 2 days date of intimation and date of board meeting shall be excluded)

<i>Regulation No. of SEBI (LODR) Regulations, 2015</i>	<i>SEBI (LODR) Regulation, 2015</i>	<i>Time Period</i>
Regulation 51(1) & (2) Price Sensitive Information to Stock Exchange	The company has to make prompt intimation to Stock Exchange in case of any price sensitive information or any action that can affect payment of interest or dividend of NCRPs or redemption of NCDs or redeemable preference shares. The company has to comply with requirements as specified Part B of schedule III.	Prompt means, as soon as practically possible (Event Based)
Regulation 52(1) Half yearly un-audited or audited Financial Results	The company has to submit half yearly un - audited or audited financial results along with statement indicating material deviation.	Within 45 days from end of half year
Regulation 52(7) Statement of Material Deviations	In case there is material deviation in the use of proceeds of issue of NCDs/ NCRPs from the objects stated in the offer document, then the company shall include a statement indicating material deviation along with half yearly results	To be included in half yearly results
Regulation 52(8) Publication of financial result	The company shall on conclusion of board meeting, publish financial result along with material deviation statement (if any) in one English national daily.	Within 2 calendar days of conclusion of Board Meeting
Regulation 53 Annual Report	The Annual Report shall contain: (a) Audited Financial Statements (b) Cash Flow statement (c) Auditors and Directors Report (d) The name of the debenture trustees with full contact details (e) Related Party Disclosures as per para A of Schedule V.	

<i>Regulation No. of SEBI (LODR) Regulations, 2015</i>	<i>SEBI (LODR) Regulation, 2015</i>	<i>Time Period</i>
Regulation 57 Certificate	Certificate regarding payment of interest and principal of NCDs to the stock exchange	Within 2 days of interest due
Regulation 58(1) Annual Reports	The company shall send annually annual reports by : (a) mail (b) hard copy (if requested)	Event based
Regulation 58(2) & (3) Notice of all meetings to NCDs	The company has to send notice of all meetings along with proxy form to NCDs.	Event based
Regulation 59 Prior approval from Stock Exchange for making material modification in the NCDs	Material modification in structure of NCDs should be made with prior approval from Stock Exchange.	Event based
Regulation 60 Prior intimation to Stock Exchange of record date for payment of interest, dividend and payment of redemption or repayment amount	The company has to make notice to Stock Exchange intimating record date for payment of interest, dividend and payment of redemption or repayment amount.	Atleast 7 days (excluding the date of intimation and record date) advance before record date
Regulation 61 Not eligible to declare dividend	If it has made default payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities.	Event based
Regulation 61(4) Transfer of Securities	In case of transfer of securities, the company has to comply with the requirements under schedule VII.	Event based
Regulation 62(1) Website Disclosure	The Company shall maintain a website containing: (a) Details of its business; (b) Financial Information; (c) Contact Information of designated professionals who are responsible for assisting and handling investors grievances; (d) Email address for grievances redressal;	As soon as possible (if yet to be maintained)

<i>Regulation No. of SEBI (LODR) Regulations, 2015</i>	<i>SEBI (LODR) Regulation, 2015</i>	<i>Time Period</i>
Regulation 62(2) Press Release	(e) name and contact details of debenture trustee; (f) Information, report, notices, call, letters, circulars, proceedings etc. concerning NCDs; (g) all information and reports; (h) Information with respect to :- <ul style="list-style-type: none"> - default by company to payment of interest; - failure to create a charge on the assets; - revision of rating assigned to NCDs. The Company shall issue press release for above events	Event based

Obligations of Listed Entity which has listed its specified securities and either non-convertible debt securities or both

Applicability

Listed Entities which has listed its 'specified securities' and 'non-convertible debt securities' or 'non-convertible redeemable preference shares' or both on any recognised stock exchange, shall be bound by the provisions in Chapter IV and additionally comply with Chapter V of these regulations.

However, the listed entity which has submitted any information to the stock exchange in compliance with the disclosure requirements under Chapter IV of these regulations, need not re-submit any such information under the provisions of this regulations without prejudice to any power conferred on SEBI or the stock exchange or any other authority under any law to seek any such information from the listed entity. Further, the listed entity, which has satisfied certain obligations in compliance with other chapters, shall not separately satisfy the same conditions under chapter VI.

Delisting (Regulation 64)

In the event specified securities of the listed entity are delisted from the stock exchange, the listed entity shall comply with all the provisions in Chapter V of these regulations.

In the event that non-convertible debt securities and non-convertible redeemable preference shares' of the listed entity do not remain listed on the stock exchange, the listed entity shall comply with all the provisions in Chapter IV of these regulations.

SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009

Issue of debt securities that are convertible, either partially or fully or optionally into listed or unlisted equity shall be guided by the disclosure norms applicable to equity or other instruments offered on conversion in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

According to SEBI (ICDR) Regulations, 2009, convertible debt instruments means an instrument which creates or acknowledges indebtedness or is convertible into equity shares of the issuer at a later date at or without the option of the holder of the instrument, whether constituting a charge on the assets of the issuer or not.

Issue and listing of non-convertible debt securities, whether issued to the public or privately placed, are required to be made in accordance with the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

Common conditions for public and rights issues of convertible debt instruments:

- (A) The lead Merchant Bankers shall submit a due diligence certificate from debenture trustee along with draft offer document to SEBI.
 - (a) Obtain a credit rating from one or more credit rating agencies;
 - (b) Appoint one or more debenture trustees in accordance with the provisions of section 71 of the Companies Act, 2013 and SEBI (Debenture Trustees) Regulations, 1993;
 - (c) Create debenture redemption reserve in accordance with the provisions of section 71 of the Companies Act, 2013;
 - (d) if the issuer proposes to create a charge or security on its assets in respect of secured convertible debt instruments, it shall ensure that:
 - such assets are sufficient to discharge the principal amount at all times;
 - such assets are free from any encumbrance;
 - where security is already created on such assets in favour of financial institutions or banks or the issue of convertible debt instruments is proposed to be secured by creation of security on a leasehold land, the consent of such financial institution, bank or lessor for a second or pari passu charge has been obtained and submitted to the debenture trustee before the opening of the issue;
 - the security/asset cover shall be arrived at after reduction of the liabilities having a first/prior charge, in case the convertible debt instruments are secured by a second or subsequent charge.
 - (e) Redeem the convertible debt instruments in terms of the offer document. In case of an issue of convertible debt instruments, the issuer shall give following additional undertakings in the offer document:
 - that the issuer shall forward the details of utilisation of the funds raised

through the convertible debt instruments duly certified by the statutory auditors of the issuer, to the debenture trustees at the end of each half-year.

- that the issuer shall disclose the complete name and address of the debenture trustee in the annual report.
- that the issuer shall provide a compliance certificate to the convertible debt instrument holders (on yearly basis) in respect of compliance with the terms and conditions of issue of convertible debt instruments as contained in the offer document, duly certified by the debenture trustee.
- that the issuer shall furnish a confirmation certificate that the security created by the issuer in favour of the convertible debt instrument holders is properly maintained and is adequate to meet the payment obligations towards the convertible debt instrument holders in the event of default.
- that necessary cooperation with the credit rating agency(ies) shall be extended in providing true and adequate information till the debt obligations in respect of the instrument are outstanding.

ROLL-OVER OF NON CONVERTIBLE PORTION OF PARTLY CONVERTIBLE DEBT INSTRUMENTS (REGULATION 21)

The non-convertible portion of partly convertible debt instruments issued by a listed issuer, the value of which exceeds fifty lakh rupees can be rolled over without change in the interest rate, subject to compliance with the provisions of Companies Act, 2013, and the following conditions–

- (a) 75% of the holders of the convertible debt instruments of the issuer have, through a resolution through postal ballot, approved the rollover.
- (b) the issuer has along with the notice for passing the resolution, sent to all holders of the convertible debt instruments, an auditors' certificate on the cash flow of the issuer and with comments on the liquidity position of the issuer.
- (c) the issuer has undertaken to redeem the non-convertible portion of the partly convertible debt instruments of all the holders of the convertible debt instruments who have not agreed to the resolution.
- (d) credit rating has been obtained from at least one credit rating agency registered with the SEBI within a period of six months prior to the due date of redemption and has been communicated to the holders of the convertible debt instruments, before the roll over.

However, the creation of fresh security and execution of fresh trust deed is not mandatory if the existing trust deed or the security documents provide for continuance of the security till redemption of secured convertible debt instruments.

Further, whether the issuer is required to create fresh security and to execute fresh trust deed or not is to be decided by the debenture trustee.

CONVERSION OF OPTIONALLY CONVERTIBLE DEBT INSTRUMENTS INTO EQUITY SHARE CAPITAL (REGULATION 22)

- No issuer can convert its optionally convertible debt instruments into equity shares unless the holders of such convertible debt instruments have sent their positive consent to the issuer and non-receipt of reply to any notice sent by the issuer for this purpose is not construed as consent for conversion of any convertible debt instruments.
- Where the value of the convertible portion of any convertible debt instruments issued by a listed issuer exceeds fifty lakh rupees and the issuer has not determined the conversion price of such convertible debt instruments at the time of making the issue, the holders of such convertible debt instruments are required to be given the option of not converting the convertible portion into equity shares.

However, where the upper limit on the price of such convertible debt instruments and justification thereon is determined and disclosed to the investors at the time of making the issue, it is not necessary to give such option to the holders of the convertible debt instruments for converting the convertible portion into equity share capital within the said upper limit.

- Where an option is to be given to the holders of the convertible debt instruments in terms of Para (2) and if one or more of such holders do not exercise the option to convert the instruments into equity share capital at a price determined in the general meeting of the shareholders, the issuer is required to redeem that part of the instruments within one month from the last date by which option is to be exercised, at a price which shall not be less than its face value.

However, this provision is not applicable if such redemption is in terms of the disclosures made in the offer document.

ISSUE OF CONVERTIBLE DEBT INSTRUMENTS FOR FINANCING (REGULATION 23)

An issuer cannot issue convertible debt instruments for financing replenishment of funds or for providing loan to or for acquiring shares of any person who is part of the same group or who is under the same management.

However, an issuer may issue fully convertible debt instruments for these purposes if the period of conversion of such debt instruments is less than eighteen months from the date of issue of such debt instruments.

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Chapter 4

PRIVATE PLACEMENT

INTRODUCTION

Every company at some point needs to increase its share capital. When it decides to increase its capital, speed and fewer procedural requirements are two factors which are always of concern. This becomes even more crucial when foreign shareholders are involved and time has to be factored for potentially securing “internal” approvals at various levels for those investments by such foreign shareholders. In addition, wire transfers too can sometime take longer than 48 hours. For Indian shareholders or other persons who wish to subscribe to the shares of a company, these constraints may not necessarily exist. While there are many methods to increase the paid-up capital, one of them is private placement for allotting securities and increasing their capital.

The Companies Act, 2013 made substantial changes in the provisions relating to private placement of securities, which was an imperative route for raising the funds by the companies. The Companies Act, 1956 did not define the term 'private placement' rather certain offers of shares or debentures/invitation to subscribe for shares or debentures to any section of the public were not regarded as public issues under section 67(3) the Act, 1956 i.e., where shares or debentures are available for subscription or purchase only to those receiving the offer/invitation and offer/invitation is a domestic concern of the issuer and those receiving the offer/invitation, were termed as private placement.

Private placements can be made by both private and unlisted public companies in accordance with the provisions of the Companies Act, 2013 (“2013 Act”). With the new law under the 2013 Act, the procedure for private placement has become comparatively more structured, time oriented and transparent.

PRIVATE PLACEMENT UNDER COMPANIES ACT, 2013

Chapter III, Part II of the Companies Act, 2013 deals exclusively with private placements.

Section 42 of the Companies Act, 2013 defines 'private placement' which means any offer of securities or invitation to subscribe securities to a selected group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in this section including the condition that offer or invitation shall not more than 50 or such higher number as may be prescribed, (excluding qualified institutional buyers, and employees of the company being offered securities under a scheme of employee stock option), in a financial year and on such conditions as may be specified under rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014.

Rule 14(2) prescribes that such offer or invitation shall be made to not more than 200 persons in aggregate in a financial year.

The provisions of private placement apply on issue of "securities" and not "shares". Thus, the provisions have widened the scope and cover a whole form of instruments such as shares, bonds, debentures and other marketable securities etc.

Private Placement shall be treated as a Public Offer

Section 42(4) of the Companies Act, 2013 mandates a company to comply with the provisions of SEBI Act, 1992 & Securities Contracts (Regulation) Act, 1956, if any offer or invitation is not in compliance with the provisions of the section and such offer or invitation shall be treated as a public offer.

Allotment of Securities

Section 42(6) provides that all the securities under this section, are to be allotted within a period of 60 days from the receipt of application money. If the company is not able to allot the securities within the specified period, the application money is to be refunded within a period of 15 days from completion of 60 days' time and if the company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of twelve per cent per annum from the expiry of the sixtieth day. Every company making any allotment under the said section shall submit with the Registrar, the particulars of every private offer within 30 days of circulation of offer letter.

Monies to be kept in Separate Bank Account

The money raised by the issue of offer or invitation shall be in a separate bank account and cannot be used any purpose other than –

- (a) For adjustment against allotment of securities;
- (b) For the repayment of monies where the company is unable to allot securities.

Exemption to Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs)

Rule 14(5) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that the criteria of offer or invitation to 200 persons in aggregate in a financial year and minimum investment size of twenty thousand rupees of face value shall not be applicable to NBFCs registered with the Reserve Bank of India and Housing Finance Companies(HFCs) registered with the National Housing Bank(NHB), if they are complying with the regulations made by RBI or NHB in respect of offer or invitation to be issued on private placement basis.

Procedure to Make Allotment through Private Placement under the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014

1. Hold the board meeting and pass board resolution for convening the meeting of members and approving draft notice of meeting of members;

2. Hold the general meeting and pass the special resolution; [Rule 14(2) (a)]
3. In case of offer or invitation for non-convertible debentures, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitation for such debenture during the year. Such Resolution shall be pass within six months from the date of commencement of these rules. [Second Proviso to Rule 14(2) (a)]
4. Send letter of offer in Form PAS-4 along with application form to the proposed subscribers, whose names are recorded by the company prior to the invitation subscribe; [Rule 14(1) (a)]
5. File Form MGT-14 along with the fees as provided in the Companies (Registration of Offices and Fees) Rules, 2014, with the Registrar within 30 days of passing the resolution; [Section 117(1)]
6. The explanatory statement annexed to the notice for the general meeting required u/s 102 shall disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made; [First Proviso to Rule 14(2)(a)]
7. If the said offer or invitation is for non-convertible debentures, it shall be sufficient if the company has passed a previous special resolution during year for all the offers or invitation for such debentures; [Second Proviso to Rule 14(2) (a)]
8. The offer or invitation shall not be made to not more than 200 persons in the aggregate in a financial year excluding QIBs and employees offered securities under ESOP; [Rule 14(2)(b)]
9. The value of such offer or invitation per person shall be with an investment size of not less than 20,000 rupees of face value of the securities. [Rule 14(2) (c)]
10. All monies payable towards subscription of securities under this section shall be paid through cheque or demand draft or other banking channels but not by cash; [Section 42(5)]
11. The payment to be made for subscription to securities shall be made from the bank account of the person subscribing to such securities and the company shall keep the record of the bank account from where such payments for subscriptions have been received and the monies payable on subscription to securities to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application; [Rule 14(2) (d)]
12. The company shall maintain a complete record of private placement offers in Form PAS-5; [Rule 14(3)]
13. File Form PAS-5 along with the private placement offer letter in Form PAS-4 with the Registrar with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and where the company is listed, with the Securities and Exchange Board within a period of 30 days of circulation of the private placement offer letter; [Proviso to Rule 14(3)]

14. A return of allotment of securities under section 42 shall be filed with the Registrar within thirty days of allotment in Form PAS-3 and with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 along with a complete list of all security holders containing –
 - (i) The full name, address, Permanent Account Number and E-mail ID of such security holder;
 - (ii) The class of security held;
 - (iii) The date of allotment of security;
 - (iv) The number of securities held, nominal value and amount paid on such securities and particulars of consideration received if the securities were issued for consideration other than cash. [Rule 14(4)]
15. Issue share certificates and update minute's book and registers. [Section 46]
16. The company shall intimate the details of allotment of securities to depository immediately on allotment of such shares.

PRIVATE PLACEMENT UNDER SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

"Private placement" means an offer or invitation to subscribe to the debt securities in terms of sub-section (1) (b) of section 23 of the Companies Act, 2013.

SEBI has allowed issue of debt securities through private placement under the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008. This is a faster way for a company to raise capital. The following are the provisions for listing of Debt Securities issued on Private placement basis:-

Conditions for listing of debt securities issued on private placement basis [Regulation 20]

- An issuer may list its debt securities issued on private placement basis on a recognized stock exchange subject to the following conditions:
 - (a) the issuer has issued such debt securities in compliance with the provisions of the Companies Act, 2013, rules prescribed thereunder and other applicable laws;
 - (b) credit rating has been obtained in respect of such debt securities from at least one credit rating agency registered with SEBI;
 - (c) the debt securities proposed to be listed are in dematerialized form ;
 - (d) the disclosures as provided in regulation 21 have been made.
 - (e) where the application is made to more than one recognized stock exchange, the issuer shall choose one of them as the designated stock exchange.
- The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.

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- The designated stock exchange shall collect a regulatory fee as specified in Schedule V from the issuer at the time of listing of debt securities issued on private placement basis.

Disclosures in respect of Private Placements of Debt Securities [Regulation 21]

- (1) The issuer making a private placement of debt securities and seeking listing thereof on a recognized stock exchange shall make disclosures in a disclosure document as specified in Schedule I of these regulations accompanied by the latest Annual Report of the issuer.
- (2) The disclosures as provided in above shall be made on the web sites of stock exchanges where such securities are proposed to be listed and shall be available for download in PDF / HTML formats.

Filing of Shelf Disclosure Document [Regulation 21A]

- An issuer making a private placement of debt securities and seeking listing thereof on a recognized stock exchange may file a Shelf Disclosure Document containing disclosures as provided in Schedule I of these regulations.
- The issuer is not required to file disclosure document, while making subsequent private placement of debt securities for a period of 180 days from the date of filing of the shelf disclosure document.
- However, while making any private placement under Shelf Disclosure Document, it shall file with the concerned stock exchange updated disclosure document with respect to each tranche, containing details of the private placement and material changes, if any, in the information provided in Shelf Disclosure Document.

Chapter 5

ISSUE OF PERPETUAL DEBT INSTRUMENTS BY BANKS

Banks serve the vital function of encouraging individuals and institutions to save and to channelize those savings to those individuals and institutions needing to invest in economic and other activities. The role of banking sector is undoubtedly indispensable in the process of financial intermediation and thereby achieving faster economic growth and sustainable development. Around 40% of the gross national savings deployed in bank deposits, the role of the banking system as a source of credit is crucial.

The Basel Committee on Banking Supervision provides a forum for regular cooperation on banking supervisory matters. Its objective is to enhance understanding of key supervisory issues and improve the quality of banking supervision worldwide. Basel I & II norms which ensured banks follow supervisory structure, risk management, have transparent reporting, have adequate capital as a percentage of the overall credit, income recognition and identification of Non-Performing loans. Basel III is the third in the series and is at the individual bank level and requires having a good Liquidity Coverage, Net Stable Funding, Liquidity Risk Management and Monitoring metrics.

RBI GUIDELINES

Basel III Capital Regulations is applicable on Equity Capital, Preference Capital and Debt capital also. RBI Guidelines related to Debt capital instruments is covered in Elements of Additional Tier 1 Capital and Tier 2 Capital (gone-concern capital).

The guidelines covering **Perpetual Debt Instruments (PDI) eligible for inclusion as Tier 1 capital and Debt Capital instruments as Tier 2 capital** indicating the minimum regulatory requirements are furnished by RBI.

Criteria for Inclusion of Perpetual Debt Instruments (PDI) in Additional Tier 1 Capital

The Perpetual Debt Instruments that may be issued as bonds or debentures by Indian banks should meet the following terms and conditions to qualify for inclusion in Additional Tier 1 Capital for capital adequacy purposes:

1. Terms of Issue of Instruments Denominated in Indian Rupees

1.1 Paid-in Status

The instruments should be issued by the bank (i.e. not by any 'SPV' etc. set up by the bank for this purpose) and fully paid-in.

1.2 Amount

The amount of PDI to be raised may be decided by the Board of Directors of banks.

1.3 Limits

While complying with minimum Tier 1 of 7% of risk weighted assets, a bank cannot admit, Perpetual Debt Instruments (PDI) together with Perpetual Non-Cumulative Preference Shares (PNCPS) in Additional Tier 1 Capital, more than 1.5% of risk weighted assets. However, once this minimum total Tier 1 capital has been complied with, any additional PNCPS and PDI issued by the bank can be included in Total Tier 1 capital reported. Excess PNCPS and PDI can be reckoned to comply with Tier 2 capital if the latter is less than 2% of RWAs i.e. while complying with minimum Total Capital of 9% of risk weighted assets.

1.4 Maturity Period

The PDIs shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.

1.5 Rate of Interest

The interest payable to the investors may be either at a fixed rate or at a floating rate referenced to a market determined rupee interest benchmark rate.

1.6 Optionality

PDIs shall not have any 'put option'. However, banks may issue the instruments with a call option at a particular date subject to following conditions:

- a. The call option on the instrument is permissible after the instrument has run for at least five years;
- b. To exercise a call option a bank must receive prior approval of RBI (Department of Banking Regulation);
- c. A bank must not do anything which creates an expectation that the call will be exercised. For example, to preclude such expectation of the instrument being called, the dividend / coupon reset date need not be co-terminus with the call date. Banks may, at their discretion, consider having an appropriate gap between dividend / coupon reset date and call date; and
- d. Banks must not exercise a call unless:
 - (i) They replace the called instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the bank; or
 - (ii) The bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.

The use of tax event and regulatory event calls may be permitted. However, exercise of the calls on account of these events is subject to the requirements set out in points (b) to (d) of criterion 1.6. RBI will permit the bank to exercise the call only if the RBI is convinced that

the bank was not in a position to anticipate these events at the time of issuance of PDIs.

To illustrate, if there is a change in tax treatment which makes the capital instrument with tax deductible coupons into an instrument with non-tax deductible coupons, then the bank would have the option (not obligation) to repurchase the instrument. In such a situation, a bank may be allowed to replace the capital instrument with another capital instrument that perhaps does have tax deductible coupons. Similarly, if there is a downgrade of the instrument in regulatory classification (e.g. if it is decided by the RBI to exclude an instrument from regulatory capital) the bank has the option to call the instrument and replace it with an instrument with a better regulatory classification, or a lower coupon with the same regulatory classification with prior approval of RBI. However, banks may not create an expectation / signal an early redemption/ maturity of the regulatory capital instrument.

1.7 Repurchase / Buy-back / Redemption

- (i) Principal of the instruments may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI and banks should not assume or create market expectations that supervisory approval will be given (this repurchase / buy-back /redemption of the principal is in a situation other than in the event of exercise of call option by the bank. One of the major differences is that in the case of the former, the option to offer the instrument for repayment on announcement of the decision to repurchase / buy-back /redeem the instrument, would lie with the investors whereas, in case of the latter, it lies with the bank).
- (ii) Banks may repurchase / buy-back / redemption only if:
 - (a) They replace the such instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the bank; or
 - (b) The bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase / buy-back / redemption.

1.8 Coupon Discretion

- (a) The bank must have full discretion at all times to cancel distributions/ payments;
- (b) Cancellation of discretionary payments must not be an event of default;
- (c) Banks must have full access to cancelled payments to meet obligations as they fall due;
- (d) Cancellation of distributions/payments must not impose restrictions on the bank except in relation to distributions to common stakeholders;
- (e) Coupons must be paid out of distributable items. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient i.e. payment of coupon is likely to result in losses during the

current year, the balance amount of coupon may be paid out of revenue reserves (i.e. revenue reserves which are not created for specific purposes by a bank) and / or credit balance in profit and loss account, if any.

However, payment of coupons on PDIs from the revenue reserves is subject to the issuing bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important Banks).

Banks must ensure and indicate in the offer document that they have full discretion at all times to cancel distributions / payments in order to meet the eligibility criteria for perpetual debt instruments.

- (f) The interest shall not be cumulative.
- (g) The instrument cannot have a credit sensitive coupon feature, i.e. a dividend that is reset periodically based in whole or in part on the banks' credit standing. For this purpose, any reference rate including a broad index which is sensitive to changes to the bank's own credit worthiness and / or to changes in the credit worthiness of the wider banking sector will be treated as a credit sensitive reference rate. Banks desirous of offering floating reference rate may take prior approval of the RBI (DBR) as regard permissibility of such reference rates.
- (h) In general, it may be in order for banks to have dividend stopper arrangement that stop dividend payments on common shares in the event the holders of AT1 instruments are not paid dividend/coupon. However, dividend stoppers must not impede the full discretion that bank must have at all times to cancel distributions/payments on the Additional Tier 1 instrument, nor must they act in a way that could hinder the re-capitalisation of the bank. For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to:
 - attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary;
 - prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 instrument are resumed;
 - impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals).

A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted.

1.9 Treatment in Insolvency

The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.

1.10 Loss Absorption Features

PDIs may be classified as liabilities for accounting purposes (not for the purpose of insolvency as indicated in paragraph 1.9 above). In such cases, these instruments must have principal loss absorption through either (i) conversion to common shares at an objective pre-specified trigger point or (ii) a write-down mechanism which allocates losses to the instrument at a pre-specified trigger point.

The write-down will have the following effects:

- (a) Reduce the claim of the instrument in liquidation;
- (b) Reduce the amount re-paid when a call is exercised; and
- (c) Partially or fully reduce coupon payments on the instrument.

Various criteria for loss absorption through conversion / write-down / write-off on breach of pre-specified trigger and at the point of non-viability are furnished by RBI in this behalf.

1.11 Prohibition on Purchase / Funding of Instruments

Neither the bank nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should purchase the instrument, nor can the bank directly or indirectly fund the purchase of the instrument. Banks should also not grant advances against the security of the debt instruments issued by them.

1.12 Re-capitalisation

The instrument cannot have any features that hinder re-capitalisation, such as provisions which require the issuer to compensate investors if a new instrument is issued at a lower price during a specified time frame.

1.13 Reporting of Non-payment of Coupons

All instances of non-payment of coupon should be notified by the issuing banks to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.

1.14 Seniority of Claim

The claims of the investors in instruments shall be

- (i) superior to the claims of investors in equity shares and perpetual noncumulative preference shares;
- (ii) subordinated to the claims of depositors, general creditors and subordinated debt of the bank;
- (iii) is neither secured nor covered by a guarantee of the issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

1.15 Investment in Instruments Raised in Indian Rupees by Foreign Entities/ NRIs

- (i) Investment by FIIs in instruments raised in Indian Rupees shall be outside the ECB limit for rupee denominated corporate debt, as fixed by the Govt. of India from time to time, for investment by FIIs in corporate debt instruments. Investment in these instruments by FIIs and NRIs shall be within an overall limit of 49% and 24% of the issue, respectively, subject to the investment by each FII not exceeding 10% of the issue and investment by each NRI not exceeding 5% of the issue.
- (ii) Banks should comply with the terms and conditions, if any, stipulated by SEBI / other regulatory authorities in regard to issue of the instruments.

1.16 Terms of Issue of Instruments Denominated in Foreign Currency

Banks may augment their capital funds through the issue of PDIs in foreign currency without seeking the prior approval of the Reserve Bank of India, subject to compliance with the requirements mentioned below:

- (i) Instruments issued in foreign currency should comply with all terms and conditions as applicable to the instruments issued in Indian Rupees.
- (ii) Not more than 49% of the eligible amount can be issued in foreign currency.
- (iii) Instruments issued in foreign currency shall be outside the existing limit for foreign currency borrowings by Authorised Dealers, stipulated in terms of Master Circular No. RBI/2006-07/24 dated July 1, 2006 on Risk Management and Inter-Bank Dealings as updated from time to time.

1.17 Compliance with Reserve Requirements

The total amount raised by a bank through debt instruments shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will not attract CRR / SLR requirements.

1.18 Reporting of Issuances

Banks issuing PDIs shall submit a report to the Chief General Manager-in-charge, Department of Banking Regulation, Reserve Bank of India, Mumbai giving details of the debt raised, including the terms of issue specified at paragraph 1 above, together with a copy of the offer document soon after the issue is completed.

1.19 Investment in Additional Tier 1 Debt Capital Instruments (PDIs) Issued by Other Banks/ FIs

- (i) A bank's investment in debt instruments issued by other banks and financial institutions will be reckoned along with the investment in other instruments eligible for capital status while computing compliance with the overall ceiling of 10% for cross holding of capital among banks/FIs prescribed vide circular DBOD.BPBC.No.3/ 21.01.002/ 2004-05 dated July 6, 2004 and also subject to cross holding limits.

- (ii) Bank's investments in debt instruments issued by other banks will attract risk weight for capital adequacy purposes, as prescribed in paragraphs 5.6 and 8.3.5 of the Master Circular on Basel III Capital Regulations, whichever applicable.

1.20 Classification in the Balance Sheet

The amount raised by way of issue of debt capital instrument may be classified under 'Schedule 4 – Borrowings' in the Balance Sheet.

1.21 Raising of Instruments for Inclusion as Additional Tier 1 Capital by Foreign Banks in India

Foreign banks in India may raise Head Office (HO) borrowings in foreign currency for inclusion as Additional Tier 1 capital subject to the same terms and conditions as mentioned in items 1.1 to 1.18 above for Indian banks. In addition, the following terms and conditions would also be applicable:

- (a) Maturity period: If the amount of Additional Tier 1 capital raised as Head Office borrowings shall be retained in India on a perpetual basis.
- (b) Rate of interest: Rate of interest on Additional Tier 1 capital raised as HO borrowings should not exceed the on-going market rate. Interest should be paid at half yearly rests.
- (c) Withholding tax: Interest payments to the HO will be subject to applicable withholding tax.
- (d) Documentation: The foreign bank raising Additional Tier 1 capital as HO borrowings should obtain a letter from its HO agreeing to give the loan for supplementing the capital base for the Indian operations of the foreign bank. The loan documentation should confirm that the loan given by HO shall be eligible for the same level of seniority of claim as the investors in debt capital instruments issued by Indian banks. The loan agreement will be governed by and construed in accordance with the Indian law.
- (e) Disclosure: The total eligible amount of HO borrowings shall be disclosed in the balance sheet under the head 'Additional Tier 1 capital raised in the form of Head Office borrowings in foreign currency'.
- (f) Hedging: The total eligible amount of HO borrowing should remain fully swapped in Indian Rupees with the bank at all times.
- (g) Reporting and certification: Details regarding the total amount of Additional Tier 1 capital raised as HO borrowings, along with a certification to the effect that the borrowing is in accordance with these guidelines, should be advised to the Chief General Managers-in-Charge of the Department of Banking Regulation (International Banking Division), Department of External Investments and Operations and Financial Markets Regulation Department, Reserve Bank of India, Mumbai.

1.22 Perpetual Debt Instruments to Retail Investors

With a view to enhancing investor education relating to risk characteristics of

regulatory capital requirements, banks issuing Perpetual Debt Instruments to retail investors, subject to approval of their Board, should adhere to the following conditions:

- (a) For floating rate instruments, banks should not use its Fixed Deposit rate as benchmark.
- (b) The requirement for specific sign-off as quoted below, from the investors for having understood the features and risks of the instrument may be incorporated in the common application form of the proposed debt issue.

"By making this application, I / We acknowledge that I/We have understood the terms and conditions of the Issue of [insert the name of the instruments being issued] of [Name of The Bank] as disclosed in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Document ".

- (c) All the publicity material, application form and other communication with the investor should clearly state in bold letters (with font size 14) how a Perpetual Debt Instrument is different from fixed deposit particularly that it is not covered by deposit insurance. In addition, the loss absorbency features of the instrument should be clearly explained and the investor's sign -off for having understood these features and other terms and conditions of the instrument should be obtained.

Criteria for Inclusion of Debt Capital Instruments as Tier 2 Capital

The Tier 2 debt capital instruments that may be issued as bonds / debentures by Indian banks should meet the following terms and conditions to qualify for inclusion as Tier 2 Capital for capital adequacy purposes :

1. Terms of Issue of Instruments Denominated in Indian Rupees

1.1 Paid-in Status

The instruments should be issued by the bank (i.e. not by any 'SPV' etc. set up by the bank for this purpose) and fully paid-in.

1.2 Amount

The amount of these debt instruments to be raised may be decided by the Board of Directors of banks.

1.3 Maturity Period

The debt instruments should have a minimum maturity of five years and there are no step-ups or other incentives to redeem.

1.4 Discount

The debt instruments shall be subjected to a progressive discount for capital adequacy purposes. As they approach maturity these instruments should be subjected to progressive discount as indicated in the table below for being eligible for inclusion in Tier 2 capital.

<i>Remaining Maturity of Instruments</i>	<i>Rate of Discount (%)</i>
Less than one year	100
One year and more but less than two years	80
Two years and more but less than three years	60
Three years and more but less than four years	40
Four years and more but less than five years	20

1.5 Rate of Interest

- (i) The interest payable to the investors may be either at a fixed rate or at a floating rate referenced to a market determined rupee interest benchmark rate.
- (ii) The instrument cannot have a credit sensitive coupon feature, i.e. a coupon that is reset periodically based in whole or in part on the banks' credit standing. Banks desirous of offering floating reference rate may take prior approval of the RBI (DBR) as regard permissibility of such reference rates.

1.6 Optionality

The debt instruments shall not have any 'put option'. However, it may be callable at the initiative of the issuer only after a minimum of five years:

- (a) To exercise a call option a bank must receive prior approval of RBI (Department of Banking Regulation); and
- (b) A bank must not do anything which creates an expectation that the call will be exercised. For example, to preclude such expectation of the instrument being called, the dividend / coupon reset date need not be co-terminus with the call date. Banks may, at their discretion, consider having an appropriate gap between dividend / coupon reset date and call date; and
- (c) Banks must not exercise a call unless:
 - (i) They replace the called instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the bank; or
 - (ii) The bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.

The use of tax event and regulatory event calls may be permitted. However, exercise of the calls on account of these events is subject to the requirements set out in points (a) to (c) of criterion 1.6. RBI will permit the bank to exercise the call only if the RBI is convinced that the bank was not in a position to anticipate these events at the time of issuance of these instruments as explained in case of Additional Tier 1 instruments.

1.7 Treatment in Bankruptcy / Liquidation

The investor must have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.

1.8 Prohibition on Purchase / Funding of Instruments

Neither the bank nor a related party over which the bank exercises control or significant influence (as defined under relevant Accounting Standards) should purchase the instrument, nor can the bank directly or indirectly should fund the purchase of the instrument. Banks should also not grant advances against the security of the debt instruments issued by them.

1.9 Reporting of Non-payment of Coupons

All instances of non-payment of coupon should be notified by the issuing banks to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.

1.10 Seniority of Claim

The claims of the investors in instruments shall be

- (i) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital;
- (ii) subordinate to the claims of all depositors and general creditors of the bank; and
- (iii) is neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors.

1.11 Investment in Instruments Raised in Indian Rupees by Foreign Entities/ NRIs

- (i) Investment by FIIs in Tier 2 instruments raised in Indian Rupees shall be outside the limit for investment in corporate debt instruments, as fixed by the Govt. of India from time to time. However, investment by FIIs in these instruments will be subject to a separate ceiling of USD 500 million. In addition, NRIs shall also be eligible to invest in these instruments as per existing policy.
- (ii) Banks should comply with the terms and conditions, if any, stipulated by SEBI / other regulatory authorities in regard to issue of the instruments.

1.12 Terms of Issue of Tier 2 Debt Capital Instruments in Foreign Currency

Banks may issue Tier 2 Debt Instruments in Foreign Currency without seeking the prior approval of the Reserve Bank of India, subject to compliance with the requirements mentioned below:

- (i) Tier 2 Instruments issued in foreign currency should comply with all terms and conditions applicable to instruments issued in Indian Rupees.

- (ii) The total outstanding amount of Tier 2 Instruments in foreign currency shall not exceed 25% of the unimpaired Tier 1 capital. This eligible amount will be computed with reference to the amount of Tier 1 capital as on March 31 of the previous financial year, after deduction of goodwill and other intangible assets but before the deduction of investments, as per paragraph 4.4.9 of the Master Circular on Basel III capital regulations.
- (iii) This will be in addition to the existing limit for foreign currency borrowings by Authorised Dealers stipulated in terms of Master Circular No. 14/2010-11 dated July 1, 2010 on Risk Management and Inter-Bank Dealings as updated from time to time.

1.13 Compliance with Reserve Requirements

- (i) The funds collected by various branches of the bank or other banks for the issue and held pending finalisation of allotment of the Tier 2 Capital instruments will have to be taken into account for the purpose of calculating reserve requirements.
- (ii) The total amount raised by a bank through Tier 2 instruments shall be reckoned as liability for the calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will attract CRR/SLR requirements.

1.14 Reporting of Issuances

Banks issuing debt instruments shall submit a report to the Chief General Manager-in-charge, Department of Banking Regulation, Reserve Bank of India, Mumbai giving details of the debt raised, including the terms of issue specified at para 1 above, together with a copy of the offer document soon after the issue is completed.

1.15 Investment in Tier 2 Debt Capital Instruments Issued by Other Banks/FIs

A bank's investment in Tier 2 debt instruments issued by other banks and financial institutions will be reckoned along with the investment in other instruments eligible for capital status while computing compliance with the overall ceiling of 10% for cross holding of capital among banks/FIs prescribed vide circular DBOD.BP.BC.No.3/ 21.01.002/ 2004-05 dated 6th July 2004 and also subject to cross holding limits.

Bank's investments in Tier 2 instruments issued by other banks/ financial institutions will attract risk weight as per paragraphs 5.6 and 8.3.5 of the Master Circular on Basel III Capital Regulations, whichever applicable for capital adequacy purposes.

1.17 Classification in the Balance Sheet

The amount raised by way of issue of Tier 2 debt capital instrument may be classified under 'Schedule 4 – Borrowings' in the Balance Sheet.

1.18 Debt Capital Instruments to Retail Investors

With a view to enhancing investor education relating to risk characteristics of

regulatory capital requirements, banks issuing subordinated debt to retail investors, subject to approval of their Board, should adhere to the following conditions:

- (a) For floating rate instruments, banks should not use its Fixed Deposit rate as benchmark.
- (b) The requirement for specific sign-off as quoted below, from the investors for having understood the features and risks of the instrument may be incorporated in the common application form of the proposed debt issue.

"By making this application, I / We acknowledge that I/We have understood the terms and conditions of the Issue of [insert the name of the instruments being issued] of [Name of The Bank] as disclosed in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Document ".

- (c) All the publicity material, application form and other communication with the investor should clearly state in bold letters (with font size 14) how a subordinated bond is different from fixed deposit particularly that it is not covered by deposit insurance. In addition, the loss absorbency features of the instrument should be clearly explained and the investor's sign-off for having understood these features and other terms and conditions of the instrument should be obtained.

1.18 Raising of Instruments for Inclusion as Tier 2 Capital by Foreign Banks in India

Foreign banks in India may raise Head Office (HO) borrowings in foreign currency for inclusion as Tier 2 capital subject to the same terms and conditions as mentioned in items 1.1 to 1.17 above for Indian banks. In addition, the following terms and conditions would also be applicable:

- (a) Maturity period : If the amount of Tier 2 debt capital raised as HO borrowings is in tranches, each tranche shall be retained in India for a minimum period of five years.
- (b) Rate of interest: Rate of interest on Tier 2 capital raised as HO borrowings should not exceed the on-going market rate. Interest should be paid at half yearly rests.
- (c) Withholding tax: Interest payments to the HO will be subject to applicable withholding tax.
- (d) Documentation: The foreign bank raising Tier 2 debt capital as HO borrowings should obtain a letter from its HO agreeing to give the loan for supplementing the capital base for the Indian operations of the foreign bank. The loan documentation should confirm that the loan given by HO shall be eligible for the same level of seniority of claim as the investors in debt capital instruments issued by Indian banks. The loan agreement will be governed by and construed in accordance with the Indian law.
- (e) Disclosure: The total eligible amount of HO borrowings shall be disclosed

in the balance sheet under the head 'Tier 2 debt capital raised in the form of Head Office borrowings in foreign currency'.

- (f) Hedging: The total eligible amount of HO borrowing should remain fully swapped in Indian Rupees with the bank at all times.
- (g) Reporting and certification: Details regarding the total amount of Tier 2 debt capital raised as HO borrowings, along with a certification to the effect that the borrowing is in accordance with these guidelines, should be advised to the Chief General Managers-in-Charge of the Department of Banking Regulation (International Banking Division), Department of External Investments and Operations and Financial Markets Regulation Department, Reserve Bank of India, Mumbai.
- (h) Features: The HO borrowings should be fully paid up, i.e. the entire borrowing or each tranche of the borrowing should be available in full to the branch in India. It should be unsecured, subordinated to the claims of other creditors of the foreign bank in India, free of restrictive clauses and should not be redeemable at the instance of the HO.
- (i) Rate of discount: The HO borrowings will be subjected to progressive discount as they approach maturity at the rates indicated below:

<i>Remaining maturity of borrowing</i>	<i>Rate of discount (%)</i>
More than 5 years	Not Applicable (the entire amount can be included as subordinated debt in Tier 2 capital)
More than 4 years and less than 5 years	20
More than 3 years and less than 4 years	40
More than 2 years and less than 3 years	60
More than 1 year and less than 2 years	80
Less than 1 year	100 (No amount can be treated as subordinated debt for Tier 2 capital)

1.19 Requirements

The total amount of HO borrowings is to be reckoned as liability for the calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, will attract CRR/SLR requirements.

1.20 Hedging

The entire amount of HO borrowing should remain fully swapped with banks at all times. The swap should be in Indian rupees.

1.21 Reporting and Certification

Such borrowings done in compliance with the guidelines set out above would not require prior approval of Reserve Bank of India. However, information regarding the total amount of borrowing raised from Head Office under this Annex, along with a certification to the effect that the borrowing is as per the guidelines, should be advised to the Chief General Managers-in-Charge of the Department of Banking Regulation (International Banking Division), Department of External Investments and Operations and Financial Markets Regulation Department, Reserve Bank of India, Mumbai.

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Annexure I

**SECURITIES AND EXCHANGE BOARD OF INDIA
(Issue and Listing of Debt Securities) Regulations, 2008**

CHAPTER I

PRELIMINARY

1. Short title, and commencement

- (1) These Regulations may be called the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions

- (1) In these Regulations, unless the context otherwise requires,
 - (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (b) "advertisement" includes notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspaper, pictures, films, cover pages of offer documents or any other print medium, radio, television programmes through any electronic medium;
 - (c) "Board" means the Securities and Exchange Board of India established under provisions of Section 3 of Act;
 - (d) "book building" means a process undertaken prior to filing of prospectus with the Registrar of Companies by means of circulation of a notice, circular, advertisement or other document by which the demand for the debt securities proposed to be issued by an issuer is elicited and the price and quantity of such securities is assessed;
 - (e) "debt securities" means a non-convertible debt securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by the Board, security receipts and securitized debt instruments;
 - (f) "designated stock exchange" means a stock exchange in which securities of the issuer are listed or proposed to be listed and which is chosen by the issuer for the purposes of a particular issue under these regulations;
 - (g) "issuer" means any company, public sector undertaking or statutory corporation which makes or proposes to make an issue of debt securities in accordance

- with these regulations or which has its securities listed on a recognized stock exchange or which seeks to list its debt securities on a recognized stock exchange;
- ¹[(ga) "net worth" shall have the same meaning as assigned to it in clause (57) of section 2 of the Companies Act, 2013;]
- (h) "private placement" means an offer or invitation to less than fifty persons to subscribe to the debt securities in terms of sub-section (3) of section 67 of the Companies Act, 1956 (1 of 1956);
- (i) "public issue" means an offer or invitation by an issuer to public to subscribe to the debt securities which is not in the nature of a private placement;
- (j) "offer document" means ²[a prospectus or a shelf prospectus] and includes any such document or advertisement whereby the subscription to debt securities are invited by the issuer from public;
- (k) "recognised stock exchange" means any stock exchange which is recognised under section 4 of the Securities Contracts (Regulation) Act, 1956;
- (l) "schedule" means a schedule annexed to these regulations;
- ³[(la) "shelf prospectus" shall have the same meaning as assigned to it in section 31 of the Companies Act, 2013;]
- (m) "specified" means specified by a general or special order or circular issued under the Act or these regulations⁴;
- ⁵[(n) "wilful defaulter" means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.]
- (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, 1956 or Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 or the Rules and the Regulations made thereunder or any statutory modification or reenactment thereto, unless the context requires otherwise.

1 Inserted by the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2014 w.e.f. 31-01-14.

2 Substituted for "prospectus" by the SEBI(Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 w.e.f. 31-01-14.

3 Inserted by the SEBI(Issue and Listing of Debt Securities)(Amendment)Regulations, 2014 w.e.f. 31-01-14.

4 Substituted for "." by the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2016 w.e.f. 25-05-16.

5 Inserted by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16.

3. Applicability

These regulations shall apply to- (a) public issue of debt securities; and (b) listing of debt securities issued through public issue or on private placement basis on a recognized stock exchange.

CHAPTER II

ISSUE REQUIREMENTS FOR PUBLIC ISSUES

4. General Conditions

6[(1) No issuer shall make any public issue of debt securities if as on the date of filing of draft offer document or final offer document as provided in these regulations:

- (a) the issuer or the person in control of the issuer or its promoter or its director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities; or
- (b) the issuer or any of its promoters or directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.]

(2) No issuer shall make a public issue of debt securities unless following conditions are satisfied, as on the date of filing of draft offer document and final offer document as provided in these regulations,

- (a) it has made an application to one or more recognized stock exchanges for listing of such securities therein:

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

Provided further that where any of such stock exchanges have nationwide trading terminals, the issuer shall choose one of them as the designated stock exchange;

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

- (b) it has obtained in-principle approval for listing of its debt securities on the recognized stock exchanges where the application for listing has been made;
- (c) credit rating has been obtained from at least one credit rating agency registered with the Board and is disclosed in the offer document:

6 Substituted for sub-regulation (1) by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16. Prior to substitution, sub-regulation (1) read as under: "(1) No issuer shall make any public issue of debt securities if as on the date of filing of draft offer document and final offer document as provided in these regulations, the issuer or the person in control of the issuer, or its promoter, has been restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities and such direction or order is in force."

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- Provided that where credit ratings are obtained from more than one credit rating agencies, all the ratings, including the unaccepted ratings, shall be disclosed in the offer document;
- (d) it has entered into an arrangement with a depository registered with the Board for dematerialization of the debt securities that are proposed to be issued to the public, in accordance with the Depositories Act, 1996 and regulations made thereunder.
 - (3) The issuer shall appoint one or more merchant bankers registered with the Board at least one of whom shall be a lead merchant banker.
 - (4) The issuer shall appoint one or more debenture trustees in accordance with the provisions of Section 117B of the Companies Act, 1956 (1 of 1956) and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
 - (5) The issuer shall not issue debt securities for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.
 - (6) Explanation: For the purposes of sub-regulation (5), -
 - (a) two persons shall be deemed to be “part of the same group” if they belong to the same group within the meaning of clause (ef) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) or if they own “inter-connected undertakings” within the meaning of clause (g) of section 2 of that Act;
 - (b) the expression “under the same management” shall have the meaning derived from sub-section (1B) of section 370 of the Companies Act, 1956 (1 of 1956).

5. Disclosures in the offer document

- (1) The offer document shall contain all material disclosures which are necessary for the subscribers of the debt securities to take an informed investment decision.
- (2) Without prejudice to the generality of sub-regulation (1), the issuer and the lead merchant banker shall ensure that the offer document contains the following:
 - (a) the disclosures specified in Schedule II of the Companies Act, 1956;
 - (b) disclosure specified in Schedule I of these regulations;
 - (c) additional disclosures as may be specified by the Board.

Explanation: For the purpose of this regulation, “material” means anything which is likely to impact an investors? investment decision.

6. Filing of draft offer document

- (1) No issuer shall make a public issue of debt securities unless a draft offer document has been filed with the designated stock exchange through the lead merchant banker.
- (2) The draft offer document filed with the designated stock exchange shall be made public by posting the same on the website of the designated stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.

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- (3) The draft offer document may also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the debt securities are proposed to be listed.
- (4) The lead merchant banker shall ensure that the draft offer document clearly specifies the names and contact particulars of the compliance officer of the lead merchant banker and the issuer including the postal and email address, telephone and fax numbers. (5) The Lead Merchant Banker 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) A copy of draft and final offer document shall also be forwarded to the Board for its records,⁷[along with regulatory fees as specified in Schedule V] simultaneously with filing of these documents with designated stock exchange. (7) The lead merchant banker shall, prior to filing of the offer document with the Registrar of Companies, furnish to the Board a due diligence certificate as per Schedule II of these regulations. (8) The debenture trustee shall, prior to the opening of the public issue, furnish to the Board a due diligence certificate as per Schedule III of these regulations.

6A. ⁸"Filing of Shelf Prospectus

- (1) Without prejudice to the regulation 6, following companies or entities may file shelf prospectus under section 31 of Companies Act, 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, and scheduled banks as defined under clause (e) of section 2 of the Reserve Bank of India Act, 1934; or
 - b. Issuers authorized by the notification of Central Board of Direct Taxes to make public issue of tax free secured bonds, with respect to such tax free bond issuances; or
 - c. Infrastructure Debt Funds – Non-Banking Financial Companies regulated by Reserve Bank of India; or
 - d. Non-Banking Financial Companies registered with Reserve Bank of India and Housing Finance Companies registered with National Housing Bank complying with the following criteria:
 - i. having a net worth of at-least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
 - ii. having consistent track record of distributable profit for the last three years;
 - iii. securities issued under the shelf prospectus have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with the Board;

7 Inserted by the SEBI (Payment of Fees) (Amendment) Regulations, 2014 w.e.f. 23. 05.14

8 Inserted by the SEBI(Issue and Listing of Debt Securities)(Amendment)Regulations, 2014 w.e.f. 31-01-14.

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- iv. no regulatory action is pending against the company or its promoters or directors before the Board, Reserve Bank of India or National Housing Bank;
 - v. the issuer has not defaulted in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years.
- or
- e. Listed entities complying with the following criteria:
 - i. whose public issued equity shares or debt securities are listed on recognized stock exchange for a period of at least three years immediately preceding the issue and have been complying with the listing agreement entered into between the issuer and the recognized stock exchanges where the said securities of the issuer are listed;
 - ii. having a net worth of at-least Rs.500 crore, as per the audited balance sheet of the preceding financial year;
 - iii. having consistent track record of distributable profit for the last three years;
 - iv. securities issued under the shelf prospectus have been assigned a rating of not less than "AA-" category or equivalent by a credit rating agency registered with the Board;
 - v. no regulatory action is pending against the company or its promoters or directors before the Board, Reserve Bank of India or National Housing Bank;
 - vi. the issuer has not defaulted in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any public financial institution or banking company, in the last three financial years. (2) The issuer filing a shelf prospectus shall file a copy of an information memorandum with the recognised stock exchanges and the Board, immediately on filing the same with the Registrar.
- (3) The information memorandum shall contain the disclosures specified in Companies Act, 1956 or Companies Act, 2013, whichever is applicable and rules made thereunder and shall include disclosures regarding summary term sheet, material updations including revision in ratings, if any along with the rating rationale and financial ratios specified in Schedule I, indicating the pre and post issue change.
- (4) Not more than four issuances shall be made through a single shelf prospectus.]

7. Mode of Disclosure of Offer Document

- (1) The draft and final offer document shall be displayed on the websites of stock exchanges and shall be available for download in PDF / HTML formats.
- (2) The offer document shall be filed with the designated stock exchange,

simultaneously with filing thereof with the Registrar of Companies, for dissemination on its website prior to the opening of the issue.

- (3) Where any person makes a request for a physical copy of the offer document, the same shall be provided to him by the issuer or lead merchant banker.

8. Advertisements for Public issues

- (1) The issuer shall make a advertisement in an national daily with wide circulation, on or before the issue opening date and such advertisement shall, amongst other things, contain the disclosures as per Schedule IV.
- (2) No issuer shall issue an advertisement which is misleading in material particular 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.
- (5) The advertisement shall urge the investors to invest only on the basis of information contained in the offer document.
- (6) Any corporate or product advertisement issued by the issuer during the subscription period shall not make any reference to the issue of debt securities or be used for solicitation.

9. Abridged Prospectus and application forms

- (1) The issuer and lead merchant banker shall ensure that:
 - (a) every application form issued by the issuer is accompanied by a copy of the abridged prospectus;
 - (b) the abridged prospectus shall not contain matters which are extraneous to the contents of the prospectus;
 - (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.

10. Electronic Issuances

An issuer proposing to issue debt securities to the public through the on-line system of the designated stock exchange shall comply with the relevant applicable requirements as may be specified by the Board.

11. Price Discovery through Book Building

The issuer may determine the price of debt securities in consultation with the lead merchant banker and the issue may be at fixed price or the price may be

determined through book building process in accordance with the procedure as may be specified by the Board.

12. Minimum subscription.

- (1) The issuer may decide the amount of minimum subscription which it seeks to raise by issue of debt securities and disclose the same in the offer document.
- (2) In the event of non receipt of minimum subscription all application moneys received in the public issue shall be refunded forthwith to the applicants.

13. Underwriting

A public issue of debt securities may be underwritten by an underwriter registered with the Board and in such a case adequate disclosures regarding underwriting arrangements shall be disclosed in the offer document.

14. Prohibitions of mis-statements in the offer document.

- (1) The offer document shall not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading.
- (2) The offer document or abridged prospectus or any advertisement issued by an issuer in connection with a public issue of debt securities shall not contain any false or misleading statement.

15. Trust Deed

- (1) A trust deed for securing the issue of debt securities shall be executed by the issuer in favour of the debenture trustee within three months of the closure of the issue.
- (2) The trust deed shall contain such clauses as may be prescribed under section 117A of the Companies Act, 1956 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
- (3) The trust deed shall not contain a clause which has the effect of –
 - (i) limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the investors;
 - (ii) limiting or restricting or waiving the provisions of the Act , these regulations and circulars or guidelines issued by the Board;
 - (iii) indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.

16. Debenture Redemption Reserve

- (1) For the redemption of the debt securities issued by a company, the issuer shall create debenture redemption reserve in accordance with the provisions of the Companies Act, 1956 and circulars issued by Central Government in this regard.
- (2) Where the issuer has defaulted in payment of interest on debt securities or

redemption thereof or in creation of security as per the terms of the issue of debt securities, any distribution of dividend shall require approval of the debenture trustees.

17. Creation of security

- (1) The proposal to create a charge or security, if any, in respect of secured debt securities shall be disclosed in the offer document along with its implications. (2) The issuer shall give an undertaking in the offer document that the assets on which charge is created are free from any encumbrances and if the assets are already charged to secure a debt, the permissions or consent to create second or pari passu charge on the assets of the issuer have been obtained from the earlier creditor. (3) The issue proceeds shall be kept in an escrow account until the documents for creation of security as stated in the offer document, are executed.

⁹[Right to recall or redeem prior to maturity 17A. An issuer making public issue of debt securities may recall such securities prior to maturity date at his option (call) or provide such right of redemption prior to maturity date (put) to all the investors or only to retail investors, at their option, subject to the following:

- (a) Such right to recall or redeem debt securities prior to maturity date is exercised in accordance with the terms of issue and detailed disclosure in this regard is made in the offer document including date from which such right is exercisable, period of exercise (which shall not be less than three working days), redemption amount (including the premium or discount at which such redemption shall take place);
- (b) The issuer or investor may exercise such right with respect to all the debt securities issued or held by them respectively or with respect to a part of the securities so issued or held ;
- (c) 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;
- (d) No such right shall be exercisable before expiry of twenty four months from the date of issue of such debt securities;
- (e) Issuer shall send notice to all the eligible holders of such debt securities at least twenty one days before the date from which such right is exercisable;
- (f) Issuer shall also provide a copy of such notice to the stock exchange where the such debt securities are listed for wider dissemination and shall make an advertisement in the national daily having wide circulation indicating the details of such right and eligibility of the holders who are entitled to avail such right ;
- (g) Issuer shall pay the redemption proceeds to the investors along with the interest due to the investors within fifteen days from the last day within which such right can be exercised;

⁹ Inserted by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 w.e.f. 24-03-15.

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- (h) Issuer shall pay interest at the rate of fifteen per cent. per annum for the period of delay, if any,
 - (i) After the completion of the exercise of such right, the issuer shall submit a detailed report to the stock exchange for public dissemination regarding the debt securities redeemed during the exercise period and details of redemption thereof.

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

18. Redemption and Roll-over

- (1) The issuer shall redeem the debt securities in terms of the offer document.
 - (2) Where the issuer desires to roll-over the debt securities issued by it, it shall do so only upon passing of a special resolution of holders of such securities and give twenty one days notice of the proposed roll over to them.
 - (3) The notice referred to in sub- regulation (2) shall contain disclosures with regard to credit rating and rationale for roll-over.
 - (4) 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 exchanges where such securities are listed, for dissemination of the same to public on its website.
- (5)The debt securities issued can be rolled over subject to the following conditions:- (a) The roll-over is approved by a special resolution passed by the holders of debt securities through postal ballot having the consent of not less than 75% of the holders by value of such debt securities; (b) atleast one rating is obtained from a credit rating agency within a period of six months prior to the due date of redemption and is disclosed in the notice referred to in sub-regulation (2); (c) fresh trust deed shall be executed at the time of such roll – over or the existing trust deed may be continued if the trust deed provides for such continuation ; (d) adequate security shall be created or maintained in respect of such debt securities to be rolled –over. (6) The issuer shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

CHAPTER III

LISTING OF DEBT SECURITIES

19. Mandatory listing

- (1) An issuer desirous of making an offer of debt securities to the public shall make an application for listing to one or more recognized stock exchanges in terms of sub-section (1) of section 73 of the Companies Act, 1956(1 of 1956). (2) The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.

¹⁰[(3) Where the issuer has disclosed the intention to seek listing of debt securities issued on private placement basis, the issuer shall forward the listing application along with the disclosures specified in Schedule I to the recognized stock exchange within fifteen days from the date of allotment of such debt securities.]

20. Conditions for listing of debt securities issued on private placement basis

(1) An issuer may list its debt securities issued on private placement basis on a recognized stock exchange subject to the following conditions: (a) the issuer has issued such debt securities in compliance with the provisions of the Companies Act, 1956, rules prescribed thereunder and other applicable laws; (b) credit rating has been obtained in respect of such debt securities from at least one credit rating agency registered with the Board; (c) the debt securities proposed to be listed are in dematerialized form ; (d) the disclosures as provided in regulation 21 have been made.

¹¹[(e) where the application is made to more than one recognized stock exchange, the issuer shall choose one of them as the designated stock exchange.]

(2) The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.

¹²[(3) The designated stock exchange shall collect a regulatory fee as specified in Schedule V from the issuer at the time of listing of debt securities issued on private placement basis.]

20A. ¹³[Consolidation and re-issuance

An issuer may carry out consolidation and re-issuance of its debt securities, subject to the fulfillment of the following conditions:

- a) there is such an enabling provision in its articles under which it has been incorporated;
- b) the issue is through private placement;
- c) 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;
- d) such ratings shall be revalidated on a periodic basis and the change, if any, shall be disclosed;

10 Inserted by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 w.e.f. 12-10-12.

11 Inserted by the SEBI (Payment of Fees) (Amendment) Regulations, 2014 w.e.f. 23. 05.14

12 Inserted by the SEBI (Payment of Fees) (Amendment) Regulations, 2014 w.e.f. 23. 05.14

13 Inserted by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 w.e.f. 24-03-15.

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- e) appropriate disclosures are made with regard to consolidation and re-issuance in the Term Sheet.]

21. Disclosures in respect of Private Placements of Debt Securities

- (1) The issuer making a private placement of debt securities and seeking listing thereof on a recognized stock exchange shall make disclosures ¹⁴[in a disclosure document] as specified in Schedule I of these regulations accompanied by the latest Annual Report of the issuer. (2) The disclosures as provided in sub-regulation (1) shall be made on the web sites of stock exchanges where such securities are proposed to be listed and shall be available for download in PDF/HTML formats.

21A. ¹⁵[Filing of Shelf Disclosure Document

- (1) An issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a Shelf Disclosure Document containing disclosures as provided in Schedule I. (2) An issuer filing a Shelf Disclosure Document under sub-regulation (1), shall not be required to file disclosure document, while making subsequent private placement of debt securities for a period of 180 days from the date of filing of the shelf disclosure document: Provided that the issuer while making any private placement under Shelf Disclosure Document, shall file with the concerned stock exchange updated disclosure document with respect to each tranche, containing details of the private placement and material changes, if any, in the information provided in Shelf Disclosure Document.]

22. Relaxation of strict enforcement of rule 19 of Securities Contracts (Regulation) Rules, 1957

In exercise of the powers conferred by sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957, the Board hereby relaxes the strict enforcement of: (a) sub-rules (1) and (3) of rule 19 the said rules in relation to listing of debt securities issued by way of a public issue or a private placement; (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;
- (ii) issued to 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 infrastructure sector.

Explanation: For the purposes of this regulation the terms "infrastructure company" and "infrastructure sector" shall have the same meaning as assigned to them under the SEBI (Disclosure and Investor Protection) Guidelines, 2000 or any successor thereof.

14 Ibid.

15 Ibid.

CHAPTER IV**CONDITIONS FOR CONTINUOUS LISTING AND TRADING OF DEBT SECURITIES****23. Continuous Listing Conditions**

- (1) All the issuers making public issues of debt securities or seeking listing of debt securities issued on private placement basis shall comply with the conditions of listing specified in the respective listing agreement for debt securities.
- (2) Every rating obtained by an issuer shall be periodically reviewed by the registered credit rating agency and any revision in the rating shall be promptly disclosed by the issuer to the stock exchange(s) where the debt securities are listed.
- (3) Any change in rating shall be promptly disseminated to investors and prospective investors in such manner as the stock exchange where such securities are listed may determine from time to time.
- (4) The issuer, the respective debenture trustees and stock exchanges shall disseminate all information and reports on debt securities including compliance reports filed by the issuers and the debenture trustees regarding the debt securities to the investors and the general public by placing them on their websites.
- (5) Debenture trustee shall disclose the information to the investors and the general public by issuing a press release in any of the following events:
 - (a) default by issuer to pay interest on debt securities or redemption amount;
 - (b) failure to create a charge on the assets;
 - (c) revision of rating assigned to the debt securities.
- (6) The information referred to in sub-regulation (5) shall also be placed on the websites, if any, of the debenture trustee, the issuer and the stock exchanges.

24. Trading of Debt securities

- (1) The debt securities issued to the public or on a private placement basis, which are listed in recognized stock exchanges, shall be traded and such trades shall be cleared and settled in recognized stock exchanges subject to conditions specified by the Board.
- (2) In case of trades of debt securities which have been made over the counter, such trades shall be reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by the Board.
- (3) The Board may specify conditions for reporting of trades on the recognized stock exchange or other platform referred to in sub-regulation (2).

CHAPTER V**OBLIGATIONS OF INTERMEDIARIES AND ISSUERS****25. Obligations of Debenture Trustee**

- (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

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- director on the Board of the issuer in consultation with institutional holders of such securities.
- (2) The debenture trustee shall carry out its duties and perform its functions under these regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the trust deed and offer document, with due care, diligence and loyalty.
 - (3) The debenture trustee shall ensure disclosure of all material events on an ongoing basis.
 - (4) The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities and debenture redemption reserve.

26. Obligations of the Issuer , Lead Merchant Banker, etc.

- (1) The issuer shall disclose all the material facts in the offer documents issued or distributed to the public and shall ensure that all the disclosures made in the offer document are true, fair and adequate and there is no mis-leading or untrue statements or mis-statement in the offer document.
- (2) The Merchant Banker shall 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 as well as all transaction specific disclosures required in Schedule I of these regulations and Schedule II of the Companies Act, 1956.
- (3) The issuer shall treat the applicants in a public issue of debt securities in a fair and equitable manner as per the procedures as may be specified by the Board.
- (4) The intermediaries shall be responsible for the due diligence in respect of assignments undertaken by them in respect of issue, offer and distribution of securities to the public.
- (5) No person shall employ any device, scheme or artifice to defraud in connection with issue or subscription or distribution of debt securities which are listed or proposed to be listed on a recognized stock exchange.
- (6) The issuer and the merchant banker shall ensure that the security created to secure the debt securities is adequate to ensure 100% asset cover for the debt securities.

CHAPTER VI

PROCEDURE FOR ACTION IN CASE OF VIOLATION OF REGULATIONS

27. Inspection by the Board

- (1) Without prejudice to the provisions of sections 11 and 11C of the Act and section 209A of the Companies Act, the Board may suo-motu or upon information received by it, appoint one or more persons to undertake the inspection of the books of account, records and documents of the issuer or

merchant banker or any other intermediary associated with the public issue, disclosure or listing of debt securities, as governed under these regulations, for any of the purposes specified in sub-regulation (2).

- (2) The purposes referred to in sub-regulation (1) may be as follows, namely:-
- (a) to verify whether the provisions of the Act, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, the rules and regulations made thereunder in respect of issue of securities have been complied with;
 - (b) to verify whether the requirement in respect of issue of securities as specified in these regulations has been complied with;
 - (c) to verify whether the requirements of listing conditions and continuous disclosure requirement have been complied with;
 - (d) to inquire into the complaints received from investors, other market participants or any other persons on any matter of issue and transfer of securities governed under these regulations;
 - (e) to inquire into affairs of the issuer in the interest of investor protection or the integrity of the market governed under these regulations;
 - (f) to inquire whether any direction issued by the Board has been complied with.
- (3) While undertaking an inspection under these regulations, the inspecting authority or the Board, as the case may be, shall follow the procedure specified by the Board for inspection of the intermediaries.

28. Directions by the Board

Without prejudice to the action under section 11, 11A, 11 B, 11D, sub- section (3) of section 12, Chapter VIA and section 24 of the Act or section 621 of the Companies Act, 1956, the Board may suo-motu or on receipt of information or on completion or pendency of inspection or investigation, in the interests of the securities market, issue or pass such directions as it deems fit including any or all of the following –

- (a) directing the issuer to refund of the application monies to the applicants in a public 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 securities;
- (e) directing the person concerned to sell or divest the securities;
- (f) directing the issuer or the depository not to give effect transfer or directing further freeze of transfer of securities;

- (g) any other direction which Board may deem fit and proper in the circumstances of the case:

Provided that the Board shall, either before or after issuing such directions, give an opportunity of being heard to the persons against whom the directions are issued or proposed to be issued:

Provided further that if any ex-parte direction is required to be issued, the Board may give post decisional hearing to affected person.

29. Appeal

Any person aggrieved by an order of the Board or Adjudicating Officer under the Act or these regulations, may prefer an appeal to the Securities Appellate Tribunal in accordance with section 15T of the Act read with the Securities Appellate Tribunal (Procedure) Rules, 2000.

CHAPTER VII

MISCELLANEOUS

30. Delegation

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

31. Power of the Board to issue general order or circular

- (1) The Board may by a general or special order or circular specify any conditions or requirement in respect of issue of debt 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 debt securities;
- (c) Listing conditions.
- (3) If any special order is proposed to be issued to any particular issuer or intermediary on a specific issue, no such order shall be issued unless an opportunity to represent is given to the person affected by such order.

32. Power to remove difficulty

- (1) In order to remove any difficulties in the application or interpretation of these

regulations, the Board may issue clarifications or grant relaxations from application requirement or conditions of these regulations, after recording reasons therefore.

- (2) The Board may, on an application made by any issuer, relax any of the procedural requirements or conditions or strict enforcement of these regulations, if the Board is satisfied that:
 - (a) requirement is procedural or technical in nature; or
 - (b) requirement causes undue hardship to a particular class of industry or 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.

33. Repeal and Savings

- (1) On and from the commencement of these regulations, the provisions of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 in so far as they relate to issue and listing of debt securities shall stand rescinded.
- (2) Notwithstanding such rescission:-
 - (a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or investigation commenced or show cause notice issued in respect of the said guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations;
 - (b) any application made to the Board under the said Guidelines and pending before it shall be deemed to have been made under the corresponding provisions of these regulations.

¹⁶[SCHEDULE I

¹⁶Substituted by the SEBI(Issue and Listing of Debt Securities)(Amendment)Regulations, 2012 w.e.f. 12-10-12. Prior to its substitution, Schedule I read as under:

SCHEDULE I

[See Regulation 5 (2) (b)]

DISCLOSURES

1. The issuer seeking listing of its debt securities on a recognized stock exchange shall forward the listing application to the stock exchange along with the following documents –
 - (a) Memorandum and Articles of Association and a copy of the Trust Deed.
 - (b) Copy of latest audited balance sheet and Annual Report.
 - (c) Statement containing particulars of dates of, and parties to all material contracts and agreements: Provided that a recognized stock exchange may call for such further particulars or documents as it deems proper.
2. The following disclosures shall be made where relevant:
 - i. Name and address of the registered office of the issuer.
 - ii. Names and addresses of the directors of the issuer.
 - iii. A brief summary of the business/ activities of the issuer and its line of business.
 - iv. And a brief history of the issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.
 - v. Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e. public issue or private placement.
 - vi. Issue size.
 - vii. Details of utilization of the issue proceeds.
 - viii. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer
 - ix. Details of other borrowings including any other issue of debt securities in past;
 - x. Any material event/ development or change at the time of issue or subsequent to the issue which may affect the issue or the investors decision to invest / continue to invest in the debt securities.
 - xi. Particulars of the debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.
 - xii. A list of highest ten holders of each class or kind of securities of the issuer as on the date of application along with particulars as to number of shares or debt securities held by them and the address of each such holder.

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- xiii. An undertaking that the issuer shall use a common form of transfer xiv. Redemption amount, period of maturity, yield on redemption.
 - xv. Information relating to the terms of offer or purchase.
 - xvi. The discount at which such offer is made and the effective price for the investor as a result of such discount.
 - xvii. The debt equity ratio prior to and after issue of the debt security.
 - xviii. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.
 - xix. That the permission / consent from the prior creditor for a second or pari passu charge being created in favor of the trustees to the proposed issue has been obtained.
 - xx. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities.
 - xxi. The rating rationale (s) adopted by the rating agencies shall be disclosed.
 - xxii. Names of all the recognised stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognised stock exchange has been obtained.
 - xxiii. A summary term sheet shall be provided which shall include brief information pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof) as follows (where relevant):
 - Issuer
 - Minimum Subscription of Debt securities and in multiples of __ Debt securities thereafter
 - Tenor __ Months from the Deemed Date of Allotment
 - Coupon Rate / Coupon Date __% p.a. (payable __) on __ each year

[See Regulation 5 (2) (b), Regulation 19(3), Regulation 21 and Regulation 21A]

DISCLOSURES

1. The issuer seeking listing of its debt securities on a recognized stock exchange shall file the following disclosures along with the listing application to the stock exchange:
 - A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities;
 - B. Copy of last three years audited Annual Reports;
 - C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;

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- D. Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories.
- E. An undertaking from the issuer stating that the necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same.
- F. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.
- G. An undertaking that permission / consent from the prior creditor for a second or pari passu charge being created, where applicable, in favor of the trustees to the proposed issue has been obtained.
2. Issuer shall submit the following disclosures to the Debenture Trustee in electronic form (soft copy) at the time of allotment of the debt securities:
- A. Memorandum and Articles of Association and necessary resolution(s) for the allotment of the debt securities;
- B. Copy of last three years' audited Annual Reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;

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- Redemption Date
 - Put / Call option _____
 - Proposed listing of the debt securities with ____ Stock Exchange
 - Issuance Physical /Demat mode
 - Trading Demat mode only
 - Depository _____
 - Security
 - Rating ___ by ___ (All the credit rating/s, including any unaccepted credit ratings, shall be disclosed in the draft offer document to be filed with SEBI)
 - Settlement By way of [Insert details of payment procedure]
 - Issue Schedule:
 - Issue opens on: _____
 - Issue closes on _____
 - Pay-in date _____
 - Deemed date of allotment _____

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- D. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (Profit & Loss statement, Balance Sheet and Cash Flow statement) and auditor qualifications , if any.
- E. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point (D) above to the Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all „Qualified Institutional Buyers? (QIBs) and other existing debenture-holders within two working days of their specific request.
3. The following disclosures shall be made where relevant:
- A. Issuer Information
- a. Name and address of the following:-
- i. Registered office of the Issuer
 - ii. Corporate office of the Issuer
 - iii. Compliance officer of the Issuer
 - iv. CFO of the Issuer
 - v. Arrangers, if any, of the instrument
 - vi. Trustee of the issue
 - vii. Registrar of the issue
 - viii. Credit Rating Agency (-ies) of the issue and
 - ix. Auditors of the Issuer
- b. A brief summary of the business/ activities of the Issuer and its line of business containing atleast following information:-
- i. Overview
 - ii. Corporate Structure
 - iii. Key Operational and Financial Parameters * for the last 3 Audited years
 - iv. Project cost and means of financing, in case of funding of new projects
- * At least covering the following - Consolidated basis (wherever available) else on standalone basis

<i>Parameters</i>	<i>Upto latest Half Year</i>	<i>FY...</i>	<i>FY...</i>	<i>FY...</i>
For Non-Financial Entities				
Network				
Total Debt of which –				
– Non Current Maturities of Long Term Borrowing				
– Short Term Borrowing				
– Current Maturities of Long Term Borrowing				
Net Fixed Assets				
Non Current Assets				
Cash and Cash Equivalents				
Current Investments				
Current Assets				
Current Liabilities				
Net sales				
EBITDA				
EBIT				
Interest				
PAT				
Dividend amounts				
Current ratio				
Interest coverage ratio				
Gross debt/equity ratio				
Debt Service Coverage Ratios				
For Financial Entities				
Network				
Total Debt of which –				
– Non Current Maturities of Long Term Borrowing				
– Short Term Borrowing				

<i>Parameters</i>	<i>Upto latest Half Year</i>	<i>FY...</i>	<i>FY...</i>	<i>FY...</i>
- Current Maturities of Long Term Borrowing				
Net Fixed Assets				
Non Current Assets				
Cash and Cash Equivalents				
Current Investments				
Current Assets				
Current Liabilities				
Assets Under Management				
Off Balance Sheet Assets				
Interest Income				
Interest Expense				
Provisioning & Write-offs				
PAT				
Gross NPA (%)				
Net NPA (%)				
Tier I Capital Adequacy Ratio (%)				
Tier II Capital Adequacy Ratio (%)				

Gross Debt: Equity Ratio of the Company:-

Before the issue of debt securities	
After the issue of debt securities	

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

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

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

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

Date of Change (AGM/EGM)	Rs.	Particulars

- iii. Equity Share Capital History of the Company as on last quarter end, for the last five years:-

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

Notes: (If any)

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

Type of Event	Date of Announcement	Date of Completion	Details

- d. Details of the shareholding of the Company as on the latest quarter end:-
- i. Shareholding pattern of the Company as on last quarter end:-

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

Notes: - Shares pledged or encumbered by the promoters (if any)

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

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

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

i. Details of the current directors of the Company*

Name, Designation and DIN	Age	Address	Director of the Company since	Details of other directorship

* Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC default list, if any.

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

Name, Designation and DIN	Date of Appointment / Resignation	Director of the Company since (in case of resignation)	Remarks

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

i. Details of the auditor of the Company:-

Name	Address	Auditor since

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

Name	Address	Date of Appointment / Resignation	Auditor of the Company since (in case of resignation)	Remarks

g. Details of borrowings of the Company, as on the latest quarter end:-

i. Details of Secured Loan Facilities :-

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

ii. Details of Unsecured Loan Facilities:-

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

iii. Details of NCDs:-

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

iv. List of Top 10 Debenture Holders (as on)

Sr. No.	Name of Debenture Holders	Amount

Note : Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided.

v. The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued.

vi. Details of Commercial Paper:- The total Face Value of Commercial Papers Outstanding as on the latest quarter end to be provided and its breakup in following table:-

Maturity Date	Amt Outstanding

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

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

viii. 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 5 years .

ix. Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option;

h. Details of Promoters of the Company:-

i. Details of Promoter Holding in the Company as on the latest quarter end:-

Sr No	Name of the share-holders	Total No of Equity Shares	No of shares as in demat form	Total Share-holding% of total no of equity shares	No. of shares	% of Shares pledged with respect to shares owned

i. Abridged version of Audited Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, Balance Sheet and Cash Flow statement) for at least last three years and auditor qualifications , if any. *

j. Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditors qualifications, if any. *

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

l. The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given his consent to the Issuer for his appointment under regulation 4 (4) and in all the subsequent periodical communications sent to the holders of debt securities.

m. The detailed rating rationale (s) adopted (not older than one year on the date of opening of the issue)/ credit rating letter issued (not older than one month on the date of opening of the issue) by the rating agencies shall be disclosed.

n. 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.

o. Copy of consent letter from the Debenture Trustee shall be disclosed.

p. Names of all the recognised stock exchanges where the debt securities are proposed to be listed clearly indicating the designated stock exchange.

q. Other details

i. DRR creation - relevant regulations and applicability.

- ii. Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).
- iii. Application process.
- * Issuer shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No.SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time , for furnishing / publishing its half yearly/ annual result.

B. Issue details

- a. Summary term sheet shall be provided which shall include at least following information (where relevant) pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof):-

<i>Security Name</i>	<i>Name of the bond which includes (Issuer Name, Coupon and maturity year) e.g. 8.70% XXX 2015.</i>
Issuer	
Type of Instrument	
Nature of Instrument	Secured or Unsecured
Seniority	Senior or Subordinated.
Mode of Issue	Private placement
Eligible Investors	
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	
Rating of the Instrument	_____ by _____ Ltd.
Issue Size	
Option to retain over-subscription (Amount)	
Objects of the Issue	
Details of the utilization of the Proceeds	
Coupon Rate	
Step Up/Step Down Coupon Rate 1	
Coupon Payment Frequency	

<i>Security Name</i>	<i>Name of the bond which includes (Issuer Name, Coupon and maturity year) e.g. 8.70% XXX 2015.</i>
Coupon payment dates	Dates on which coupon will be paid.
Coupon Type	Fixed, floating or other coupon 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	__ Months from the Deemed Date of Allotment
Redemption Date	Dates on which Principal will be repaid.
Redemption Amount	
Redemption Premium /Discount	
Issue Price	The price at which bond is issued
Discount at which security is issued and the effective yield as a result of such discount.	
¹⁷ [Put] Date	
¹⁸ [Put] Price	
¹⁹ [Call] Date	
²⁰ [Call] Price	
Put Notification Time	Timelines by which the investor need to intimate Issuer before exercising the ²¹ [put].

17 Substituted by the SEBI (Issue and Listing of Debt Securities)(Amendment)Regulations, 2015 w.e.f. 24-03-15 for the words "Put option".

18 Ibid.

19 Substituted by the SEBI (Issue and Listing of Debt Securities)(Amendment)Regulations, 2015 w.e.f. 24-03-15 for the words "Call option".

20 Ibid

21 Substituted by the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2015 w.e.f. 24-03-15 for the words "put option".

<i>Security Name</i>	<i>Name of the bond which includes (Issuer Name, Coupon and maturity year) e.g. 8.70% XXX 2015.</i>
Call Notification Time	Timelines by which the Issuer need to intimate investor before exercising the ²² [call].
Face Value	Rs 10 lakhs per instrument for all the issues
Minimum Application and in multiples of ___ Debt securities thereafter	
Issue Timing	
1. Issue Opening Date	
2. Issue Closing Date	
3. Pay-in Date	
4. Deemed Date of Allotment	
Issuance mode of the Instrument	Demat only (for private placement)
Trading mode of the Instrument	Demat only (for private placement)
Settlement mode of the Instrument	Insert details of payment procedure
Depository	
Business Day Convention ²	
Record Date	15 days prior to each Coupon Payment / ²³ [Put] Date / [Call] Date / Redemption date.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	
Transaction Documents ³	

22 Substituted by the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2015 w.e.f. 24-03-15 for the words "call option".

23 Substituted by the SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2015 w.e.f. 24-03-15 for the words "Put option" and "Call option" respectively.

<i>Security Name</i>	<i>Name of the bond which includes (Issuer Name, Coupon and maturity year) e.g. 8.70% XXX 2015.</i>
Conditions Precedent to Disbursement	N/A (Not Applicable) in case clause is not there else full description of the clause to be provided
Condition Subsequent to Disbursement	
Events of Default	
Provisions related to Cross Default Clause	
Role and Responsibilities of Debenture Trustee	
Governing Law and Jurisdiction	

Notes:

1. If there is any change in Coupon Rate rate pursuant to any event including elapse of certain time period or downgrade in rating , then such new Coupon Rate and events which lead to such change should be disclosed.
2. The procedure used to decide the dates on which the payment can be made and adjusting payment dates in response to days when payment can't be made due to any reason like sudden bank holiday etc., should be laid down.
3. The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.
- b. In privately placed issues, additional Covenants shall be included as part of the Issue Details on the following lines, as per agreement between the issuer and investor:
 - i. Security Creation (where applicable): In case of delay in execution of Trust Deed and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of atleast 2% p.a. over the coupon rate till these conditions are complied with at the option of the investor.
 - ii. Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of atleast @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period
 - iii. Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest of atleast 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.

The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.

²⁴[C. Disclosures pertaining to wilful default

- (1) In case of listing of debt securities made on private placement, the following disclosures shall be made:
 - (a) Name of the bank declaring the entity as a wilful defaulter;
 - (b) The year in which the entity is declared as a wilful defaulter;
 - (c) Outstanding amount when the entity is declared as a wilful defaulter;
 - (d) Name of the entity declared as a wilful defaulter;
 - (e) Steps taken, if any, for the removal from the list of wilful defaulters;
 - (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
 - (g) Any other disclosure as specified by the Board.
- (2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.
- (3) Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index / Table of Contents.]

²⁴ Inserted by the SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 w.e.f. 25-05-16.

SCHEDULE II*[See regulation 6 (7)]***FORMAT FOR DUE DILIGENCE CERTIFICATE AT THE TIME OF FILING THE
OFFER DOCUMENT WITH REGISTRAR OF COMPANIES AND
PRIOR TO OPENING OF THE ISSUE**

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 shares 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 Debt Securities) Regulations, 2008.
4. We also confirm that all relevant provisions of the Companies Act, 1956, 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 MERCHANT BANKER (S)

SCHEDULE III*[See regulation 6 (8)]***FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE
DEBENTURE TRUSTEE BEFORE OPENING OF THE ISSUE**

To,

SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

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

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

WE CONFIRM that:

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

We have satisfied ourselves about the ability of the issuer to service the debt securities.

PLACE

DATE : DEBENTURE TRUSTEE TO THE ISSUE WITH HIS SEAL

SCHEDULE IV

[See regulation 8 (1)]

FORMAT OF ISSUE ADVERTISEMENTS FOR PUBLIC ISSUES*This is an advertisement for information purposes _____ LIMITED*

(Incorporated on _____ under the Companies Act
 as _____ and subsequently renamed _____
 on _____) Registered Office: _____
 Tel: _____ Fax _____
 Corporate Office: _____ Tel: _____
 Fax _____ e-mail: _____
 Website: _____

THE ISSUE

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

PROMOTERS

XXXX

PROPOSED LISTING

Names of Stock Exchanges

MERCHANT BANKERS

(Names)

COMPLIANCE OFFICER OF THE ISSUER

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

CREDIT RATING

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

DEBENTURE TRUSTEES

(Names)

AVAILABILITY OF APPLICATION FORMS

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

AVAILABILITY OF OFFER DOCUMENT

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

ISSUE OPENS ON:**ISSUE CLOSES ON:**

Issued by
Directors of Issuer

²⁵**[SCHEDULE V**
[See Regulations 6(6) and 20]

REGULATORY FEES

- (1) There shall be charged, in respect of every draft offer document filed by a leadmerchant banker 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 ²⁶[by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or]by means of a demand draft drawn 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) There shall be charged, in respect of every private placement of debt securities which are listed in terms of these regulations, a non-refundable fee of five thousand rupees which shall be paid to the designated stock exchange at the time of listing of the debt securities.
- (4) Every designated stock exchange shall remit the regulatory fee collected during the month under clause (3) above to the Board before tenth day of the subsequent month ²⁷[by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or]by means of a demand draft drawn in favour of „the Securities and Exchange Board of India’ payable at Mumbai along with the details of the issuances listed during the month.]

25 Inserted by the SEBI (Payment of Fees) (Amendment) Regulations, 2014 w.e.f. 23.05.14.

26 Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6.3.2017.

27 Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6.3.2017.

Annexure II
FORM NO. SH.12

Debenture Trust Deed

[Pursuant to sub-section (13) of section 71 of the Companies Act, 2013 and rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

The debenture trust deed shall, inter alia, contain the following:-

1. DESCRIPTION OF DEBENTURE ISSUE:

- (a) Purpose of raising finance through the debenture issue;
- (b) Details of debenture issue as regards amount, tenure, interest/coupon rate, periodicity of payment, mode of payment and period of redemption;
- (c) An undertaking by the company to pay the interest and principal amount of such debentures to the Debenture holders as and when it becomes due, as per the terms of offer;
- (d) The terms of conversion/redemption of the debentures in terms of the issue to the debenture holders, options available, and debt equity ratio and debt service coverage ratio, if applicable.

2. DETAILS OF CHARGE CREATED (in case of secured debentures):

- (a) Nature of charge created and examination of title;
- (b) Rank of charge created viz. first, second, pari-passu, residual, etc;
- (c) Minimum security cover required;
- (d) Complete details of the asset(s) on which charge is created such as description, nature, title, location, value, basis of valuation etc.;
- (e) Methods and mode of preservation of assets charged as security for the debentures;
- (f) Other particulars of the charge, e.g., time period of charge, rate of interest, name of the charge holder;
- (g) Provision for subsequent valuation;
- (h) Procedure for allowing inspection of charged assets and book of accounts by debenture trustee or any person or person authorized by it;
- (i) Charging of future assets

- (j) Time limit within which the future security for the issue of debentures shall be created
- (k) Circumstances specifying when the security may be disposed of or leased out with the approval of trustees
- (l) Enforceability of securities, events under which security becomes enforceable
- (m) Obligation of company not to create further charge or encumbrance of the trust property without prior approval of the trustee

3. PARTICULARS OF THE APPOINTMENT OF DEBENTURE TRUSTEE(S):

- (a) The conditions and procedure for the appointment of the debenture trustee ;
- (b) Procedure for resignation by trustee including appointment of new trustees;
- (c) Provision that the debenture trustee shall not relinquish his office until another debenture trustee has been appointed;
- (d) Procedure to remove debenture trustee by debenture holders providing for removal on a resolution passed by the holders of not less than three fourth in value of debentures;
- (e) Fees or commission or other legal travelling and other expenses payable to the trustee(s) for their services;
- (f) Rights of the trustee including the right to inspect the registers of the company and to take copies and extract thereof and the right to appoint a nominee director;
- (g) Duties of the trustee.

4. EVENTS OF DEFAULTS

- (a) Events under which the security becomes enforceable which shall include the following events:
 - (i) When the company makes two consecutive defaults in the payment of any interest which ought to have been paid in accordance with the terms of the issue;
 - (ii) When the company without the consent of debenture holders ceases to carry on its business or gives notice of its intention to do so;
 - (iii) When an order has been made by the Tribunal or a special resolution has been passed by the members of the company for winding up of the company;
 - (iv) When any breach of the terms of the prospectus inviting the subscriptions of debentures or of the covenants of this deed is committed;
 - (v) When the company creates or attempts to create any charge on the mortgaged premises or any part thereof without the prior approval of the trustees/debenture holders;

-
- (vi) When in the opinion of the trustees the security of debenture holders is in jeopardy.
 - (b) Steps which shall be taken by the debenture trustee in the event of defaults;
 - (c) Circumstances specifying when the security may be disposed off or leased out with the approval of trustees;
 - (d) A covenant that the company may hold and enjoy all the mortgaged premises and carry on therein and therewith the business until the security constituted becomes enforceable

5. OBLIGATIONS OF COMPANY

This section shall state the company's duty with respect to-

- (a) maintaining a Register of debenture holders including addresses of the debenture holders, record of subsequent transfers and changes of ownership;
- (b) keeping proper books of accounts open for inspection by debenture trustee;
- (c) permitting the debenture trustee to enter the debenture holder's premises and inspect the state and condition of charged assets;
- (d) furnishing information required by the debenture trustee for the effective discharge of its duties and obligations, including copies of reports, balance sheets, profit and loss account etc.;
- (e) keeping charged property/security adequately insured and in proper condition;
- (f) paying all taxes, cesses, insurance premium with respect to charged property/security, on time;
- (g) not declaring any dividend to the shareholders in any year until the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the debentures;
- (h) creating the debenture redemption reserve;
- (i) converting the debentures into equity in accordance with the terms of the issue, if applicable;
- (j) informing the debenture trustee about any change in nature and conduct of business by the company before such change;
- (k) informing the debenture trustee of any significant changes in the composition of its Board of Directors;
- (l) informing the debenture trustee of any amalgamation, merger or reconstruction scheme proposed by the company;
- (m) keeping the debenture trustee informed of all orders, directions, notices, of court/tribunal affecting or likely to affect the charged assets;
- (n) not creating further charge or encumbrance over the trust property without the approval of the trustee;

-
- (o) obligation of the company to forward periodical reports to debenture trustees containing the following particulars:
 - (i) updated list of the names and addresses of the debenture holders;
 - (ii) details of interest due but unpaid and reasons thereof;
 - (iii) the number and nature of grievances received from debenture holders and (a) resolved by the company (b) unresolved by the company and the reasons for the same.
 - (iv) a statement that the assets of the company which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due
 - (p) complying with all directions/guidelines issued by a Regulatory authority, with regard to the debenture issue
 - (q) submitting such information, as required by the debenture trustee

6. MISCELLANEOUS

- (a) The conditions under which the provisions of the trust deed or the terms and conditions of the debentures may be modified;
- (b) The mode of service of notices and other documents on the company, the trustee and the holders of the debentures;
- (c) The company to be responsible for paying any stamp duty on the trust deed or the debentures (if applicable);
- (d) Provisions regarding meetings of the debenture holders;
- (e) Provisions for redressal of grievances of debenture holders.

Annexure III

Checklist for Listing documents for Public Issue**Check List****In-principal Approval on Debt Market Segment****To be submitted alongwith disclosure document**

<i>Sr. No.</i>	<i>Particulars</i>	<i>Yes/No/Not Applicable</i>
1	Soft copy in .pdf format and certified true copy of draft Disclosure document / disclosure document prepared as per SEBI (Issue and Listing of Debt securities) Regulations, 2008 and amendments thereto.	
2	Self-certification from the Company Secretary/ CFO/ CEO/ MD confirming that the Disclosure document has been prepared as per SEBI (Issue and Listing of Debt securities) Regulations, 2008 and amendments thereto.	
3	Confirmation of the credit rating by registered Credit Rating agency	
4	Consent letter from the Debenture Trustee Additional documents applicable for first time issuers. However, if the equity shares of the issuer are listed on the Exchange, these documents are not required	
5	Audited Annual Reports for the last three years	
6	Certificate of Incorporation	

Place

Date

Authorised Signature

Name

Designation

Stamp of the Issuer

Check List
Final Listing on Debt Market Segment

<i>Sr. No.</i>	<i>Particulars</i>	<i>Yes/No/Not Applicable</i>
1	Annual Listing fees	
2	SEBI Fees of Rs 5000/- per disclosure document	
3	Application Form (to be submitted for all the ISINs; to be listed in excel format also)	
4	Resolution passed by the shareholders at the AGM/EGM with respect to borrowings	
5	Resolution passed by the Board of Directors for authorising the issue	
6	Approval of the Board of Directors for allotment of securities/ confirmation that the allotment has been done	
7	Letter(s) issued by the depositories(NSDL and CDSL) allotting the ISIN Code giving details of the instrument	
8	Credit Confirmation letter of the depository(ies)	
9	Letter(s) issued by credit rating agency(ies)	
10	Confirmation from the company regarding number of allottees	
11	Soft copy in .pdf format and certified true copy of disclosure document prepared as per SEBI (Issue and Listing of Debt securities) Regulations, 2008 and amendments thereto.	
12	Undertaking (As per Annexure)	
13	SCORES ID from SEBI	
14	Debenture Trust Deed/Consent letter of the Debenture Trustee.	
15	Approval from Ministry of Finance/RBI/any other government authority if applicable (Generally in case of Govt. Companies and banks)	
16	Copies of the audited Annual Reports for the last three years (to be submitted only once in a financial year. However, this requirement is not applicable if the equity shares of the issuer are already listed on the Exchange).	

Additional documents applicable for first time issuers.

- 17 Initial Listing fees of Rs. 7500/-
 - 18 Listing Agreement
 - 19 In case of NBFC, a copy of RBI's certificate confirming whether the issuer is deposit taking or non-deposit taking NBFC
-

Place

Date

Authorised Signature

Name

Designation

Stamp of the Issuer

Part A : Listing of security on Debt Market Segment of NSE
(To be submitted alongwith all applications)

The Manager,
 Listing Compliance team
 National Stock Exchange of
 India Limited
 Exchange Plaza
 Bandra-Kurla Complex
 Bandra (East)
 Mumbai – 400 051.

Dear Sir/Madam,

We hereby apply for listing the following securities issued by us on the Debt Market Segment of the Exchange :

INSTRUMENT DETAILS					
ISSUER NAME					
ISSUE OPENING DATE					
ISSUE CLOSING DATE					
SECURITY DESCRIPTION					
FACE VALUE (Rs.)					
PAID-UP VALUE (Rs.)					
BOND/NCD SERIES					
COUPON RATE:- ZERO COUPON / FIXED COUPON RATE/ FLOATING RATE (%)					
Remark (if any)					
ISIN					
NO.OF BONDS ALLOTTED					
ISSUE AMOUNT (Rs.crore)					

DATE OF ALLOTMENT					
1ST INTEREST PAYMENT DATE					
SUBSEQUENT INTEREST PAYMENT DATES					
INTEREST PAYMENT FREQUENCY					
COMPOUNDING FREQUENCY					
DAY COUNT					
LOCK-IN UPTO					
BENEFITS UNDER SECTION (Tax Status)					
TRUSTEE NAME					
LISTING AT STOCK EXCHANGE(S)					
MATURITY DATE					
PUT OPTION DATES (if applicable)					
CALL OPTION DATES (if applicable)					
REDEMPTION DETAILS					
(If Redemption is in parts please give details)	Date				
	Amount				
REDEMPTION PREMIUM (%)					

CREDIT RATING	NAME OF AGENCY	RATING	DATE		
BOOK CLOSURE / SHUTDOWN REQUIREMENTS					
SUSPENSION TO COMMENCE HOW MANY NO. OF DAYS PRIOR TO THE RECORD DATE FOR :					
INTEREST	WORKING DAYS				
	CALENDAR DAYS				
MATURITY	WORKING DAYS				
	CALENDAR DAYS				
<p>ANY OTHER INFORMATION (PLEASE ATTACH ANNEXURE)</p> <p>WE HEREBY STATE THAT THE INFORMATION GIVEN ABOVE IS TRUE, CORRECT AND COMPLETE TO THE BEST OF OUR KNOWLEDGE AND INFORMATION. WE ALSO STATE THAT NO RELEVANT FACT HAS BEEN SUPPRESSED. WE AGREE THAT IN THE EVENT OF ANY OF THE ABOVE STATEMENTS BEING FOUND FALSE, INCORRECT OR INCOMPLETE, WE RECOGNIZE THAT NATIONAL STOCK EXCHANGE OF INDIA LIMITED MAY TAKE ANY ACTION AS IT DEEM FIT, INCLUDING DELISTING OF THE SECURITY.</p>					

Place

Date

SIGNATURE

NAME

DESIGNATION

CONTACT DETAILS

STAMP OF THE ISSUER

(APPLICATION TO BE MADE AND SIGNED AS PER THE AUTHORITY OF THE BOARD)

Part B : Listing of security on Debt Market Segment of NSE*(To be submitted for first issue only)*

ISSUER DETAILS		
ISSUER NAME		
CONSTITUTION (PSU/ Banks/ Corporates/Others)		
DATE OF INCORPORATION		
EQUITY LISTED ON EXCHANGES		
AUTHORISED CAPITAL OF THE ISSUER		
PAID UP CAPITAL OF THE ISSUER		
NETWORTH OF THE ISSUER		
NAMES OF KEY PERSONS	CHAIRMAN	
	MANAGING DIRECTOR/ CEO/ CFO	
	COMPANY SECRETARY/ COMPLIANCE OFFICER	
ADDRESS OF ISSUER	REGISTERED OFFICE	CITY PIN PHONE FAX EMAIL WEBSITE
	HEAD / CORPORATE OFFICE	
		CITY PIN PHONE FAX EMAIL
NAME OF REGISTRAR		
ADDRESS OF REGISTRAR		
	CITY PHONE FAX EMAIL WEBSITE	

Annexure

<i>Sr. No.</i>	<i>Undertaking</i>
1	I/We hereby Confirm that the issuer has followed the SEBI (Issue and Listing of Debt securities) Regulations, 2008, provisions of the Companies Act, 2013, rules prescribed thereunder and other applicable laws.
2	I/We hereby Confirm that the issuer will execute the Trust Deed within three months of the closure of the issue and submit the certified true copy to the exchange.
3	I/We hereby Confirm that the issuer the offer document has been prepared as per SEBI (Issue and Listing of Debt securities) Regulations, 2008 and amendments thereto.
4	I/We hereby Confirm that the issuer will execute necessary documents for the creation of the charge, where applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/act/rules etc and the same would be uploaded on the website of the Designated Stock exchange, where the debt securities have been listed, within five working days of execution of the same.
5	I/We hereby Confirm that the issuer has obtained/ will obtain permission / consent from the prior creditor for a second or pari passu charge being created, where applicable, in favour of the trustees.

Authorised Signature

Name

Designation

Stamp of the Issuer

Fees

The listing fee applicable from December 01, 2014 is as follows:

The listing fees depend on the issue size:

<i>Particulars</i>	<i>Amount (Rs.)</i>
Initial Listing Fees	7,500.00
Annual Listing Fees (Issue Size)	-
Up to 5 crore	2,750.00
Above 5 crore and up to 10 crores	4,000.00
Above 10 crores and up to 20 crores	7,750.00
Above 20 crores	7,700.00

Issuer's which have applied for listing of issue size more than Rs. 20 crores would be charged an additional listing fees of Rs. 200/- for every increase of Rs.1 crore or part thereof in the issue size (in Rs.) subject to a maximum of Rs. 30,000/-.

Annual listing fee payable by an Issuer is limited to a maximum of Rs. 5.50 lacs.

Annexure IV

Documents / Information for in-principle approval of Private Placement Issue of Debt (PPDI)

1. Copy of the Disclosures as required by Regulations 21, as per the format prescribed in schedule ' I ' of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 & Amendment 2012. (Hard and Soft copy in PDF format, of the disclosure should be submitted)
2. Credit rating certificate of the proposed issue.
3. Confirmation/consent letters from the Debenture Trustee w.r.t. their consent to act as Debenture Trustee for the proposed issue.
4. Copy of Article of Association (AOA) and previous year's Audited Annual Report (only in case of the issuer seeking listing of its Debt instruments for the first time).

**PRESCRIBED FORMAT OF APPLICATION TO BE SUBMITTED BY THE
COMPANY ON ITS LETTERHEAD.**

Date:

The Sr. General Manager
Department of Corporate Services
BSE Limited, 1st Floor, P.J. Towers
Dalal Street, Mumbai – 400 001.

Dear Sir,

Sub: Application for listing of privately placed debt securities

We hereby apply for listing and trading permission of _____ (Quantity & Type of Securities) each issued and allotted by the Board of director of the company at their meeting held on _____ on private placement basis in accordance with provisions specified under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

1. We enclose herewith the documents as per your checklist.
2. Details of further listing /processing fee remitted:

Listing Fee (including service tax)	
TDS, if any	
Net amount remitted after TDS	
Cheque/Demand Draft No.	
Dated	
Drawn on	

3. In case of any queries / clarifications the under-mentioned official may be contacted:

Contact Details

Name & Designation of Contact Person	
Telephone Nos. (landline & mobile)	
Email – id	

I / We hereby confirm that the information provided in the application and enclosures is true, correct and complete. We also state that no relevant facts have been suppressed.

Thanking you,

Yours faithfully,

(Managing Director/ Company Secretary)

Enclosed: a/a

Documents required for granting listing approvals, for the debt securities issued on a private placement basis

<i>S. No.</i>	<i>Document</i>	<i>Page Nos.</i>	
		<i>From</i>	<i>To</i>
1.	Letter of Application (i.e. by Listed companies applying for listing of further issue) duly completed Annexure I		
2.	Issue details of the new securities issued as per format enclosed as Annexure II		
3.	Certified copy of the resolution passed by board of directors for allotment of debt securities.		
4.	Certified copy of the Special resolution passed by the shareholders along with Notice		
5.	Certified copy of Credit Rating Certificate obtained before issuing the Debt instruments from Credit Rating Agency(ies) and their validity period		
6.	Certified copy of confirmation letter from the debenture Trustee intimating the company that they are acting as the debenture trustee of these debt instruments.		
7.	Certified copy of letter issued by Depositories (NSDL/ CDSL) intimating about the allotment of the ISIN (final ISIN after conversion of LOA) for these securities		
8.	Certified copy of the Debenture Trust Deed (upon execution)		
9.	Certificate from the Managing Director/Company Secretary of the company, as per format given in Annexure III		
10.	Company shall provide an undertaking that the payment to be received for subscription to securities has been received from the bank account of the person subscribing to such securities or provide a Statutory Auditors Certificate certifying the same		
11.	In case of listing of a structured product as defined in the SEBI Circular dated September 28, 2011, a certificate from the Managing Director/Company Secretary of the company, as per format given in Annexure IV.		
12.	Confirmation for authentication on SEBI for SCORES		

S. No.	Document	Page Nos.	
		From	To
13.	The company should pay applicable Annual Listing fees , along-with applicable rate of service tax for the year 2015-16, as per attached fee schedule		
14.	Soft copy in pdf form and certified true copy of Disclosure document (Offer Document) prepared as per Schedule I of the SEBI (Issue and Listing of Debt Securities) Regulations, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time		
15.	Debt Listing Agreement		
16.	Statement containing particulars of dates of, and parties to all material contracts and agreements		
17.	In case of NBFC, a copy of RBI's certificate confirming whether the issuer is deposit taking or non-deposit taking NBFC		
18.	Memorandum and Articles of Association of the company		
19.	Copy of latest audited Balance Sheet and Annual Report		

Note:

- Documents at sr. nos. 15 to 19 are required to be submitted only at the time of filing the first application in respect of any offer document.
- The application forms should be submitted duly completed in all respects. Kindly note that all pages of the documents/details provided should be serially numbered, stamped and certified by the authorized signatory of the company. Only applications complete in all respects including information/ supporting documents will be taken up for processing.
- The Exchange reserves the right to modify and ask for additional documents / clarifications depending on a case to case basis. Approval for listing of the securities issued by the company will be subject to compliance with the Regulatory requirements and other Exchange requirements.

LETTER OF APPLICATION

From

Date

To,
The Secretary,
BSE Limited,
Mumbai

Dear Sir,

In conformity with the listing requirements of the Stock Exchange, we hereby apply for admission of the following securities of the Company to dealings on the Exchange:

- 1) _____
- 2) _____
- 3) _____

The securities are not/are identical *in all respect and are not/are identical * in all respects with the existing securities admitted to dealing on the Exchange.

The securities will become identical with the existing securities admitted to dealing on the Exchange in all respects on _____ and the documents of title will be enfaced with a note to this effect.

The securities mentioned at () above are proposed to be issued by Prospectus/Offer for Sale/Circular (conversion, exchange, rights, open offer, capitalisation of reserves)/Placing, full particulars of which are given in the statement sent herewith (together with the reasons for the procedure when a placing is intended).

It is intended to make an Offer for Sale/a Placing of the securities mentioned at () above which have been already issued. We enclose a statement giving full particulars of when, how and to whom the securities were issued and full details of the proposed Offer for Sale/Placing (together with the reasons for the procedure when a Placing is intended.)

We undertake to send + the listing Application and the Distribution Schedules, duly completed. We also forward the documents (or drafts thereof) as per list attached and undertake to furnish such additional information and documents as may be required.

We further undertake to submit to the Exchange a copy of the Acknowledgement Card or letter indicating the observation on draft prospectus/letter of offer/offer document by SEBI; and a certificate from a Merchant Banker acting as a lead manager to the issue reporting positive compliance by our company of the requirements on disclosure and investor protection issued by SEBI.

We understand that in the event of our failure to submit the above documents or withdrawal of Acknowledgement Card by SEBI, we shall be liable to refund the subscription money to the investors immediately " .

We undertake to be bound by all requirements, terms and provisions and conditions including condition relating to payment of security deposit as contained in the Rules, Bye-Laws and Regulations of your Exchange.

Yours Faithfully,

(Signature of Managing Director/Authorized Signatory)

FORMAT OF ISSUE DETAILS

 ISSUE DETAILS (To be filled separately for each ISIN)

Sr. No. Particulars

1. Type of Securities
(Secured/ Unsecured)
2. Nature of Securities
(Fixed/ Floating/ Step-up/ Structured)
If Structured, whether linked to index/ stock etc)
3. Series
4. Numbers of securities Issued Originally
5. Numbers of securities Outstanding (as of date)
6. Nominal Value of Security (per security)
7. Paid up value of Security (per security as of date)
8. Total Nominal Value
9. Total Paid-up Value
10. Distinctive Numbers allotted /kept reserved
11. ISIN (final ISIN & not of Letter Of Allotment)
12. Rate of Interest/Coupon Basis
13. Interest Payable
a) Monthly, b) Quarterly c) Half yearly d) Yearly
14. First Interest Payment Date DD-MM-YYYY
15. Second Interest Payment Date DD-MM-YYYY
16. Last Interest Payment Date DD-MM-YYYY
17. Actual/Deemed date of allotment DD-MM-YYYY
18. TENURE with respect to date of issue
19. Redemption Date(s) DD-MM-YYYY
20. Redemption Premium
21. Put/call option
22. CREDIT_RATING
23. Latest date of Credit Rating Assigned/Modified
(DD-MM-YYYY)

Sr. No. Particulars

- | | |
|-----|-----------------------------|
| 24. | Date of Issue DD-MM-YYYY |
| 25. | Trustee |
| 26. | Day Count |
| 27. | Shut Period |
| 28. | Call Dates DD-MM-YYYY |
| 29. | Put Dates DD-MM-YYYY |
| 30. | Put/Call Premium |
| 31. | Lead Manager/Arrangers |
| 32. | Register and Transfer Agent |
-

Managing Director/ Company Secretary

Date

**Format of the confirmation to be submitted by the Managing Director/
Company Secretary on the letter head of the company:**

To,

Sr. General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application for listing of _____ (Quantity & Type of Securities) issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time

I, (Managing Director/ Company Secretary) of the company hereby certify that the company:

- a) is an eligible issuer as defined in the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.
- b) has complied with all the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time and further the company has also complied with all the legal and statutory requirements as well as The Companies Act, 2013, rules made there under and no statutory authority has restrained the company from issuing and allotting the above referred securities.
- c) the documents filed by the company with the Exchange are same/ identical in all respect which have been filed by the company with Registrar of Companies/ SEBI/ Reserve Bank of India/ FIPB in respect of the allotment of these securities issued on a private placement basis
- d) none of the allottee have been debarred from accessing the capital market or have been restrained by any regulatory authority from directly or indirectly acquiring the said securities
- e) there is no restraint on the company by any regulatory authority from raising the capital or altering its capital structure in any manner.
- f) has received the Application/ Allotment Monies from the applicants
- g) has allotted the debt instruments in dematerialized form
- h) has raised the amount through issue of debt instrument, within the borrowing limits authorized by the shareholders
- i) has maintained 100% asset cover to sufficient to discharge the principal amount at all times for the debt securities issued as required as per regulation 54 of SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015,
- j) has made an offer to less than fifty persons to subscribe to the debt securities

-
- in terms of sub-section (3) of section 67 of the Companies Act, 1956 (applicable in case of private placement)
- k) has issued the debt instruments with the day count convention as 'Actual/Actual'
 - l) The Offer Document contains all the disclosures as required under Schedule I of Regulation 21(1) of SEBI (Issue and Listing of Debt Securities) Regulations, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.
 - m) The Company shall submit the Debenture Trust Deed on its execution.
 - n) The Company shall not make Offer or invitation to more than two hundred persons in the aggregate in a financial year , unless exempted as per provisions of the Companies Act , 2013.
 - o) The company confirms that all offer or invitation made earlier in respect to any other kind of securities has been completed or that offer or invitation has been withdrawn or abandoned.
 - p) The value of offer or invitation per person has been with an investment size of not less than Rs. 20,000/- of face value of the securities.
 - q) Neither the issuer nor any of its promoters or directors is a willful defaulter as defined under Regulation 2 (1) (n) of SEBI (ILDS) Regulations, 2008 or <Name of the issuer> / <name>, the promoter(s) of the issuer / <name> the director(s) of the issuer is a willful defaulter as defined under Regulation 2 (1) (n) of SEBI (ILDS) Regulations, 2008 and disclosures in this regard has been made at <place of disclosure> as per the format given in said regulation.
 - r) We hereby confirm that the company or its promoters or whole time directors are not in violation of the provisions of Regulation 24 of the SEBI Delisting Regulations, 2009.

Managing Director/ Company Secretary

Date:

Format of the confirmation for listing of structured product, to be submitted by the Managing Director/ Company Secretary on the letter head of the company:

To,

Sr. General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application for listing of _____ (Quantity & Type of Securities) issued on private placement basis in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time.

I, (Managing Director/ Company Secretary) of the company hereby certify that the company:

- a) That the company is in compliance with SEBI Circular Cir. /IMD/DF/17/2011 dated September 28,2011.
- b) The company has maintained minimum tick size for application and allotment of atleast Rs.10 lacs
- c) The Networth of the company is Rs. _____ crores. Networth certificate from the Statutory Auditor/ Practicing Chartered Accountant is enclosed herewith
- d) The company has displayed the Valuation Matrix in information memorandum/ addendum on page no. _____
- e) The company has displayed risk factors, returns on annualized basis, Conditions for premature redemption in Information Memorandum on page no. _____
- f) The company has appointed _____ (name of the valuation agency), a third party valuation agency and the details of the cost incurred for valuation has been disclosed in the Information Memorandum on page no. _____. The issuer has not been charged for the aforesaid services.
- g) The details of the valuation have been uploaded on the company's website. The link for the same is _____.
- h) The credit rating obtained from _____ (name of the Credit Rating Agency) bears a prefix 'PP – MLD'

Managing Director/ Company Secretary

Date:

* * *