

Proposed disclosure requirements for Rights Issues

Section III – Contents of the Letter of Offer for Equity/Convertible Instruments

- 6.39 Provisions of this Section are applicable to only such companies that meet the following requirements:
- (a) The issuer company has been filing periodic statements and information in compliance with the listing agreement for the last three years and such information is available on the websites of any stock exchange with nation-wide terminals / on a common e- filing platform.
 - (b) The issuer company has in place an investor grievance handling mechanism which includes meeting of 'Shareholders' / Investors' Grievance Committee' at frequent intervals, appropriate delegation of power by the board of directors of the issuer company with regard to share transfer and clearly laid out systems and procedures for timely and satisfactory redressal of investor grievances.

The issuer shall also make available a copy of the Offer Document of the immediately preceding public or rights issue, available to the public as specified under clause 5.6.2(ii) and also as a document for public inspection.

Companies which do not fulfil the above criteria shall make all the disclosures in accordance with Section I of Chapter VI of the SEBI (DIP) Guidelines 2000.

The Letter of Offer shall contain the information and statements specified in this Section and shall as far as possible follow the order in which the requirements are listed in this Section.

6.40 Front Cover Pages

- 6.40.1 The front outside and inside cover pages of the Letter of Offer shall be white and no patterns or pictures shall be printed on these pages.
- 6.40.2 The front outside cover page of the Letter of Offer shall contain the following details only:
- (a) Issue Details
 - (i) The words "Letter of Offer".
 - (ii) Name of the issuer company, its logo, its previous name if any, the address of its registered office, along with its telephone number, fax number, contact person, website address and e-mail address.

- (iii) Nature, number and price of the instruments offered and the issue size.
- (iv) The following clause on general risk :
"Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document."

Specific attention of investors shall be invited to the statement of 'Risk factors' by indicating their page number(s) in the 'General Risks'.

- (v) The following clause on 'Issuer's Absolute Responsibility' clause:
"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."
- (vi) Names, logos and addresses of all the Lead Merchant Bankers with their titles who file the Letter of Offer with the Board, along with their telephone numbers, fax numbers, website addresses and e-mail addresses.
- (vii) Name, logo and address of the Registrar to the Issue, along with its telephone number, fax number, website address and e-mail address.
- (viii) Issue Schedule:
 - a. Date of opening of the issue.
 - b. Date of closing of the issue.
 - c. Last date for request for split.
- (ix) Name/s of the stock exchanges where existing securities of the company are listed and the details of in-principle approval for listing of new securities obtained.

6.41 Back Cover Pages

6.41.1 The back inside cover page and back outside cover page shall be in white.

6.42 Table of Contents

6.42.1 Table of Contents shall appear immediately after the front inside cover page.

6.43 Definitions and Abbreviations

6.43.1 Conventional/ General Terms.

6.43.2 Offering-related Terms.

6.43.3 Company/ Industry-related Terms.

6.43.4 Abbreviations.

6.44 Risk Factors

6.44.1 Risk factors shall be printed in clear readable font (preferably of minimum point 10 size).

6.44.2 Risk factors in the Letter of Offer should be (a) in relation to the rights issue and objects of the rights issue (b) in relation to issuer and its ongoing business activities (c) in relation to material litigations which impacts the business of the issuer.

6.44.3 Risk factors shall be determined on the basis of their materiality.

6.44.4 Materiality shall be decided taking the following factors into account:

- a) Some events may not be material individually but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

6.44.5 Risk factors shall appear in the Letter of Offer in the following manner:

- a) Risks envisaged by Management.
- b) Proposals, if any, to address the risks.

6.45 General notes

Any notes required to be given prominence shall be disclosed by the issuer.

6.46 Introduction

6.46.1 Summary

6.46.1.1 Offering details in brief.

6.46.1.2 Summary consolidated financial, operating and other data.

6.46.2 General Information

6.46.2.1 Name, address of registered office and the registration number of the issuer company, along with the address of the Registrar of Companies where the issuer company is registered.

6.46.2.2 Names, addresses, telephone numbers, fax numbers and e-mail addresses of the Company Secretary and Compliance Officer of the Company.

6.46.2.3 Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the Bankers to the Issue, Self Certified Syndicate Banks and Legal Advisors to the Issue

6.46.2.4 Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses of the trustees under debenture trust deed (in case of debenture issue).

6.46.2.5 Name of the monitoring agency, if applicable.

6.46.2.6 Name, address, telephone number and e-mail address of the appraising entity, in case the project has been appraised.

6.46.2.7 Details of underwriting, if any:

(a) The names, address, telephone numbers, fax numbers and e-mail address of the underwriters and the amount underwritten by them.

(b) Declaration by the Board of Directors of the issuer company that the underwriters have sufficient resources to discharge their respective obligations.

6.46.2.8 Statement of inter-se allocation of responsibilities among Lead Managers:

If more than one Merchant Banker is associated with the issue, the inter-se allocation of responsibility of each Merchant Banker, as demarcated and submitted to the Board in terms of clause 5.3.2.

(Provided that in case of a fast track issue the inter-se allocation of responsibilities shall be disclosed, notwithstanding that it was not filed with the Board.)

6.46.2.9 Credit Rating (in case of convertible instruments):

- (a) The credit rating obtained from a credit rating agency for the proposed issue of convertible instruments.
- (b) If the rating has been obtained from more than one credit rating agency, disclosures shall be made of all ratings including unaccepted ratings.
- (c) All credit ratings obtained during the previous three years before filing of the Letter of Offer for any of its listed debt securities at the time of accessing the market through a rated debt security shall be disclosed.

6.46.2.10 Principal terms of loan and assets charged as security

6.46.3 Capital Structure

6.46.3.1

- (a) Authorised, issued and subscribed capital (Number of instruments, description and aggregate nominal value).
- (b) Paid-up Capital:
- (c)
 - (i) Details of options, if any
 - (ii) Details of convertible instruments, if any
- (d) Details of promoters / promoter group holding and the details of existing lock-in, details of shares pledged /encumbered by promoters.
- (e)
 - (i) Promoters' / promoter group intention to subscribe to their rights entitlement.
 - (ii) Promoters'/ promoter group intention to subscribe to unsubscribed portion over and above their rights entitlement.
- (f) Shareholding pattern as per the most recent filing with the stock exchange/s.

Explanation I:

For the purpose of sub-clause (d) and (e) above, the terms 'Promoter' and "Promoter Group" shall be as defined in Clause 6.8.3.2 (m) of the SEBI (DIP) Guidelines, 2000.

Explanation II:

The Financial Institution, Scheduled Banks, Foreign Institutional Investors (FIIs) and Mutual Funds shall not be deemed to be a promoter merely by virtue of the fact that 10% or more of the equity of the issuer company is held by such institution.

Provided that the Financial Institutions, Scheduled Banks and Foreign Institutional Investors (FIIs) shall be treated as promoters for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

6.47 Particulars of the Issue

6.47.1 Objects of the Offering

6.47.1.1 The object of raising funds through the issue, that is whether for fixed asset creation and/ or for working capital or any other purpose.

6.47.2 Funds Requirement

- (a) The requirement of funds needed for meeting the objects of the offering.
- (b) Where the company proposes to undertake more than one activity, i.e., diversification, modernisation, expansion, etc., the total project cost activity- wise or project wise as the case may be..
- (c) Where the company is implementing the project in a phased manner, the cost of each phase, including the phase, if any, which has already been implemented.
- (d) If object of the issue is to fund project:
 - (i) Location of the project
 - (ii) Plant and Machinery, technology, process, etc.
 - (iii) Collaboration, performance guarantee if any, or assistance in marketing by the collaborators.
 - (iv) Infrastructure facilities for raw materials and utilities like water, electricity, etc.
- (e) If the proceeds, or any part of the proceeds, of the issue of the shares or debentures are, or is, to be applied directly or indirectly:
 - (i) in the purchase of any business; or
 - (ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith; the issuer company will become entitled to an interest as respects either the capital or profits and losses or both, in such business exceeding fifty percent, thereof;

a report made by accountants (who shall be named in the Letter of Offer) upon:

 - i. the profits or losses of the business of each of the five financial years immediately preceding the issue of the Letter of Offer; and
 - ii. the assets and liabilities of the business at the last date to which the accounts of the business were made up, being a date not more than six months before the date of the issue of the Letter of Offer.
- (f) If:

- (i) the proceeds, or any part of the proceeds, of the issue of the shares or debentures are or is to be applied directly or indirectly in any manner resulting in the acquisition by the issuer company of shares in any other body corporate; and
- (ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate will become a subsidiary of the issuer company;

a report made by accountants (who shall be named in the Letter of Offer) upon:

- i. the profits or losses of the other body corporate for each of the five financial years immediately preceding the issue of the Letter of Offer; and
 - ii. the assets and liabilities of the other body corporate at the last date to which its accounts were made up.
- (g) Strategic partners, if applicable, to the project / objects of the issue.
- (h) Financial partners, if applicable to the project / objects of the issue.

6.47.3 Funding Plan (Means of Finance)

- (a) An undertaking shall be given in the Letter of Offer by the issuer company confirming firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Rights issue, have been made.
- (b) The balance portion of the means of finance for which no firm arrangement has been made.

6.47.4 Appraisal

- (a) The scope and purpose of the appraisal, if any, along with the date of appraisal.
- (b) The cost of the project and means of finance as per the appraisal report.
- (c) Explanation regarding revision, if any, in the project cost and the means of finance after the date of issue of the appraisal report.
- (d) The weaknesses and threats, if any, given in the appraisal report, by way of risk factors.

6.47.5 Schedule of Implementation

Schedule of implementation of the project and progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, trial production, date of commercial production, etc.

6.47.6 Funds Deployed

Actual expenditure incurred on the project (in cases of companies raising capital for a project) upto a date not earlier than two months from the date of filing the Letter of Offer with the Registrar of Companies, as certified by a Chartered Accountant.

Where share application money brought in advance by the promoters is deployed in the project and the same is being adjusted towards their rights entitlement in the rights issue, the extent of deployment and utilisation of the funds brought in by the promoters shall be disclosed.

6.47.7 Sources of Financing of Funds Already Deployed

Means and source of financing, including details of "bridge loan" or other financial arrangement, which may be repaid from the proceeds of the issue.

6.47.8 Details of Balance Fund Deployment

Year wise break up of the expenditure proposed to be incurred on the said project.

6.47.9 Interim Use of Funds

Investment avenues in which the management proposes to deploy issue proceeds, pending its utilisation in the proposed project.

6.47.10 Any special tax benefits for the issuer company and its shareholders.

6.47.11 Key Industry Regulations for the proposed objects of the issue (if different from existing business of the issuer company)

6.47.12 Interest of directors, as applicable to the project / objects of the issue

6.48 History and Corporate Structure about the Issuer Company

In case the issuer has not come out with any public / Rights issue in the past 10 years or more, then the issuer shall disclose a brief statement about the history and corporate structure of the company, main objects of the company and the major events of the company in the past.

6.49 Management

6.49.1 Board of Directors

Names, address and occupation of Manager, Managing Director and other Directors (including Nominee Director, Whole-Time Directors), giving their directorships in other companies.

6.50 Financial Information of the Issuer Company

6.50.1 Stand-alone and consolidated financial statements of the issuer company:

- I. A report by the auditors of the company with respect to profit or loss and assets and liabilities in respect of the last completed accounting year for which audit has been completed.
- II. A report by the auditors of the company on a limited review of the profit or loss and assets and liabilities as at a date not earlier than six months prior to the date of the opening of the issue where audited accounts as at such date are not available.

6.50.1.1 For the purpose of Clause 6.47.1 (I) and (II), it shall be sufficient if:

- (a) the statement of the assets and liabilities discloses the main heads of assets and liabilities as provided in Part I of Schedule VI of the Companies Act, 1956. Provided that, where an issuer is governed by a statute other than the Companies Act, 1956, the statement of assets and liabilities shall disclose the main heads of assets and liabilities as provided in such statute.
- (b) the statement of profit or loss discloses the information required under the heads of income and expenditure specified in Clause 41 of the Equity Listing Agreement in respect of quarterly financial information to be filed with the Stock Exchanges.

6.50.2 In addition, in accordance with Ministry of Finance Circular no.F.2/5/SE/76 dated February 05, 1977 and amended further on March 08, 1977, the following information for the period between the last date of the balance sheet and profit and loss account sent to the shareholders and up to the end of the last but one month preceding the date of the letter of offer shall be furnished.

(1) Working results of the company under following heads:

- (i) (a) Sales / turnover
- (b) Other income

(ii) Estimated gross profit / loss (excluding depreciation and taxes)

- (iii) (a) Provision for depreciation
- (b) Provision for taxes

(iv) Estimated net profit / loss

(2) Material changes and commitments, if any affecting financial position of the company.

(3) week-end prices for the last four weeks; current market price; and highest and lowest prices of equity shares during the period with the relative dates

6.50.3 Stock market quotation of shares/ convertible instruments of the company (high/ low price in each of the last three years and monthly high /low price during the last six months).

6.50.4 Accounting and other ratios:

The following accounting ratios shall be given for each of the accounting periods for which financial information is given:

a. Earnings per share: This ratio shall be calculated after excluding extra ordinary items.

b. Return on Networth: This ratio shall be calculated excluding revaluation reserves.

c. Net Asset Value per share: This ratio shall be calculated excluding revaluation reserves.

Accounting and other ratios shall be based on the financial statements prepared on the basis of Indian Accounting Standards.

6.50.4 Capitalisation Statement (as per Clause 6.10.2.7 (g) of DIP Guidelines)

6.50.5 One standard financial unit shall be used in the Letter of Offer

6.50.6 In regard to the listed companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956, which made any capital issue in the last three years, the names of such companies shall be disclosed.

6.51 Outstanding Litigations and Defaults

The following shall be disclosed by the issuer company:-

I. Pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer.

II. Matters which are pending or which have arisen in the immediately preceding ten years involving:-

(a) Issues of moral turpitude or criminal liability on the part of the issuer company

(b) Material violations of statutory regulations by the issuer company

(c) Economic offences where proceedings have been initiated against the issuer company.

III. For the purpose of determining materiality, the following tests /parameters shall be applied:-

(a) For the outstanding litigations which may not have any impact on the future revenues, the disclosure is required:

i. Where the aggregate amount involved in such individual litigation exceeds 1% of the Net Worth of the issuer company as per last completed financial year.

(or)

- ii. Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed 1% of net worth of the issuer as per the last completed financial year.
- (b) For the outstanding litigations which may have any impact on the future revenues, the disclosure is required:
 - i. Where the aggregate amount involved in such individual litigation is likely to exceed 1% of the total revenue of the issuer company as per last completed financial year.
 - (or)
 - ii. Where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in single case individually may not exceed 1% of total revenue of the issuer company, if similar cases put together collectively exceed 1% of total revenue of the issuer company as per last completed financial year.

The above disclosures should be made both in respect of the issuer company as also of the subsidiary companies whose financial statements are included in the offer document either separately or in consolidated form.

6.52 Other Regulatory and Statutory Disclosures

- 6.52.1 Authority for the issue and details of resolution passed for the issue.
- 6.52.2 A statement by the issuer company that the issuer company / Promoters / Promoter Group / Directors or the person(s) in control of the Promoter and companies in which its Directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.
- 6.52.2A A statement to the effect that Issuer Company is in compliance with provisos to clause 6.39.
- 6.52.2B Details of compliance with eligibility requirements to make a fast track issue, if applicable.
- 6.52.3 Disclaimer clauses:
 - (a) The following disclaimer clause in bold capital letters:

"It is to be distinctly understood that submission of Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Letter of Offer. Lead Merchant Banker,

_____ has certified that the disclosures made in the Letter of Offer are generally adequate and are in conformity with SEBI (Disclosures and Investor Protection) Guidelines in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Letter of Offer, the Lead Merchant Banker is expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the Lead Merchant Banker _____ has furnished to SEBI a Due Diligence Certificate dated _____ (which reads as follows (due diligence certificate submitted to the Board to be reproduced here):)

The filing of Letter of Offer does not, however, absolve the company from any liabilities under section 63 or 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI, further reserves the right to take up, at any point of time, with the lead merchant banker(s) any irregularities or lapses in Letter of Offer."

(b) Disclaimer Statement from the Issuer and the Lead Manager:

A statement to the effect that the issuer company and the Lead Manager accepts no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk should be incorporated.

Investors who invest in the issue will be deemed to have been represented by the issuer company and lead manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire equity shares of our company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

- c) Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which provisions of law and the rules and regulations are applicable to the letter of offer.
- d) Disclaimer clause of the stock exchanges, if any
- e) Disclaimer clause of the Reserve Bank of India (if applicable).

- 6.52.4 The fact of filing the Letter of Offer with the Board and the Stock Exchange(s) and the office of the Board where the Letter of Offer has been filed
- 6.52.5 Details of fees payable to (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size):
- a) Lead Managers.
 - b) Co-lead Managers, if any
 - c) Co-managers, if any
 - d) Other Merchant Bankers
 - e) Registrars to the issue
 - f) Advisors
 - g) Bankers to the issue
 - h) Trustees for the debenture-holders.
 - i) Others
 - j) Underwriting commission, brokerage and selling commission.
- 6.52.6 Arrangements or any mechanism evolved by the issuer company for redressal of investor grievances and the time normally taken by it for disposal of various types of investor grievances.

6.53 Offering Information

- 6.53.1 Terms of payments and procedure and time schedule for allotment and issue of certificates, credit of securities to the investors' demat account.
- 6.53.2 How to apply, availability of application forms and Letter of Offer; and mode of payment

Special requirements:

- (a) Applications by mutual funds:
 - (i) Necessary disclosures under the heads "Procedure for applications by mutual funds" and "Multiple Applications" to indicate that a separate application can be made in respect of each scheme of an Indian mutual fund registered with the Board and that such applications shall not be treated as multiple applications.
 - (ii) The applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.
- (b) Applications by NRIs:

- (i) Following disclosures:
 - a. the name and address of at least one place in India from where individual NRI applicants can obtain the application forms.
 - b. "NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category."

(c) Application by ASBA investors:

- (i) Disclosures regarding details of Application Supported by Blocked Amount process including specific instructions for submitting Application Supported by Blocked Amount.)

6.53.3 Any person who –

- (a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register any transfer of, shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

6.53.4 Declaration about the credit of securities to the demat account / refunds within a period of 15 days and interest in case of delay in refund at the prescribed rate.

6.53.5 Mode in which the issuer company shall make refunds to applicants in case of oversubscription.

Provided that where the company proposes to make use of more than one mode of making refunds to applicants, the respective cases where each such mode will be adopted shall be disclosed.

Explanation: The permissible modes of making refunds are as follows:

- (a) In case of applicants residing in any of the centres specified by the Board – by crediting of refunds to the bank accounts of applicants through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds

Transfer), as is for the time being permitted by the Reserve Bank of India;

- (b) In case of other applicants – by despatch of refund orders by registered post, where the value is Rs 1500/- or more, or under certificate of posting in other cases, (subject however to postal rules); and
- (c) In case of any category of applicants specified by the Board – crediting of refunds to the applicants in any other electronic manner permissible under the banking laws for the time being in force which is permitted by the Board from time to time.)

6.54 Undertakings by the issuer company in connection with the issue

- (a) The issuer company shall undertake that:
 - (i) the complaints received in respect of the Issue shall be attended to by the issuer company expeditiously and satisfactorily.
 - (ii) that steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the securities are to be listed are taken within seven working days of finalisation of basis of allotment.
 - (iii) funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the issuer.
 - (iv) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days or 15 days of closure of the issue, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
 - (v) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- (b) In case of convertible instruments, the issuer shall additionally undertake that:
 - (i) the issuer company shall forward the details of utilisation of the funds raised through the debentures duly certified by the statutory auditors of the issuer company, to the debenture trustees at the end of each half-year.

- (ii) the issuer company shall disclose the complete name and address of the debenture trustee in the annual report.
- (iii) the issuer company shall provide a compliance certificate to the debenture holders (on yearly basis) in respect of compliance with the terms and conditions of issue of debentures as contained in the Letter of Offer, duly certified by the debenture trustee.
- (iv) the issuer company shall furnish a confirmation certificate that the security created by the company in favour of the debenture holders is properly maintained and is adequate enough to meet the payment obligations towards the debenture holders in the event of default.
- (v) 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.

6.55 Utilisation of Issue Proceeds:

(a) A statement by the Board of Directors of the issuer company to the effect that:

- (i) all monies received out of issue of shares or debentures to public shall be transferred to separate bank account.
- (ii) details of all monies utilised out of the issue referred to in sub-item(i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of the issue of shares or debentures, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer company indicating the form in which such unutilised monies have been invested.

(Provided that nothing contained in this clause shall apply to rights issues made by banks or public financial institutions or to offers for sale.)

6.56 Restrictions on foreign ownership of Indian securities, if any:

- (a) Investment by NRIs.
- (b) Investment by FIIs.

6.57 Statement about the minimum subscription clause:

- i. If the Company does not receive the minimum subscription of 90% of the issue (including devolvement of underwriters where applicable), the entire subscription shall be refunded to the applicants within (fifteen days) from the date of closure of the issue.
- ii. If there is delay in the refund of subscription by more than 8 days after the company becomes liable to pay the subscription amount (i.e. (fifteen days) after closure of the issue), the company will pay interest for the delayed period, at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

6.58

Declaration

- (a) “No statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 1956 and the rules made thereunder. All the legal requirements connected with the said issue as also the guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf have been duly complied with.”
- (b) The signatories shall further certify that all disclosures made in the Letter of Offer are true and correct.

Signature of Directors

Place:

Date: