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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 6th June, 2008

SECURITIES AND EXCHANGE BOARD OF INDIA
(ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008

LAD-NRO/GN/2008/13/127878- In exercise of the powers under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations, namely:-

CHAPTER I
PRELIMINARY

- Short title, and commencement** 1. (1) These Regulations may be called the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
(2) They shall come into force on the date of their publication in the Official Gazette.
- Definitions** 2. (1) In these Regulations, unless the context otherwise requires,
(a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
(b) advertisement” includes notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspaper, pictures, films, cover pages of offer documents or any other print medium, radio, television programmes through any electronic medium;
(c) “Board” means the Securities and Exchange Board of India established under provisions of Section 3 of Act;
(d) “book building” means a process undertaken prior to filing of prospectus with the Registrar of Companies by means of circulation of a notice, circular, advertisement or other document by which the demand for the debt securities proposed to be issued by an issuer is elicited and the price and quantity of such securities is assessed;
(e) “debt securities” means a non-convertible debt securities which create or acknowledge indebtedness, and include debenture, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by the Board , security receipts and securitized debt instruments;
(f) “designated stock exchange” means a stock exchange in which securities of the issuer are listed or proposed to be listed and which is chosen by the issuer for the

purposes of a particular issue under these regulations;

- (g) "issuer" means any company, public sector undertaking or statutory corporation which makes or proposes to make an issue of debt securities in accordance with these regulations or which has its securities listed on a recognized stock exchange or which seeks to list its debt securities on a recognized stock exchange;
- (h) "private placement" means an offer or invitation to less than fifty persons to subscribe to the debt securities in terms of sub-section (3) of section 67 of the Companies Act, 1956 (1 of 1956);
- (i) "public issue" means an offer or invitation by an issuer to public to subscribe to the debt securities which is not in the nature of a private placement;
- (j) "offer document" means prospectus and includes any such document or advertisement whereby the subscription to debt securities are invited by the issuer from public ;
- (k) "recognised stock exchange" means any stock exchange which is recognised under section 4 of the Securities Contracts (Regulation) Act, 1956;
- (l) "schedule" means a schedule annexed to these regulations;
- (m) "specified" means specified by a general or special order or circular issued under the Act or these regulations.

- (2) All other words and expressions used but not defined in these regulations, shall have the same meanings respectively assigned to them in the Act or the Companies Act, 1956 or Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 or the Rules and the Regulations made thereunder or any statutory modification or re-enactment thereto, unless the context requires otherwise.

Applicability

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

CHAPTER II

ISSUE REQUIREMENTS FOR PUBLIC ISSUES

General Conditions

- 4. (1) No issuer shall make any public issue of debt securities if as on the date of filing of draft offer document and final offer document as provided in these regulations, the issuer or the person in control of the issuer, or its promoter, has been restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities and such direction or order is in force.

(2) No issuer shall make a public issue of debt securities unless following conditions are satisfied, as on the date of filing of draft offer document and final offer document as provided in these regulations,
 - (a) it has made an application to one or more recognized

stock exchanges for listing of such securities therein:

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

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

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

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

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

- (d) it has entered into an arrangement with a depository registered with the Board for dematerialization of the debt securities that are proposed to be issued to the public, in accordance with the Depositories Act, 1996 and regulations made thereunder.
- (3) The issuer shall appoint one or more merchant bankers registered with the Board at least one of whom shall be a lead merchant banker.
 - (4) The issuer shall appoint one or more debenture trustees in accordance with the provisions of Section 117B of the Companies Act, 1956 (1 of 1956) and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
 - (5) The issuer shall not issue debt securities for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management.
 - (6) Explanation: For the purposes of sub-regulation (5), -
 - (a) two persons shall be deemed to be “part of the same group” if they belong to the same group within the meaning of clause (ef) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969) or if they own “inter-connected undertakings” within the meaning of clause (g) of section 2 of that Act;
 - (b) the expression “under the same management” shall have the meaning derived from sub-section (1B) of section 370 of the Companies Act, 1956 (1 of 1956).
- Disclosures in the offer document** 5.
- (1) The offer document shall contain all material disclosures which are necessary for the subscribers of the debt securities to take an informed investment decision.
 - (2) Without prejudice to the generality of sub-regulation (1), the issuer and the lead merchant banker shall ensure that the offer document contains the following:
 - (a) the disclosures specified in *Schedule II* of the Companies Act, 1956;

- (b) disclosure specified in *Schedule I* of these regulations;
- (c) additional disclosures as may be specified by the Board.

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

Filing of draft offer document

- 6.
- (1) No issuer shall make a public issue of debt securities unless a draft offer document has been filed with the designated stock exchange through the lead merchant banker.
 - (2) The draft offer document filed with the designated stock exchange shall be made public by posting the same on the website of the designated stock exchange for seeking public comments for a period of seven working days from the date of filing the draft offer document with such exchange.
 - (3) The draft offer document may also be displayed on the website of the issuer, merchant bankers and the stock exchanges where the debt securities are proposed to be listed.
 - (4) The lead merchant banker shall ensure that the draft offer document clearly specifies the names and contact particulars of the compliance officer of the lead merchant banker and the issuer including the postal and email address, telephone and fax numbers.
 - (5) The Lead Merchant Banker shall ensure that all comments received on the draft offer document are suitably addressed prior to the filing of the offer document with the Registrar of Companies.
 - (6) A copy of draft and final offer document shall also be forwarded to the Board for its records, simultaneously with filing of these documents with designated stock exchange.
 - (7) The lead merchant banker shall, prior to filing of the offer document with the Registrar of Companies, furnish to the Board a due diligence certificate as per Schedule II of these regulations.
 - (8) The debenture trustee shall, prior to the opening of the public issue, furnish to the Board a due diligence certificate as per Schedule III of these regulations.

Mode of Disclosure of Offer Document

- 7.
- (1) The draft and final offer document shall be displayed on the websites of stock exchanges and shall be available for download in PDF / HTML formats.
 - (2) The offer document shall be filed with the designated stock exchange, simultaneously with filing thereof with the Registrar of Companies, for dissemination on its website prior to the opening of the issue.
 - (3) Where any person makes a request for a physical copy of the offer document, the same shall be provided to him by the issuer or lead merchant banker.

- Advertisements for Public issues**
- 8.** (1) The issuer shall make a advertisement in an national daily with wide circulation, on or before the issue opening date and such advertisement shall, amongst other things, contain the disclosures as per Schedule IV.
(2) No issuer shall issue an advertisement which is misleading in material particular or which contains any information in a distorted manner or which is manipulative or deceptive.
(3) The advertisement shall be truthful, fair and clear and shall not contain a statement, promise or forecast which is untrue or misleading.
(4) Any advertisement issued by the issuer shall not contain any matters which are extraneous to the contents of the offer document.
(5) The advertisement shall urge the investors to invest only on the basis of information contained in the offer document.
(6) Any corporate or product advertisement issued by the issuer during the subscription period shall not make any reference to the issue of debt securities or be used for solicitation.
- Abridged Prospectus and application forms**
- 9.** (1) The issuer and lead merchant banker shall ensure that:
(a) every application form issued by the issuer is accompanied by a copy of the abridged prospectus;
(b) the abridged prospectus shall not contain matters which are extraneous to the contents of the prospectus;
(c) adequate space shall be provided in the application form to enable the investors to fill in various details like name, address, etc.
(2) The issuer may provide the facility for subscription of application in electronic mode.
- Electronic Issuances**
- 10.** An issuer proposing to issue debt securities to the public through the on-line system of the designated stock exchange shall comply with the relevant applicable requirements as may be specified by the Board.
- Price Discovery through Book Building**
- 11.** The issuer may determine the price of debt securities in consultation with the lead merchant banker and the issue may be at fixed price or the price may be determined through book building process in accordance with the procedure as may be specified by the Board.
- Minimum subscription.**
- 12.** (1) The issuer may decide the amount of minimum subscription which it seeks to raise by issue of debt securities and disclose the same in the offer document.
(2) In the event of non receipt of minimum subscription all application moneys received in the public issue shall be refunded forthwith to the applicants.
- Underwriting**
- 13.** A public issue of debt securities may be underwritten by an underwriter registered with the Board and in such a case adequate disclosures regarding underwriting arrangements shall be disclosed in the offer document.
- Prohibitions of mis-statements in the offer document.**
- 14.** (1) The offer document shall not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading.
(2) The offer document or abridged prospectus or any advertisement issued by an issuer in connection with a

- public issue of debt securities shall not contain any false or misleading statement.
- Trust Deed** 15. (1) A trust deed for securing the issue of debt securities shall be executed by the issuer in favour of the debenture trustee within three months of the closure of the issue.
- (2) The trust deed shall contain such clauses as may be prescribed under section 117A of the Companies Act, 1956 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.
- (3) The trust deed shall not contain a clause which has the effect of –
- (i) limiting or extinguishing the obligations and liabilities of the debenture trustees or the issuer in relation to any rights or interests of the investors;
 - (ii) limiting or restricting or waiving the provisions of the Act, these regulations and circulars or guidelines issued by the Board;
 - (iii) indemnifying the debenture trustees or the issuer for loss or damage caused by their act of negligence or commission or omission.
- Debenture Redemption Reserve** 16. (1) For the redemption of the debt securities issued by a company, the issuer shall create debenture redemption reserve in accordance with the provisions of the Companies Act, 1956 and circulars issued by Central Government in this regard.
- (2) Where the issuer has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities, any distribution of dividend shall require approval of the debenture trustees.
- Creation of security** 17. (1) The proposal to create a charge or security, if any, in respect of secured debt securities shall be disclosed in the offer document along with its implications.
- (2) The issuer shall give an undertaking in the offer document that the assets on which charge is created are free from any encumbrances and if the assets are already charged to secure a debt, the permissions or consent to create second or *pari passu* charge on the assets of the issuer have been obtained from the earlier creditor.
- (3) The issue proceeds shall be kept in an escrow account until the documents for creation of security as stated in the offer document, are executed.
- Redemption and Roll-over** 18. (1) The issuer shall redeem the debt securities in terms of the offer document.
- (2) Where the issuer desires to roll-over the debt securities issued by it, it shall do so only upon passing of a special resolution of holders of such securities and give twenty one days notice of the proposed roll over to them.
- (3) The notice referred to in sub- regulation (2) shall contain disclosures with regard to credit rating and rationale for roll-over.
- (4) The issuer shall, prior to sending the notice to holders of debt securities, file a copy of the notice and proposed

resolution with the stock exchanges where such securities are listed, for dissemination of the same to public on its website.

- (5) The debt securities issued can be rolled over subject to the following conditions :-
- (a) The roll-over is approved by a special resolution passed by the holders of debt securities through postal ballot having the consent of not less than 75% of the holders by value of such debt securities;
 - (b) at least one rating is obtained from a credit rating agency within a period of six months prior to the due date of redemption and is disclosed in the notice referred to in sub-regulation (2);
 - (c) fresh trust deed shall be executed at the time of such roll-over or the existing trust deed may be continued if the trust deed provides for such continuation ;
 - (d) adequate security shall be created or maintained in respect of such debt securities to be rolled-over.
- (6) The issuer shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

CHAPTER III LISTING OF DEBT SECURITIES

- Mandatory listing.** 19. (1) An issuer desirous of making an offer of debt securities to the public shall make an application for listing to one or more recognized stock exchanges in terms of sub-section (1) of section 73 of the Companies Act, 1956 (1 of 1956).
(2) The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.
- Conditions for listing of debt securities issued on private placement basis** 20. (1) An issuer may list its debt securities issued on private placement basis on a recognized stock exchange subject to the following conditions:
(a) the issuer has issued such debt securities in compliance with the provisions of the Companies Act, 1956, rules prescribed thereunder and other applicable laws;
(b) credit rating has been obtained in respect of such debt securities from at least one credit rating agency registered with the Board;
(c) the debt securities proposed to be listed are in dematerialized form ;
(d) the disclosures as provided in regulation 21 have been made.
(2) The issuer shall comply with conditions of listing of such debt securities as specified in the Listing Agreement with the stock exchange where such debt securities are sought to be listed.
- Disclosures in respect of Private Placements of Debt** 21. (1) The issuer making a private placement of debt securities and seeking listing thereof on a recognized stock exchange shall make disclosures as specified in *Schedule I* of these

Securities

regulations accompanied by the latest Annual Report of the issuer.

(2) The disclosures as provided in sub-regulation (1) shall be made on the web sites of stock exchanges where such securities are proposed to be listed and shall be available for download in PDF / HTML formats.

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

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

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

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

CHAPTER IV

CONDITIONS FOR CONTINUOUS LISTING AND TRADING OF DEBT SECURITIES

Continuous Listing Conditions

23. (1) All the issuers making public issues of debt securities or seeking listing of debt securities issued on private placement basis shall comply with the conditions of listing specified in the respective listing agreement for debt securities.
- (2) Every rating obtained by an issuer shall be periodically reviewed by the registered credit rating agency and any revision in the rating shall be promptly disclosed by the issuer to the stock exchange(s) where the debt securities are listed.
 - (3) Any change in rating shall be promptly disseminated to investors and prospective investors in such manner as the stock exchange where such securities are listed may determine from time to time.
 - (4) The issuer, the respective debenture trustees and stock exchanges shall disseminate all information and reports on debt securities including compliance reports filed by the issuers and the debenture trustees regarding the debt securities to the investors and the general public by placing them on their websites.
 - (5) Debenture trustee shall disclose the information to the investors and the general public by issuing a press

release in any of the following events:

- (a) default by issuer to pay interest on debt securities or redemption amount;
 - (b) failure to create a charge on the assets;
 - (c) revision of rating assigned to the debt securities.
- (6) The information referred to in sub-regulation (5) shall also be placed on the websites, if any, of the debenture trustee, the issuer and the stock exchanges.

- Trading of Debt securities** 24. (1) The debt securities issued to the public or on a private placement basis, which are listed in recognized stock exchanges, shall be traded and such trades shall be cleared and settled in recognized stock exchanges subject to conditions specified by the Board.
- (2) In case of trades of debt securities which have been made over the counter, such trades shall be reported on a recognized stock exchange having a nation wide trading terminal or such other platform as may be specified by the Board.
- (3) The Board may specify conditions for reporting of trades on the recognized stock exchange or other platform referred to in sub-regulation (2).

CHAPTER V OBLIGATIONS OF INTERMEDIARIES AND ISSUERS

- Obligations of Debenture Trustee** 25. (1) The debenture trustee shall be vested with the requisite powers for protecting the interest of holders of debt securities including a right to appoint a nominee director on the Board of the issuer in consultation with institutional holders of such securities.
- (2) The debenture trustee shall carry out its duties and perform its functions under these regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the trust deed and offer document, with due care, diligence and loyalty.
- (3) The debenture trustee shall ensure disclosure of all material events on an ongoing basis.
- (4) The debenture trustees shall supervise the implementation of the conditions regarding creation of security for the debt securities and debenture redemption reserve.

- Obligations of the Issuer, Lead Merchant Banker, etc.** 26. (1) The issuer shall disclose all the material facts in the offer documents issued or distributed to the public and shall ensure that all the disclosures made in the offer document are true, fair and adequate and there is no mis-leading or untrue statements or mis-statement in the offer document.
- (2) The Merchant Banker shall verify and confirm that the disclosures made in the offer documents are true, fair and adequate and ensure that the issuer is in compliance with these regulations as well as all transaction specific disclosures required in Schedule I of these regulations and Schedule II of the Companies Act, 1956.
- (3) The issuer shall treat the applicants in a public issue of debt securities in a fair and equitable manner as per the procedures as may be specified by the Board.
- (4) The intermediaries shall be responsible for the due diligence

in respect of assignments undertaken by them in respect of issue, offer and distribution of securities to the public.

- (5) No person shall employ any device, scheme or artifice to defraud in connection with issue or subscription or distribution of debt securities which are listed or proposed to be listed on a recognized stock exchange.
- (6) The issuer and the merchant banker shall ensure that the security created to secure the debt securities is adequate to ensure 100% asset cover for the debt securities.

CHAPTER VI PROCEDURE FOR ACTION IN CASE OF VIOLATION OF REGULATIONS

- Inspection by the Board** 27. (1) Without prejudice to the provisions of sections 11 and 11C of the Act and section 209A of the Companies Act, the Board may suo-motu or upon information received by it, appoint one or more persons to undertake the inspection of the books of account, records and documents of the issuer or merchant banker or any other intermediary associated with the public issue, disclosure or listing of debt securities, as governed under these regulations, for any of the purposes specified in sub-regulation (2).
- (2) The purposes referred to in sub-regulation (1) may be as follows, namely:-
- (a) to verify whether the provisions of the Act, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, the rules and regulations made thereunder in respect of issue of securities have been complied with;
 - (b) to verify whether the requirement in respect of issue of securities as specified in these regulations has been complied with;
 - (c) to verify whether the requirements of listing conditions and continuous disclosure requirement have been complied with;
 - (d) to inquire into the complaints received from investors, other market participants or any other persons on any matter of issue and transfer of securities governed under these regulations;
 - (e) to inquire into affairs of the issuer in the interest of investor protection or the integrity of the market governed under these regulations;
 - (f) to inquire whether any direction issued by the Board has been complied with.
- (3) While undertaking an inspection under these regulations, the inspecting authority or the Board, as the case may be, shall follow the procedure specified by the Board for inspection of the intermediaries.

- Directions by the Board** 28. Without prejudice to the action under section 11, 11A, 11 B, 11D, sub-section (3) of section 12, Chapter VIA and section 24 of the Act or section 621 of the Companies Act, 1956, the Board may suo-motu or on receipt of information or on completion or pendency of inspection or investigation, in the interests of the securities market, issue or pass such directions as it deems fit including any or all of the following –
- (a) directing the issuer to refund of the application monies to

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

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

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

Appeal

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

**CHAPTER VII
MISCELLANEOUS**

Delegation

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

Power of the Board to issue general order or circular

- 31.** (1) The Board may by a general or special order or circular specify any conditions or requirement in respect of issue of debt securities.
- (2) In particular, and without prejudice to the generality of the foregoing power and provisions of these regulations, such orders or circulars may provide for all or any of the following matters, namely:
- (a) Electronic issuances and other issue procedures including the procedure for price discovery ;
 - (b) Conditions governing trading , reporting, clearing and settlement of trade in debt securities;
 - (c) Listing conditions.
- (3) If any special order is proposed to be issued to any particular issuer or intermediary on a specific issue, no such order shall be issued unless an opportunity to represent is given to the person affected by such order.

Power to remove difficulty

- 32.** (1) In order to remove any difficulties in the application or interpretation of these regulations, the Board may issue clarifications or grant relaxations from application requirement or conditions of these regulations, after recording reasons therefore.
- (2) The Board may, on an application made by any issuer, relax any of the procedural requirements or conditions or strict enforcement of these regulations, if the Board is satisfied

that:

- (a) requirement is procedural or technical in nature; or
- (b) requirement causes undue hardship to a particular class of industry or issuers from accessing the securities market; or
- (c) relaxation is in the interest of substantial number of investors; or
- (d) such relaxation will be in the interest of securities market.

- Repeal and Savings** 33. (1) On and from the commencement of these regulations, the provisions of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 in so far as they relate to issue and listing of debt securities shall stand rescinded.
- (2) Notwithstanding such rescission:-
- (a) anything done or any action taken or purported to have been done or taken including observation made in respect of any draft offer document, any enquiry or investigation commenced or show cause notice issued in respect of the said guidelines shall be deemed to have been done or taken under the corresponding provisions of these regulations;
 - (b) any application made to the Board under the said Guidelines and pending before it shall be deemed to have been made under the corresponding provisions of these regulations.

SCHEDULE I

[See Regulation 5 (2) (b)]

DISCLOSURES

1. The issuer seeking listing of its debt securities on a recognized stock exchange shall forward the listing application to the stock exchange along with the following documents –
 - (a). Memorandum and Articles of Association and a copy of the Trust Deed.
 - (b). Copy of latest audited balance sheet and Annual Report.
 - (c). Statement containing particulars of dates of, and parties to all material contracts and agreements:
Provided that a recognized stock exchange may call for such further particulars or documents as it deems proper.
2. The following disclosures shall be made where relevant:
 - i. Name and address of the registered office of the issuer.
 - ii. Names and addresses of the directors of the issuer.
 - iii. A brief summary of the business/ activities of the issuer and its line of business.
 - iv. And a brief history of the issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.
 - v. Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e. public issue or private placement.
 - vi. Issue size .
 - vii. Details of utilization of the issue proceeds.
 - viii. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer
 - ix. Details of other borrowings including any other issue of debt securities in past;
 - x. Any material event/ development or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.
 - xi. Particulars of the debt securities issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.
 - xii. A list of highest ten holders of each class or kind of securities of the issuer as on the date of application along with particulars as to number of shares or debt securities held by them and the address of each such holder.
 - xiii. An undertaking that the issuer shall use a common form of transfer
 - xiv. Redemption amount, period of maturity, yield on redemption.
 - xv. Information relating to the terms of offer or purchase.
 - xvi. The discount at which such offer is made and the effective price for the investor as a result of such discount.
 - xvii. The debt equity ratio prior to and after issue of the debt security.
 - xviii. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.
 - xix. That the permission / consent from the prior creditor for a second or *pari passu* charge being created in favor of the trustees to the proposed issue has been obtained.
 - xx. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities.
 - xxi. The rating rationale (s) adopted by the rating agencies shall be disclosed
 - xxii. Names of all the recognised stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognised stock exchange has been obtained.
 - xxiii. A summary term sheet shall be provided which shall include brief information pertaining to the Secured / Unsecured Non Convertible debt securities (or a series thereof) as follows

(where relevant):

- Issuer
- Minimum Subscription of Debt securities and in multiples of __ Debt securities thereafter
- Tenor __ Months from the Deemed Date of Allotment
- Coupon Rate / Coupon Date __% p.a. (payable __) on __ each year
- Redemption Date
- Put / Call option _____
- Proposed listing of the debt securities with _____ Stock Exchange
- Issuance Physical /Demat mode
- Trading Demat mode only
- Depository _____
- Security
- Rating ____ by ____ (All the credit rating/s, including any unaccepted credit ratings, shall be disclosed in the draft offer document to be filed with SEBI)
- Settlement By way of [Insert details of payment procedure]
- Issue Schedule:
 - Issue opens on: _____
 - Issue closes on _____
- Pay-in date _____
- Deemed date of allotment _____

SCHEDULE II

[See regulation 6 (7)]

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

To,
SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

1. We confirm that neither the issuer nor its promoters or directors have been prohibited from accessing the capital market under any order or direction passed by the Board. We also confirm that none of the intermediaries named in the offer document have been debarred from functioning by any regulatory authority.
2. We confirm that all the material disclosures in respect of the issuer have been made in the offer document and certify that any material development in the issue or relating to the issue up to the commencement of listing and trading of the shares offered through this issue shall be informed through public notices/ advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.
3. We confirm that the offer document contains all disclosures as specified in the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
4. We also confirm that all relevant provisions of the Companies Act, 1956, Securities Contracts, (Regulation) Act, 1956, Securities and Exchange Board of India Act, 1992 and the Rules, Regulations, Guidelines, Circulars issued thereunder are complied with.

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

PLACE

DATE:

LEAD MERCHANT BANKER (S)

SCHEDULE III

[See regulation 6 (8)]

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

To,
SECURITIES AND EXCHANGE BOARD OF INDIA

Dear Sir / Madam,

SUB.: ISSUE OF _____ BY _____ LTD.

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

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

WE CONFIRM that:

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

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

PLACE

DATE: DEBENTURE TRUSTEE TO THE ISSUE WITH HIS SEAL

SCHEDULE IV

[See regulation 8 (1)]

FORMAT OF ISSUE ADVERTISEMENTS FOR PUBLIC ISSUES

This is an advertisement for information purposes

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

THE ISSUE

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

PROMOTERS

XXXX

PROPOSED LISTING

Names of Stock Exchanges

MERCHANT BANKERS

(Names)

COMPLIANCE OFFICER OF THE ISSUER

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

CREDIT RATING

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

DEBENTURE TRUSTEES

(Names)

AVAILABILITY OF APPLICATION FORMS

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

AVAILABILITY OF OFFER DOCUMENT

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

ISSUE OPENS ON:

ISSUE CLOSES ON:

Issued by
Directors of Issuer

C.B. BHAVE
CHAIRMAN
SECURITIES EXCHANGE BOARD OF INDIA

[ADVT III/IV/69 ZB/ 2008/ Exty]