



Consultation paper on proposal for introduction of the concept of General Information Document (GID) and Key Information Document (KID), mandatory listing of debt securities of listed issuers and other reforms under the NCS Regulations

1. Background:

- 1.1. In 2021, SEBI undertook a review of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (ILDS Regulations) and SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (NCRPS Regulations). The provisions of these regulations were merged into a single Regulation viz. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (NCS Regulations) which was notified pursuant to the approval of the Board on August 9, 2021. Accordingly, ILDS Regulations and NCRPS Regulations got repealed.
- 1.2. SEBI is constantly engaged in the process of gathering feedback from the market participants including stock exchanges, to understand the developments in the market, assess the impact of its measures and review the same.
- 1.3. Since the NCS Regulations came into effect on August 16, 2021, based on inputs received during discussions with various stakeholders, and upon further deliberations, certain provisions of the NCS Regulations are being reviewed and additional provisions are proposed to be introduced, in order to provide ease of doing business to the issuers, safeguard the interests of the investors and at the same time increase transparency in the market by encouraging issuances of debt securities in the listed space.

2. Introduction of the concepts of GID and KID and review of disclosures in placement memoranda - with respect to private placement of non-convertible securities and Commercial Paper proposed to be listed

2.1. Background:

2.1.1. Public issuance of debt securities¹ and non-convertible preference shares (NCRPS):

Regulations 27 and 28 of the NCS Regulations, *inter-alia*, provides that an issuer intending to raise funds through issuance of listed debt securities/ non-

¹ As per Regulation 2(1)(k) of NCS Regulations "debt securities" means "non-convertible debt securities with a fixed maturity period which create or acknowledge indebtedness and includes debentures, bonds or any other security whether constituting a charge on the assets/ properties or not, but excludes security receipts, securitized debt instruments, money market instruments regulated by the Reserve Bank of India, and bonds issued by the Government or such other bodies as may be specified by the Board;"

convertible preference shares by way of public issue has to file an offer document with the Stock Exchanges, containing all material and adequate disclosures which are necessary for the investors of such securities to take informed decision. The offer document shall contain the following disclosures:

- a. disclosures specified in Schedule I of these regulations;
- b. disclosures under the Companies Act, 2013 and rules prescribed thereunder;
- c. additional disclosures as may be specified by the Board

2.1.2. **Issuance of non-convertible securities² through Private placement mode:**

Regulation 45(1) of the NCS Regulations provides that an issuer intending to raise funds through issuance of listed non-convertible securities through private placement mode has to make the following disclosures in the placement memorandum:

- a. disclosures specified in Schedule II of these regulations;
- b. disclosures specified in the Companies Act, 2013, as applicable;
- c. additional disclosures as may be specified by the Board.

2.1.3. **Listing of Commercial Paper:**

Regulation 51 of the NCS Regulations *inter-alia* provides that Issuers desirous of listing Commercial Paper shall comply with the conditions as may be specified by the Board from time to time. Chapter XVII (Listing of Commercial Paper) of the NCS Operational Circular dated August 10, 2021 and amended thereafter from time to time, provides a list of disclosures that such issuers are mandated to file with Stock Exchanges along with the application for listing such Commercial Paper.

² As per Regulation 2(1)(x) of NCS Regulations “non-convertible securities” means “debt securities, non-convertible redeemable preference shares, perpetual non-cumulative preference shares, perpetual debt instruments and any other securities as specified by the Board;”

2.2. Need for review:

2.2.1. To ensure parity between initial disclosures required to be made in the prospectus for public issuance of debt securities/ NCRPS and placement memorandum for private placement of non-convertible securities proposed to be listed:

A privately placed security, once listed on a Stock Exchange is freely marketable and transferable, akin to a security issued through public issue. SEBI has recognized this fact and prescribed singular continuous disclosure requirements for a listed entity whether the entity has listed a security issued on a private placement basis or a security issued through a public issue. The same analogy needs to be applied even for disclosures made to investors in a document for offer of securities. This is all the more important when debt securities are offered on the Electronic Book Provider Platform, where up to 200 persons/ entities other than Qualified Institutional Buyers can be invited to subscribe.

Market participants are of the view that there is a need for investors to have detailed information in the placement memorandum akin to a prospectus for a public issue. It is pertinent to note that SEBI has already recognized this fact and prescribed disclosure requirements in placement memoranda for private placements that are almost on par with prospectuses for public issues. However, there are minor differences between the two.

2.2.2. Filing of multiple placement memoranda for non-convertible securities and Commercial Paper proposed to be listed:

The following table provides the statistics of the number of public issues of debt securities and NCRPS and private placements of listed non-convertible securities during financial year, FY 2021-22 and FY 2022-23 (up to January 31, 2023):

Table 1: Number of public issues of debt securities and NCRPS and listed private placements

| Financial Year | Public Issuances | | Private Placements | |
|--------------------|------------------|----------------------------------|--------------------|----------------------------------|
| | No. of Issuances | Amount of Issuances [#] | No. of Issuances | Amount of Issuances [#] |
| FY 2021-22 | 28 | 11,590 | 1405 | 5,88,037 |
| FY 2022-23* | 24 | 6,863 | 1143 | 5,22,090 |

**Upto January 31, 2023 (Data sourced from SEBI website); # In Rs. Crore*

The fact that private placements dominate the bond markets is evident from the above table.

Further analysis of the data on private placements is presented through the following tables:

Table 2: Analysis of types of placement memoranda used for issuance of listed non-convertible securities:

| Financial Year (1) | Total no. of Issuances (2) | Total no. of unique issuers (3) | No. of issuances through shelf placement memorandum (4) | No. of issuances issued through placement memorandum other than Shelf placement memorandum (5) |
|--------------------|----------------------------|---------------------------------|---|--|
| FY 2020-21 | 564 | 121 | 167 | 397 |
| FY 2021-22 | 397 | 109 | 116 | 281 |

**Source – Data sourced from NSE*

Table 3: Further analysis of the issuances mentioned in column (5) of Table 2:

| Particulars | Financial Year | |
|---|----------------|------------|
| | FY 2020-21 | FY 2021-22 |
| No. of issuances through single placement memorandum | 397 | 281 |
| No. of unique issuers | 109 | 93 |
| No. of issuers (having only 1 issuance) | 45 | 40 |

| | | |
|--|----|----|
| No. of issuers (having 2 – 5 issuances) | 43 | 39 |
| No. of issuers (having 6-10 issuances) | 13 | 10 |
| No. of issuers (having 11-20 issuances) | 7 | 4 |
| No. of issuers (having 21-30 issuances) | 1 | 0 |

Source – Data sourced from NSE

Table 4: Data – Listed Commercial Paper:

| Financial Year (1) | Total no. of Issuances (2) | Total no. of unique issuers (3) | No. of issuers in column (3) who have also issued non-convertible securities |
|---------------------------|-----------------------------------|--|---|
| FY 2021-22 | 3128 | 238 | 118 |
| FY 2022-23* | 2988 | 233 | 84 |

*upto December 31, 2022; Data sourced from NSE and BSE;

From the above tables, the following is inferred:

- a. Issuers who make multiple private placements of non-convertible securities and Commercial Paper during a year file complete placement memoranda with all the disclosures required under the NCS Regulations for each such issuance.
- b. It is noted from Table 4 above, that approx. 43% of the issuers who have made non-convertible securities issuances have also issued and listed Commercial Paper during a year. This means that 43% of the issuers had issued separate voluminous placement memoranda for each such issuance of non-convertible securities and Listed Commercial Paper.
- c. The concept of “*shelf placement memorandum*” applicable for non-convertible debt securities/ NCRPS does not seem to be popular even amongst frequent issuers as can be seen from the Tables (2) and (3) above.
- d. Issuers spend a lot of time, cost and effort in preparing voluminous/ comprehensive placement memoranda for multiple issues in the same

year. For example, in FY 2017-18, one of the issuers filed as many as 87 placement memoranda.

- e. The time, cost and effort involved in preparing these placement memoranda is highlighted as a deterrent for issuers to tap the securities market.

2.2.3. Thus, a need arises to revisit the repetitive nature of disclosure and explore whether multiplicity of such disclosures can be reduced without diluting their essence. Keeping this in mind, a framework is proposed which will enable ease of doing business for issuers while ensuring that the spirit of the law is complied with.

2.3. Proposal:

The purpose of this consultation paper is two-fold which is explained below along with the proposal:

2.3.1. **Parity between initial disclosures required to be made in a prospectus for public issuance of debt securities/ NCRPS and a placement memorandum for private placement of non-convertible securities proposed to be listed:**

In order to ensure parity in disclosures required to be made in a prospectus for public issuance of debt securities/ NCRPS and a placement memorandum for private placement of non-convertible securities proposed to be listed, a common schedule (Annex-I to this consultation paper) is proposed integrating the requirements of:

- The present Schedule I of NCS Regulations - “disclosures for public issue of debt securities and non-convertible redeemable preference” shares; and

- The present Schedule- II of NCS Regulations “disclosures for private placement of non-convertible securities”.

However, there are few disclosures which will apply solely to public issues or private placements. Annex-I gives the proposed revised set of disclosures.

2.3.2. **Introduction of the concepts - GID and KID for private placement of non-convertible securities and Commercial Paper proposed to be listed**

A GID for private placement of non-convertible securities proposed to be listed, containing the information and disclosures specified in Annex-I shall be filed with the Stock Exchanges at the time of the first issuance. The GID shall have a validity period as mentioned in para 2.3.3.b

Thereafter, for subsequent private placements of non-convertible securities and Commercial Paper within the validity period, only a KID shall be required to be filed with the Stock Exchanges.

2.3.3. **The proposed framework is as follows:**

- a. **Applicability:** The proposed framework shall be applicable for:
 - Issues of non-convertible securities issued on private placement basis under Chapter IV and V of the NCS Regulations; and
 - Commercial Paper proposed to be listed under Chapter VI of the NCS Regulations.
- b. **Validity of GID:** The GID shall be valid for a period of one year, which shall commence from the date of opening of the first offer of non-convertible securities under that GID.
- c. **Requirement for non-convertible securities issued on private placement basis:** An issuer making a private placement of non-convertible securities and seeking listing thereof on a Stock Exchange shall file a GID along with other required documents with the Stock Exchanges at the time of making the first issuance.

- d. **Disclosures in the GID:** Issuers of such non-convertible securities shall be required to make the following disclosures in the GID:
- disclosures as specified in Annex- I to this consultation paper
 - disclosures specified in the Companies Act, 2013, as applicable;
 - additional disclosures as may be specified by SEBI from time to time.
- e. **KID requirements:** For subsequent private placements of non-convertible securities and Commercial Paper within the validity period, only a KID shall be required to be filed with the Stock Exchanges.
- f. **Disclosures in the KID for issue of non-convertible securities:** Issuers of such non-convertible securities shall be required to make the following disclosures in the KID:
- details of the offer of non-convertible securities made through the KID;
 - financial information, as per para 3.3.8 of Annex-I to this consultation paper, if such information provided in the GID is more than six months old;
 - material changes, if any, in the information provided in the GID; and
 - any material developments not disclosed in the GID, since the issue of the GID relevant to the offer of non-convertible securities made through the KID.
- g. **Requirement for listing of Commercial Paper:** If an issuer has already filed a GID for issue of non-convertible securities with a Stock Exchange during a year, which is valid as on date of filing application with a Stock Exchange for listing Commercial Paper, then the issuer shall be required to file a KID with the disclosures given in Annex-II to this consultation paper, in addition to those mentioned in para (f) above.

If an issuer has not filed GID for issue of non-convertible securities with a Stock Exchange during a year and intends to list only Commercial Paper, then such issuers shall comply with the provisions of the Regulation 51 of NCS Regulations read with Chapter XVII of NCS Operational Circular thereby saving the cost, time and effort of the issuers without diluting the essence of disclosures.

2.4. Benefit of the Proposal:

a. Ease of doing business - saving of time, cost and effort

Once an issuer has filed a GID for issue of non-convertible securities on private placement basis, for any subsequent private placements of non-convertible securities and Commercial Paper within the validity period, the issuers shall file only a KID - thus saving time, cost and effort; this contributes to ease of doing business.

b. Ease of doing business – Dispensation from the need to file a shelf placement memorandum

The said framework will benefit the issuers who are currently utilizing the facility of shelf placement memorandum. In case of a shelf placement memorandum, if the shelf limit is exhausted within a year, such issuer will have to again file a shelf placement memorandum with a new shelf limit during the same year.

The GID as proposed in the above framework has no limit on the issue size to be raised during the validity period of the GID. Thus, the need to file another document is dispensed here.

On a conservative estimate, on the basis of the data obtained from NSE for the privately placed listed issuances as given earlier in this consultation paper, the proposed framework will benefit approx. 85% of issuers making private placement of debt securities who keep filing placement memoranda multiple times during the year.

c. Benefit for Investors

This proposal bridges the information gap between disclosures in a private placement document and a public issue document. With the recent increase in the number of investors registering on online bond platforms to buy bonds, it is imperative that there is no information gap.

3. Introduction of provisions necessitating listed issuers to list subsequent issuances of debt:

3.1. Background and data analysis:

3.1.1. Regulation 28 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), inter alia, provides that every listed entity shall before issuing any security, obtain in-principle approval from a recognised stock exchange(s). Hence, it precludes any entity having listed specified securities³ from issuing further specified securities without necessarily listing them.

3.1.2. However, there are no provisions in this regard in the LODR Regulations, for issuers of debt securities. Hence, presently, there exist entities which have outstanding unlisted as well as listed debt securities.

3.1.3. As per information obtained from the depositories (NSDL and CDSL), as on January 31, 2023, there are 839 issuers having outstanding listed debt securities. Out of these, 583 issuers (approx. 69%) had only listed debt securities outstanding⁴. Remaining 256 (approx. 31%) issuers have both unlisted and listed debt securities.

3.1.4. Issuers who have issued unlisted debt securities after issuance of listed debt security:

Out of these 256 issuers, 177 issuers had issued unlisted debt securities while having outstanding listed debt securities. Such 177 issuers' holdings across listed and unlisted debt securities was analysed and the following was observed:

Table 5: No. of ISINs and Volume of unlisted and listed debt securities

| Category | Number of ISINs | Amount (in Rs. crore) |
|--------------------------|-----------------|-----------------------|
| Unlisted debt securities | 1,302 | 1,03,946 |
| Listed debt securities | 2,983 | 11,54,525 |

³ In terms of Regulation 2 (1) (eee) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), "specified securities" means equity shares and convertible securities;

⁴ Includes 30 issuers whose unlisted debt securities have matured as on January 31, 2023 but have not been entirely redeemed.

3.1.5. Types of Issuers:

The categorization of the aforementioned 177 issuers is as below:

Table 6: Issuer Categories

| Type of Issuer | No. of Issuers | Percentage |
|---|----------------|----------------|
| Corporates | 74 | 42% |
| Non-Banking Financial Companies (NBFCs) | 72 | 41% |
| Housing Finance Companies (HFCs) | 9 | 5% |
| Banks | 8 | 5% |
| Bank/ PSU owned NBFC | 7 | 4% |
| Public Sector Undertakings (PSUs) | 3 | 2% |
| Asset Reconstruction Companies | 2 | 1% |
| Bank/ PSU owned HFC | 1 | 1% |
| Financial Institution | 1 | 1% |
| Total | 177 | 100.00% |

As can be observed from the above table, 87% of the Issuers having outstanding listed and unlisted debt securities are Corporates and NBFCs.

3.1.6. Analysis of credit rating:

The aforementioned 177 issuers have been sorted in rating buckets, based on the lowest credit rating assigned to the debt securities (listed and unlisted) issued by them, as given below:

Table 7: Bifurcation of issuers based on credit rating

| Rating Bucket | No. of Issuers | Percentage | Cumulative percentage |
|-----------------|----------------|----------------|-----------------------|
| AAA | 16 | 7.25% | 7.25% |
| AA+, AA, AA- | 37 | 20.29% | 27.54% |
| A+, A, A- | 34 | 17.87% | 45.41% |
| BBB+, BBB, BBB- | 45 | 22.71% | 68.12% |
| BB+ and below | 45 | 31.88% | 100.00% |
| Total | 177 | 100.00% | |

As can be observed from the above table, debt securities for approx. 68% of the Issuers have been rated above Investment Grade.

3.1.7. Ratio of value of unlisted to listed debt securities:

For the aforesaid 177 issuers, the ratio of value of unlisted to listed debt securities was analysed and the following was observed:

Table 8: Ratio of value of unlisted to listed debt securities

| Ratio of value of unlisted to listed debt securities | No. of issuers | No. of issuers (cumulative) | % of issuers (cumulative) |
|--|----------------|-----------------------------|---------------------------|
| <1 | 115 | 115 | 64.97% |
| 1 - <2 | 22 | 137 | 77.40% |
| 2 - <5 | 25 | 162 | 91.53% |
| 5 - <10 | 5 | 167 | 94.35% |
| 10 - <50 | 6 | 173 | 97.74% |
| 50 - <100 | 2 | 175 | 98.87% |
| 100 or more | 2 | 177 | 100.00% |
| Total | 177 | | |

As can be observed from the above table, for majority of the issuers (i.e. 65%), the ratio of unlisted to listed debt securities is less than 1.

Further, in terms of value of unlisted debt securities (as given in Table 5), top 20 issuers accounted for approx. 66% and they were majorly, Body corporates and NBFCs (includes bank/ PSU owned NBFCs).

3.1.8. Maturity profile of unlisted ISINs:

For the 1,302 ISINs of unlisted debt securities (as given in Table 5 above), across 177 issuers, the outstanding maturity wise bifurcation is given below:

Table 9: Maturity profile for unlisted ISINs

| Maturity (in years) | No. of ISINs | Cumulative % of ISINs |
|---------------------|--------------|-----------------------|
| ≤ 1 | 298 | 22.89% |
| > 1 to 3 | 550 | 65.13% |
| > 3 to 5 | 344 | 91.55% |
| > 5 to 7 | 70 | 96.93% |
| > 7 | 40 | 100.00% |
| Total | 1,302 | |

From the above table it can be inferred that, majority (approx. 92%) of the unlisted ISINs are having outstanding maturity of 5 years or less.

3.1.9. **Investor categories:**

An analysis was undertaken of the types of investors who have invested in unlisted ISINs (1,302). The observations thereof are summarized below:

Table 10: Types of investors in unlisted debt securities

| Category of Investor | Percentage of holding (value of securities) |
|-----------------------------|--|
| Others | 23.61% |
| Foreign Portfolio Investors | 20.58% |
| Body Corporates | 16.29% |
| Individuals | 15.06% |
| Banks | 13.16% |
| Alternate Investment Funds | 7.32% |
| Trusts | 3.80% |
| Mutual Funds | 0.18% |
| Total | 100.00 |

**Other include QIBs, NRIs, HUF etc.*

3.1.10. **Overall observations from data analysis:**

On the basis of data analysis undertaken, as on January 31, 2023, approx. 177 issuers having outstanding listed debt securities, had issued unlisted debt securities after issuance of listed debt securities. The value of the listed debt securities of such issuers is approx. 11 times that of unlisted debt securities. Majorly, corporates and NBFC are issuing unlisted debt securities, however, no concentration was observed in any category of investors. It is also notable that majority of such unlisted debt securities shall be maturing in the next 5 years.

3.2. **Need for Review:**

3.2.1. The continued issuances of unlisted debt securities by issuers who have outstanding listed debt securities, raises the following concerns:

- a. Parallel issuances (both listed and unlisted) by the same issuer gives rise to information asymmetry with regard to the total debt raised by the issuer; the differences in covenants between two types of issuances; difference in prices of similar products in listed and unlisted space, etc. This promotes undesirable opacity in the corporate bond market.
- b. If investor wants to exit, information on the appropriate price and willing counter party would be absent due to opaqueness of the off market system, thus making exit difficult. Further, there may not even be enough buyers for such unlisted debt securities and the investor may not be able to realise a fair price for the security.
- c. Investors in unlisted debt securities not have the recourse to the established grievance redress mechanism of SEBI and the stock exchanges.
- d. A listed entity may issue unlisted debt securities to private players at differential interest rates; this denies the opportunity of a level playing field to the holders of listed debt securities and that of unlisted debt securities, of the same issuer; and can result in regulatory or information arbitrage.
- e. When a listed entity issues unlisted debt securities, it may lead to confusion and uncertainty in the mind of the investor, as to whether a certain ISIN of the issuer is listed at the stock exchange(s) or not.

This becomes more relevant given the fact that starting from January 1, 2023, the face value and trading lot for debt securities has been reduced to Rs. 1 lakh⁵.

- f. Existence of multiple listed ISINs of a given issuer while providing choice to the investor also tends to create confusion about the debt instrument best suited to her needs. In addition to that, if there are unlisted ISINs being issued by the same issuer, it adds to the difficulty of the investor in comparing the features of the various listed and unlisted ISINs, and in identifying the ISIN for investment.

⁵ Circular SEBI/HO/DDHS/P/CIR/2022/00144 dated October 28, 2022.

- g. There exists possibility of mis-selling, whereby issuance of unlisted debt securities by a listed issuer may be construed as listed securities by an investor.
- h. Trading in unlisted debt securities outside the settlement mechanism of the clearing corporation is prone to misuse and exposed to counterparty risk.
- i. Investors in unlisted debt securities face liquidity risk as such securities do not have the advantage of being traded on the stock exchange platform.
- j. There exists disparity in the continuous listing requirements for entities with listed specified securities and listed debt securities.

3.3. **Proposal:**

3.3.1. Prospective issuances:

All issuers having outstanding listed debt securities and proposing to make further issuance of debt securities, shall necessarily be required to list the securities on the stock exchange(s). This shall be in line with the specifications for issuers with listed specified securities.

3.3.2. Past issuances:

As a one-time measure, listed issuer:

- a. Shall get its outstanding unlisted debt securities (having outstanding maturity of more than 5 years), listed on the stock exchange(s), within a specified time period (say, 6 months); and
- b. Option to get its outstanding unlisted debt securities (having outstanding maturity of less than 5 years), listed on the stock exchange(s), within a specified time period (say, 6 months).

3.4. Possible impact of the proposal:

- 3.4.1. The proposal is aimed at issuers having listed debt securities who are already required to comply with the continuous listing conditions including disclosure requirements under the LODR regulations. Therefore, the proposed mandate of making all future issuances in listed category would not create additional compliance burden on the issuer.
- 3.4.2. It is also pertinent to mention that all public issues of debt securities by a company have to necessarily be in dematerialized form⁶.
- 3.4.3. For majority of the listed issuers, ratio of value of unlisted to listed debt securities is less than 1 and hence, the proposal is not likely to have significant impact on their fund raising or increase their obligations in a material manner.
- 3.4.4. It is gathered from market participants that there is a prevalence of bilateral transactions between issuers and investors, given the flexibility it affords to both the parties.

Placing an issue on the EBP platform not only addresses the objective of an issuer of raising funds but also provides the opportunity of garnering bids from a wider investor base (QIBs and up to 200 other eligible participants).

- 3.4.5. There can be an instance wherein an issuer, as part of a scheme of arrangement or restructuring program, plans to issue bonds to identified investors (existing debenture holders). Such transactions shall get impacted by the proposal as the resultant securities would have to be listed and in such a scenario, the insistence of doing the issues through EBP would create an impediment.

As and when a situation arises wherein issuance is being made to an identified existing set of investors, the issuer may represent to SEBI, which may consider providing an exemption from issuance through EBP, on a case to case basis, as deemed appropriate.

⁶ Section 29 of the Companies Act, 2013.



3.5. Benefits of the proposal:

3.5.1. The proposal to mandate issuers having outstanding listed debt securities to necessarily listed future issuances of debt securities shall have the following benefits:

- a. It shall bring clarity to the prospective investors, on whether the debt securities of an issuer are listed or not.
- b. It shall be in the interests of the investors and shall help enhance transparency in the corporate bonds market.
- c. Listing of the securities shall provide the investors with better tradability and assurance of settlement of the transactions.
- d. Address concerns of mis-selling of unlisted securities and prevent arbitrage due to price differences between listed and unlisted ISINs. It shall also lead to better price discovery.
- e. Issuer shall get access to a larger and more diversified pool of investors as listing the securities leads to better visibility.

It is pertinent to mention that various regulators have placed restrictions on or discourage their regulated entities with respect to investments in unlisted securities.

- i. *SEBI has mandated the Mutual Funds to invest only in listed debt securities⁷. An MFs investment in unlisted debt securities cannot exceed 10% of its debt portfolio, subject to the specified conditions.*
- ii. *RBI's Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2021 (Updated as on December 8, 2022), inter alia, specifies the following:*
 - *Banks shall invest only in listed non-SLR debt securities of companies which comply with the requirements of the SEBI;*

⁷ Circular No. SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 01, 2019.

Exceptions:

- a. *Bank's investment in unlisted non-SLR securities shall not exceed 10 percent of its total investment in non-SLR securities as on March 31 of the previous year. Provided that such investments shall comply with the disclosure requirements as prescribed by SEBI for listed companies.*
- b. *Investment in units of mutual fund schemes having an exposure to unlisted securities of less than 10 per cent of the corpus of the fund, shall only be treated on par with listed securities for the purpose of compliance with the prudential limits prescribed above.*
- f. The enhanced liquidity due to listing of the securities provides investors with better exit opportunities, thereby benefitting the issuers in raising funds through long-term debt securities.
- g. It shall bring the requirements for listed debt issuers at par with that for issuers of listed specified securities.

4. Disclosure of issue expenses:

4.1. Background and need for review:

4.1.1. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry (MoC&I) has entrusted SEBI with the responsibility of computing Securities Transaction Price Index (STPI) on quarterly basis for securities market as part of Business Service Price Index (BSPI). The STPI is broadly classified into primary market activity, secondary market activity and asset management activity. These activities are further classified into sub-segments based on the kind of products/ services offered.

4.1.2. For computation of Index, data is collected for all respective segments/ intermediaries.

4.1.3. The ICDR Regulations, *inter alia*, mandates issuers to disclose the expenses of the issue along with a break up for each item of expense, including details of the fees payable, in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size, for the specified heads viz.

- a. Lead manager(s) fees including underwriting commission
- b. Brokerage, selling commission and upload fees
- c. Registrars to the issue
- d. Legal Advisors
- e. Advertising and marketing expenses
- f. Regulators including stock exchanges
- g. Printing and distribution of issue stationary

4.1.4. However, there are no such provisions in the NCS Regulations, for issuers of debt securities, issued on private placement basis or a public issuance. It is observed that as a market practice, an indicative list of expenses incurred in the issuance process is disclosed in the Offer Document filed for public issue of debt securities, which is similar to the issue expense disclosure specifications for public issue of equity shares as per ICDR Regulations, as given above.

4.2. **Proposal:**

4.2.1. In order to bring in parity between the various SEBI Regulations and standardization in the different market practices being followed by issuers, it is proposed to mandate disclosure of the various expenses incurred in the issuance of debt securities and non-convertible redeemable preference shares, whether issued on private placement basis or through a public issue process, in terms of the NCS Regulations and circulars issued thereunder.

4.2.2. Such disclosure shall include break up for various categories of expenses, including details of the regulatory fees, in terms of amount as a percentage of total issue expenses and as a percentage of the total issue size, for the specified heads viz.

- a. Lead manager(s) fees including underwriting commission, if any.
- b. Brokerage, selling commission and upload fees.
- c. Registrars to the issue.



- d. Legal Advisors.
- e. Advertising and marketing expenses.
- f. Regulators including stock exchanges.
- g. Printing and distribution of issue stationary.

4.2.3. **Benefits of the proposal:**

- a. It shall assist in true reflection of the nature of costs associated with an issuance.
- b. Such a mandate on the issuers to disclose the issue expenses in the offer document/ placement memorandum will ease the process of comparison of issue expenses for private placement and public issue of debt securities.
- c. It will enhance the information availability in the market and the transparency involved in the issue process.

5. **Amendment to Regulation 50 of Chapter V (Issuance and Listing of Perpetual Debt Instruments, Perpetual Non-Cumulative Preference Shares and Similar Instruments) of the NCS Regulations**

5.1. **Background:**

5.1.1 Regulation 50 of the NCS Regulations, *inter-alia*, provides as under:

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

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

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

(a) disclosures as specified under Schedule II

- (b) any disclosure as may be provided under the guidelines framed by the Reserve Bank of India or the Companies Act, 2013 (18 of 2013), as applicable;
- (c) any other disclosures as may be specified by the Board.”

5.2. Need for Review

It has been observed that, issuers coming under the purview of other financial sector regulators also issue perpetual debt instruments, Perpetual Non-Cumulative Preference Shares and Similar Instruments as per terms stipulated by such regulators. Thus such instruments need not comply with the stipulations required for such instruments issued by issuers coming under the purview of RBI, though the instruments carry similar characteristics.

5.3. Proposal

There is a need to ensure a level playing field for all issuers who issue similar instruments and for this, the law needs to be regulator agnostic. In view of the above, it is proposed to replace the words ‘Reserve Bank of India’ with the words ‘other financial sector regulators’, in Regulation 50 of the NCS Regulations. This will ensure that issuers who issue Perpetual Debt Instruments, Perpetual Non-Cumulative Preference Shares and similar instruments with an intent to list the same will comply with the requirements prescribed under Chapter V of the NCS Regulations for such instruments. Consequent amendments to the NCS Regulations, if any also will be made.

6. Public Comments:

Public comments are invited for the proposal for introduction of and review of certain extant provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The comments/ suggestions may be provided as per the format given below:

| |
|--|
| Name of the person/ entity proposing comments: |
| Name of the organization (if applicable): |
| Contact details: |



| Category: Whether market intermediary/ participant (mention type/ category) or public (investor, academician etc.) | | | |
|--|--------|------------------------|-----------|
| Sr. No. | Issues | Proposals/ Suggestions | Rationale |
| | | | |

Kindly mention the subject of the communication as, “**Comments on Consultation paper on Proposal for introduction of the concept ‘General Information Document’ (GID) and Key Information Document’ (KID) for ease of doing business and review of certain other extant provisions of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.**”

Comments as per aforesaid format may be sent to the following, latest by February 24, 2023 (within 15 days from date of publication of this consultation paper on SEBI website) through the following modes:

- By email to: pradeepr@sebi.gov.in; divyah@sebi.gov.in; nikhilc@sebi.gov.in, kirand@sebi.gov.in and akanshag@sebi.gov.in;
- By post to the following address:

Pradeep Ramakrishnan,
General Manager,
Department of Debt & Hybrid Securities
Securities and Exchange Board of India,
SEBI Bhavan, C4-A, G-Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400051

Issued on: **February 09, 2023**



Proposed Schedule I

Draft Format of the Annexure

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

1. Instructions:

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

2. Interpretation:

- 2.1. In the case of public issuance of non-convertible securities, all references to “**non-convertible securities**” in this Schedule shall refer to debt securities and non-convertible redeemable preference shares.
- 2.2. In the case of public issuance of non-convertible securities, all references to “**issue document**” shall mean the “**offer document**”.
- 2.3. In the case of a private placement of non-convertible securities, all references to

“issue document” shall mean the “placement memorandum”.

3. Disclosures

3.1. **The disclosures stipulated here are for public issuance and private placement of non-convertible securities, unless specified otherwise.**

3.2. **The front page of the issue document shall contain the following information:**

- (a) Name of the issuer, its logo (if any), corporate identity number, permanent account number, date and place of incorporation, latest registration/identification number issued by any regulatory authority which regulates such issuer (i.e., Reserve Bank of India, Insurance Regulatory Development Authority of India etc.), if applicable, address of its registered and corporate offices, telephone number, website address and e-mail address.
- (b) Name, telephone number, email address of compliance officer, company secretary, chief financial officer and promoters.
- (c) Name, addresses, logo, telephone numbers, email addresses and contact person of (wherever applicable):
 - Debenture Trustee,
 - Lead Manager(s), (*applicable in case of public issue*)
 - Statutory Auditors,
 - Credit Rating Agencies and
 - Such other persons as may be prescribed.
- (d) A disclosure that a copy of the issue document has been delivered for filing to the Registrar of Companies as required under sub-section (4) of Section 26 of Companies Act, 2013. (*applicable in case of public issue*)
- (e) Date of the issue document, type of issue document.
- (f) The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable.
- (g) The aggregate amount proposed to be raised through all the stages of offers of non-convertible securities made through the shelf prospectus under section

31 of the Companies Act, 2013. (*applicable in case of public issue*)

- (h) The name, logo and address of the registrar to the issue, along with its telephone number, fax number, website address and e-mail address.
- (i) The issue schedule:
 - (i) date of opening of the issue;
 - (ii) date of closing of the issue;
 - (iii) date of earliest closing of the issue, if any.
- (j) The credit rating (cross reference of press release be provided). All the ratings obtained.
- (k) The name(s) of the stock exchanges where the securities are proposed to be listed.
- (l) The details about eligible investors. (*applicable in case of private placement*)
- (m) Coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount and details of debenture trustee.
- (n) Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable.
- (o) Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters.
- (p) Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the issue document on the Electronic Book Provider Platform (“**EBP Platform**”), if applicable. (*applicable in case of private placement*)

3.3. Following disclosure shall be contained in the other pages of the issue document:

3.3.1. Issuer’s Absolute Responsibility:

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

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

3.3.2. Details of Promoters of the Issuer Company:

(a) A complete profile of all the promoters, including their name, date of birth, age, personal addresses, educational qualifications, experience in the business or employment, positions/posts held in the past, directorships held, other ventures of each promoter, special achievements, their business and financial activities, photograph, permanent accountant number.

(b) A declaration confirming that the permanent account number, Aadhaar number, driving license number, bank account number(s) and passport number of the promoters and permanent account number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft issue document.

3.3.3. Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue.

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

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

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

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

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

- (a) Debenture trustee to the issue,
- (b) Credit rating agency for the issue,
- (c) Registrar to the issue,
- (d) Statutory auditors,
- (e) Legal counsel, (if any)
- (f) Merchant banker and Co-managers to the issues, (Not applicable for private placement. However, if appointed, to be disclosed)
- (g) Legal advisor, (*applicable in case of public issue*)
- (h) Bankers to the issue, (*applicable in case of public issue*)
- (i) Sponsor bank, (*applicable in case of public issue*)
- (j) Guarantor, if any
- (k) Arrangers, if any.

3.3.7. About the Issuer

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

- (a) Overview of the business of the issuer;
- (b) Corporate Structure of the group;
- (c) Project cost and means of financing, in case of funding of new projects.

3.3.8. Financial Information

- (a) A columnar representation of the audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) both on a standalone and consolidated basis for a period of three completed years which shall not be more than six months old from the date of the issue

document or issue opening date, as applicable. Such financial statements shall be should be audited and certified by the statutory auditor(s) who holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (“ICAI”).

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

- (b) Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in issue document including risk factors.
- (c) Issuers other than unlisted REITs/unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:
 - (i) The issue is made on the EBP Platform irrespective of the issue size;
 - (ii) The issue is open for subscription only to qualified institutional buyers.
(applicable in case of private placement)
- (d) The above financial statements shall be accompanied with the auditor’s report along with the requisite schedules, footnotes, summary etc.
- (e) Key Operational and Financial Parameters on consolidated and standalone basis.



(i) **For Non-Financial Sector Entities:**

| Balance Sheet | | | | |
|--|--|--|--|--|
| Net Fixed assets | | | | |
| Current assets | | | | |
| Non-current assets | | | | |
| Total assets | | | | |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities | | | | |
| Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities | | | | |
| Total liabilities | | | | |
| Equity (equity and other equity) | | | | |
| Total equity and liabilities | | | | |
| Profit and Loss | | | | |
| Total revenue from operations | | | | |
| Other income | | | | |
| Total Expenses | | | | |
| Total comprehensive income | | | | |
| Profit / loss | | | | |
| Other comprehensive income | | | | |
| Profit / loss after tax | | | | |
| Earnings per equity share: (a) basic; and (b) diluted | | | | |
| Continuing operations | | | | |
| Discontinued operations | | | | |
| Continuing and discontinued operations | | | | |
| Cash Flow | | | | |
| Net cash generated from operating activities | | | | |
| Net cash used in / generated from investing activities | | | | |
| Net cash used in financing activities | | | | |
| Cash and cash equivalents | | | | |
| Balance as per statement of cash flows | | | | |



| Additional information | | | | |
|--|--|--|--|--|
| Net worth | | | | |
| Cash and Cash Equivalents | | | | |
| Current Investments | | | | |
| Net Sales | | | | |
| EBIDTA | | | | |
| EBIT | | | | |
| Dividend amounts | | | | |
| Long term debt to working capital | | | | |
| Current Liability ratio – Current liabilities / Non-current liabilities | | | | |
| Total Debts to Total assets | | | | |
| Debt Service Coverage Ratios | | | | |
| Interest service coverage ratio | | | | |

(ii) **For Financial Sector Entities:**

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



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

(iii) **Debt: Equity Ratio of the Issuer:**

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

- (f) Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability.
- (g) The amount of corporate guarantee issued by the issuer along with details of the counterparty (viz. name and nature of the counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf

of whom it has been issued.

3.3.9. A brief history of the issuer since its incorporation giving details of its following activities:

(a) Details of Share Capital as at last quarter end:

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

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

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

(c) Equity Share Capital History of the Company, for the last three years:

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

(d) Details of any acquisition of or amalgamation with any entity in the last 1 year.

(e) Details of any reorganization or reconstruction in the last 1 year:

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

(f) Details of the shareholding of the company as at the latest quarter end, as per the format specified under the listing regulations.

(g) List of top 10 holders of equity shares of the company as at the latest quarter end:

| S. No. | Name of the shareholders | Total no of Equity Shares | No of shares in demat form | Total shareholding as % of total no of equity shares |
|--------|--------------------------|---------------------------|----------------------------|--|
| | | | | |

(h) Following details regarding the directors of the company

i. Details of the current directors of the company:

| Name, Designation and DIN | Age | Address | Date of appointment | Details of other directorship | Whether willful defaulter (Yes/No) <i>(applicable in case of private placement)</i> |
|---------------------------|-----|---------|---------------------|-------------------------------|---|
| | | | | | |

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

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

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

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

associate companies;

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

3.3.10. Following details regarding the auditors of the issuer:

(a) Details of the auditor of the Issuer:

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

(b) Details of change in auditor for last three years:

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

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

(a) Details of outstanding secured loan facilities:

| Name of lender | Type of Facility | Amount Sanctioned | Principal Amount outstanding | Repayment Date/Schedule | Security | Credit Rating, if applicable | Asset Classification |
|----------------|------------------|-------------------|------------------------------|-------------------------|----------|------------------------------|----------------------|
| | | | | | | | |

(b) Details of outstanding unsecured loan facilities:

| Name of lender | Type of Facility | Amount Sanctioned | Principal Amount outstanding | Repayment Date / Schedule | Credit Rating, if applicable |
|----------------|------------------|-------------------|------------------------------|---------------------------|------------------------------|
| | | | | | |

(c) Details of outstanding non-convertible securities in the following format:

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



- (d) Details of commercial paper as at the end of the last quarter in the following format:

| Series of NCS | ISIN | Tenor/ Period of Maturity | Coupon | Amount outstanding | Date of Allotment | Redemption Date/ Schedule | Credit Rating | Secured / unsecured | Security | Other details viz. details of IPA, details of CRA |
|---------------|------|---------------------------|--------|--------------------|-------------------|---------------------------|---------------|---------------------|----------|---|
| | | | | | | | | | | |

- (e) List of top 10 holders of non-convertible securities in terms of value (in cumulative basis):

| S. No. | Name of holders of Non-convertible Securities | Category of NCS holder | Face value of NCS holding | NCS holding as a % of total NCS outstanding of the issuer |
|--------|---|------------------------|---------------------------|---|
| | | | | |

- (f) List of top 10 holders of Commercial Paper in terms of value (in cumulative basis):

| S. No. | Name of CP holder | Category of CP holder | Face value of CP holding | CP holding as a % of total CP outstanding of the issuer |
|--------|-------------------|-----------------------|--------------------------|---|
| | | | | |

- (g) Details of the bank fund based facilities/ rest of the borrowing (if any including hybrid debt like Foreign Currency Convertible Bonds (FCCB), Optionally Convertible Debentures / Preference Shares) from financial institutions or financial creditor:

(in case of Commercial Paper, details are to be provided as at the end of last quarter):



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

(h) The amount of corporate guarantee or letter of comfort 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, contingent liability including DSRA guarantees/ any put option etc. *(Applicable in case of Commercial Paper)*

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

- in whole or part,
- at a premium or discount, or
- in pursuance of an option or not.

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

| S. No. | Particulars of disclosure | Details |
|--------|---|--|
| 1. | Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC | Lending Policy Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc Classification of loans into several maturity profile denomination, Aggregated exposure to top 20 borrowers Details of loans, overdue and classified as Non performing |



| S. No. | Particulars of disclosure | Details |
|--------|---|---|
| | | assets (NPA) |
| 2. | Details of borrowings made by NBFC | Portfolio Summary of borrowings made by NBFC Quantum and percentage of Secured vs. Unsecured borrowings |
| 3. | Details of change in shareholding | Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India |
| 4. | Disclosure of Assets under-management | Segment wise break up and Type of loans |
| 5. | Details of borrowers | Geographical location wise |
| 6. | Details of Gross NPA | Segment wise |
| 7. | Details of Assets and Liabilities | Residual maturity profile wise into several bucket |
| 8. | Additional details of loans made by, Housing Finance Company | |
| 9. | Disclosure of latest ALM statements to stock exchange | |

3.3.14. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper(including technical delay)and other financial indebtedness including corporate guarantee issued by the company, in the past 3 years including the current financial year.

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

3.3.16. Any litigation or legal action pending or taken by a Government Department or a statutory body or regulatory body during the last three years immediately

preceding the year of the issue of the issue document against the promoter of the company.

- 3.3.17. Details of default and non-payment of statutory dues for the past three years.
- 3.3.18. Details of pending litigation involving the issuer, promoter, director, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the debt securities and/ or non- convertible redeemable preference shares.
- 3.3.19. Details of acts of material frauds committed against the issuer in the last three years, if any, and if so, the action taken by the issuer.
- 3.3.20. Details of pending proceedings initiated against the issuer for economic offences.
- 3.3.21. Related party transactions entered during the last three financial years with regard to loans made or, guarantees given or securities provided.
- 3.3.22. The issue document shall not include a statement purporting to be made by an expert unless the expert is a person who is not, and has not been, engaged or interested in the formation or promotion or management, of the company and has given his written consent to the issue of the prospectus and has not withdrawn such consent before the delivery of a copy of the prospectus to the Registrar for registration and a statement to that effect shall be included in the prospectus.
- 3.3.23. In case the issuer is a Non-Banking Finance Company (NBFC) and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:

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

(a) In order to allow investors to better assess the NBFC issue, the following

additional disclosures shall be made by NBFCs in their issue documents:

- (i) A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.
- (ii) Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.
- (iii) Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, Reserve Bank of India has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by Reserve Bank of India from time to time.

3.3.24. Declaration in case of public issue:

- (a) procedure of allotment of debt securities and non-convertible redeemable preference shares and unblocking of funds in case of refund;
- (b) a statement by the Board of Directors about the separate bank account where all monies received out of the issue are to be transferred and disclosure of details of all monies including utilised and unutilised monies out of the previous issue in the prescribed manner;
- (c) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested; and
- (d) the interim use of funds, if any.

3.3.25. Disclaimer Clauses:

- (a) The issue document shall contain the following disclaimer clause in bold capital letters:

It is to be distinctly understood that filing of the issue document to the Securities and Exchange Board of India (SEBI) should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the issue document. The lead manager(s), has certified that

the disclosures made in the issue document are generally adequate and are in conformity with the Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

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

3.3.26. Consent of directors, auditors, bankers to issue, trustees, solicitors or advocates, legal advisor, lead managers, Registrar to the Issue, lenders and experts.

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

3.3.28. 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 issue document.

3.3.29. Disclosure of cash flow with date of interest/dividend/ redemption payment as per day count convention:

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

3.3.30. Disclosures pertaining to wilful defaulter: *(applicable in case of private placement)*

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

3.3.31. Undertaking by the Issuer:

- (a) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number under the section 'General Risks'.
- (b) The Issuer, having made all reasonable inquiries, accepts responsibility

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

- (c) The issuer has no side letter with any debt securities holder except the one(s) disclosed in the issue document/issue document. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.

3.3.32. Risk factors

- (a) Risk factors shall be disclosed in the descending order of materiality. Wherever risks about material impact are stated, likely or potential implications should be disclosed.
- (b) Risk factors if applicable, should include but not be limited to the following:
- (i) Risks in relation to the non-convertible securities.
 - (ii) Risks in relation to the security created in relation to the debt securities, if any.
 - (iii) Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.
 - (iv) Limited or sporadic trading of non-convertible securities of the issuer on the stock exchanges.
 - (v) In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.
 - (vi) If secured, any risks in relation to maintenance of security cover or full recovery of the security in case of enforcement
 - (vii) A risk factor to state that while the debenture is secured against a charge to the tune of 100% of the principal and interest amount in

favour of debenture trustee, and it is the duty of the debenture trustee to monitor that the security is maintained, however, the possibility of recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

(viii) All covenants including the accelerated payment covenants given by way of side letters shall be incorporated in the issue document by the issuer.

(c) The issuer shall make a declaration about the compliance and a statement to the effect that nothing in the prospectus is contrary to the provisions of Companies Act, 2013 (18 of 2013), the Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992 and the rules and regulations made thereunder.

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

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

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

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

(d) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association

(e) The following clause on 'General Risk' shall be incorporated in a box format:

"Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can



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

3.3.34. In case of an issue of non-convertible redeemable preference shares, the following specific disclosure on the nature of the instrument in bold, on the cover page:

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

3.3.35. Other details

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

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

- (a) Nature of the instrument: whether cumulative or non-cumulative and complete details thereof;
- (b) Terms of Redemption: Out of distributable profits or out of fresh issue of shares for the purpose of redemption or both.

3.3.37. The issue document shall include the following other matters and reports, namely:

- (a) If the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or is to be applied directly or indirectly:
 - (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 company shall become entitled to an interest in either the capital or profits and losses or both, in such business exceeding fifty percent. thereof, a report made by a chartered accountant (who shall be named in the prospectus) upon-
 - the profits or losses of the business for each of the three financial years immediately preceding the date of the issue of the prospectus; and
 - the assets and liabilities of the business as on the last date to which the accounts of the business were made up, being a date not more than one hundred and twenty days before the date of the issue of the prospectus.
- (b) In purchase or acquisition of any immovable property including indirect acquisition of immovable property for which advances have been paid to even third parties, disclosures regarding:
 - (i) the names, addresses, descriptions and occupations of the vendors;
 - (ii) the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;
 - (iii) the nature of the title or interest in such property proposed to be acquired by the company; and

- (iv) the particulars of every transaction relating to the property, completed within the two preceding years, in which any vendor of the property or any person who is, or was at the time of the transaction, a promoter, or a director or proposed director of the company had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction.
- (c) If:
- (i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and in any manner resulting in the acquisition by the company of shares in any other body corporate; and
- (ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the company, a report shall be made by a Chartered Accountant (who shall be named in the prospectus) upon -
- the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the prospectus; and
 - the assets and liabilities of the other body corporate as on the last date to which its accounts were made up.
- (d) The said report shall:
- (i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the issuer company and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the issuer company had at all material times held the shares proposed to be acquired; and
- (ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in sub-clause (ii) of paragraph (c) above.
- (e) The matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default.

- (f) The aggregate number of securities of the issuer company and its subsidiary companies purchased or sold by the promoter group and by the directors of the company which is a promoter of the issuer company and by the directors of the issuer company and their relatives within six months immediately preceding the date of filing the prospectus with the Registrar of Companies shall be disclosed.
- (g) The matters relating to:
- (i) Material contracts;
 - (ii) Other material contracts;
 - (iii) Time and place at which the contracts together with documents will be available for inspection from the date of prospectus until the date of closing of subscription list.
- (h) The related party transactions entered during the last three financial years immediately preceding the issue of issue document as under:
- (i) all transactions with related parties with respect to giving of loans or, guarantees, providing securities in connection with loans made, or investments made;
 - (ii) all other transactions which are material to the issuer company or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which the issuer company or any of its parent companies was a party:
- (i) The summary of reservations or qualifications or adverse remarks of auditors in the last three financial years immediately preceding the year of issue of prospectus and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remarks.
- (j) The details of any inquiry, inspections or investigations initiated or conducted under the Securities laws or Companies Act or any previous companies law in the last three years immediately preceding the year of issue of issue document in the case of company and all of its subsidiaries; and if there were any prosecutions filed (whether pending or not); fines

imposed or compounding of offences done in the last three years immediately preceding the year of the prospectus for the company and all of its subsidiaries.

- (k) The details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.
- (l) In case of an issue of non-convertible redeemable preference shares, the following specific disclosure on the nature of the instrument in bold, on the cover page:

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

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

| | |
|---|--|
| Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015. | |
| Issuer | |
| Type of Instrument | |
| Nature of Instrument (Secured or Unsecured) | |
| Seniority (Senior or Subordinated) | |
| Eligible Investors | |
| Listing (name of stock Exchange(s) where it will be listed and timeline for listing) | |
| Rating of the Instrument | |
| Issue Size | |
| Minimum subscription | |
| Option to retain oversubscription (Amount) | |
| Objects of the Issue / Purpose for which there is requirement of funds | |
| in case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format: | |
| Details of the utilization of the Proceeds | |
| Coupon / Dividend Rate | |



| | |
|---|--|
| Step Up/Step Down Coupon Rate | |
| Coupon/Dividend Payment Frequency | |
| Coupon / Dividend payment dates | |
| (Cumulative / non cumulative, in case of dividend | |
| Coupon Type (Fixed, floating or other structure) | |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc). | |
| Day Count Basis (Actual/Actual) | |
| Interest on Application Money | |
| Default Interest Rate | |
| Tenor | |
| Redemption Date | |
| Redemption Amount | |
| Redemption Premium /Discount | |
| Issue Price | |
| Discount at which security is issued and the effective yield as a result of such discount. | |
| Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount. | |
| Put Date | |
| Put Price | |
| Call] Date | |
| Call Price | |
| Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put) | |
| Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call) | |
| Face Value | |
| Minimum Application and in multiples of thereafter | |
| Issue Timing | |
| Issue Opening Date | |
| Issue Closing date | |
| Date of earliest closing of the issue, if any. | |
| Pay-in Date | |
| Deemed Date of Allotment | |
| Settlement mode of the Instrument | |
| Depository | |
| Disclosure of Interest/Dividend / redemption dates | |



| | |
|---|--|
| Record Date | |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | |
| Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, | |
| Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the issue document | |
| Transaction Documents | |
| Conditions Precedent to Disbursement | |
| Condition Subsequent to Disbursement | |
| Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement) | |
| Creation of recovery expense fund | |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | |
| Provisions related to Cross Default Clause | |
| Role and Responsibilities of Debenture Trustee | |
| Risk factors pertaining to the issue | |
| Governing Law and Jurisdiction | |

Notes:

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

earmarked for each of the “object of the issue”. Further, the amount earmarked “General Corporate Purposes”, shall not exceed 25% of the amount raised by the issuer in the proposed issue. (*applicable in case of public issue*)

An issuer seeking to list Commercial Paper shall make the disclosures specified in this schedule.

1. Details of current tranche including ISIN, amount, date of issue, maturity, all credit ratings including unaccepted ratings, date of rating, name of credit rating agency, its validity period, declaration that the rating is valid as at the date of issuance and listing, details of issuing and paying agent and other conditions, if any.
2. Commercial Paper borrowing limit, supporting board resolution for Commercial Paper borrowing, details of Commercial Paper issued during the last 2 years.
3. End-use of funds.
 - a. Credit support/ enhancement (if any):
 - b. Details of instrument, amount, guarantor company;
 - c. Copy of the executed guarantee;
 - d. Net worth of the guarantor company;
 - e. Names of companies to which guarantor has issued similar guarantee;
 - f. Extent of the guarantee offered by the guarantor company; and
 - g. Conditions under which the guarantee will be invoked.
4. Where an issue is made by an issuer who has been in existence for less than three years, a disclosure that the issue is open for subscription only to Qualified Institutional Buyers.