



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CONSULTATION PAPER

DEPARTMENT OF DEBT AND HYBRID SECURITIES

Consultation paper on measures towards Ease of Doing Business for Non-Convertible securities

MAY 2024



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CONTENTS

Particulars	Page no.
Objective	3
	5 to 23
Deletion of disclosure regarding Permanent Account Number (PAN) and personal address of promoters of the issuers in the offer document	5
Disclosure in the offer document regarding time period for key operational and financial parameters	8
Disclosure by way of QR code and web-link regarding the details of branches or units of the issuer in the offer document	11
Alignment of disclosure requirement in the offer document regarding 'project cost and means of financing' with that in case of equity	14
Relaxation in the requirement of providing certain business and commercial details in case of purchase or acquisition of immovable property in the offer document	16
Providing flexibility in the signatories for the purpose of providing attestation in the offer document	20
Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that has listed commercial paper	23
Public Comments	25

Timeline to Respond

Comments on the Consultation paper (CP) may be sent by May 30, 2024

1. OBJECTIVE AND BACKGROUND:

- 1.1. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposals related to the Ease of Doing Business (EoDB) for non-convertible securities.
- 1.2. The Hon'ble Finance Minister in the budget announcements for FY 2023-24, *inter-alia*, made an announcement to simplify, ease and reduce cost of compliance for participants in the financial sector through a consultative approach.
- 1.3. In order to align the process of review with the budget announcement, SEBI constituted various Working Groups to recommend measures to simplify and ease compliances under various SEBI Regulations.
- 1.4. Accordingly, a working group for review of compliance requirements under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (hereinafter '*NCS Regulations*') recommended certain measures to promote the ease of doing business for issuance of non-convertible securities.
- 1.5. Further, in order to promote the ease of doing business and reduce the compliance burden, SEBI vide Press Release dated October 04, 2023 had also sought comments from the public on various Regulations by November 06, 2023. The comments received from the public regarding NCS Regulations were forwarded to the working group for consideration in its final recommendation.
- 1.6. The working group has undertaken a comprehensive review of various processes and guidelines applicable to the non-convertible securities and provided certain recommendations.
- 1.7. Based on the recommendations of working group on ease of doing business and subsequent deliberations with Corporate Bonds and Securitization

Advisory Committee (hereinafter “CoBoSAC”), the items for public comments are listed below:

- (a) Deletion of disclosure regarding PAN and personal address of promoters of the issuers in the offer document;
- (b) Disclosure in the offer document regarding time period for key operational and financial parameters;
- (c) Disclosure by way of QR code and web-link regarding the details of branches or units of the issuer in the offer document;
- (d) Alignment of disclosure requirement in the offer document regarding ‘project cost and means of financing’ with that in case of equity;
- (e) Relaxation in the requirement of providing certain business and commercial details in case of purchase or acquisition of immoveable property in the offer document;
- (f) Providing flexibility in the signatories for the purpose of providing attestation in the offer document; and
- (g) Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that have listed commercial paper.

1.8. The detailed proposals and consultation matters related to aforementioned items are mentioned in Paragraphs 2 to 8 of this consultation paper.

2. Deletion of disclosure regarding PAN and personal address of promoters of the issuers in the offer document

2.1. Background:

2.1.1. The current regulatory framework, under clause 3.3.2 (a) of Schedule I of the NCS Regulations mandates disclosure of complete profile of promoters of the Issuer in the offer document which includes disclosure of PAN, personal address, etc.

2.2. Extant regulatory provision:

2.2.1. Clause 3.3.2 (a) of Schedule I of the NCS Regulations reads as under:

“3.3.2 Details of Promoters of the Issuer:

(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.”

2.3. Submission of working group:

2.3.1. The working group on EoDB recommended deletion of the terms- ‘personal address’, ‘their business and financial activities’, and ‘permanent account number’ from above clause in light of data privacy, ease of doing business and to prevent misuse of personal and sensitive data of individuals. Most of this information is in any event linked to the Aadhaar number which is required to be submitted in the KYC process.

2.4. Recommendations of CoBoSAC:

2.4.1. The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC recommended that since the Aadhaar number and PANs of promoters is required to be disclosed to the stock exchange under clause 3.3.2(b) of Schedule I of the NCS Regulations, the permanent account number and personal address of the promoters is already captured and is available in the stock exchange database. In view of the same, disclosure of PAN and personal address of the promoters from the offer document may be deleted. However, with respect to removal of disclosure of business and financial activities of promoters from the offer document, working group recommended that this is a vital information for investors to make informed decision, and thus, the same may be retained.

2.5. Proposal

2.5.1. Considering the recommendations of working group and deliberations held in CoBoSAC meeting, it is proposed to remove the terms '*personal address*' and '*permanent account number*' from the disclosures specified under clause 3.3.2(a) of Schedule I of the NCS Regulations. Further, the term '*personal address*' may be added under the clause 3.3.2 (b) of the said Schedule.

Consultation 1: Deletion of disclosure regarding PAN and personal address of promoters of the issuers in the offer document

Kindly provide your comments separately for each of the below items along with supporting rationale:

- 1) Whether the proposal regarding removal of disclosure of permanent account number of the promoters of the Issuer from the offer document is appropriate and adequate?

- 2) Whether the proposal regarding removal of disclosure of personal address of the promoters of the Issuer from the offer document and adding the same under 3.3.2 (b) of Schedule I of the NCS Regulations is appropriate and adequate?

3. Disclosure in the offer document regarding time period for key operational and financial parameters

3.1. Background:

3.1.1. The current regulatory framework, under clause 3.3.10 (a) of Schedule I of the NCS Regulations specifies time period for disclosure of standalone and consolidated audited financial statements in the offer document. Para (e) of the said clause requires disclosure of key operational and financial parameters

3.2. Extant regulatory provision:

3.2.1. Clause 3.3.10 of Schedule I of the NCS Regulations reads as under:

“3.3.10. Financial Information:

(a) 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 of 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 the interim period, the combined financial statements shall be disclosed for the periods for which 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 listing regulations, may disclose unaudited financial information for the interim

period in the format as specified therein with limited review report in the issue document, as filed with the stock exchanges, instead of audited financial statements for the interim period, subject to making necessary disclosures in this regard in issue document including risk factors.

.....

(e) Key operational and financial parameters on consolidated and standalone basis.”

3.3. Submission of working group:

3.3.1. The current paragraph stipulates the requirement to disclose key operational and financial parameters on consolidated and standalone basis, it does not specify the period for which such information needs to be disclosed. The working group recommended that key operational and financial parameters on consolidated and standalone basis be disclosed 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. However, for the latest stub period, listed issuers may disclose only those parameters which are covered under the unaudited financial information with limited review report submitted to the stock exchange under relevant provisions of listing regulation.

3.4. Recommendations of CoBoSAC:

3.4.1. The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC recommended to align the period for disclosure of key operational and financial parameters in line with period for disclosure of financial information in the offer document.

3.5. Proposal

3.5.1. Considering the recommendations of working group and deliberations held in CoBoSAC meeting, it is proposed to align the period for disclosure of key operational and financial parameters in line with period for disclosure of financial information in the offer document.

Consultation 2: Disclosure in the offer document regarding time period for key operational and financial parameters

Kindly provide your comments separately for each of the below items along with supporting rationale:

- 1) Whether the proposal of aligning the time period for key and operational parameters in line with the period for disclosure of financial information in the offer document is appropriate and adequate?

4. Disclosure by way of QR code and web-link regarding the details of branches or units of the issuer in the offer document

4.1. Background:

4.1.1. The current regulatory framework, under clause 3.3.8(d) of Schedule I of the NCS Regulations mandates disclosure of details of branches/ units of the Issuer in the offer document.

4.2. Extant regulatory provision:

4.2.1. Clause 3.3.8 of Schedule I of the NCS Regulations reads as under:

" 3.3.8. About the Issuer

The following details pertaining to the issuer:

(a) Overview and a brief summary of the business activities of the issuer;.....

(d) Details of branches or units where the issuer carries on its business activities, if any;

(e).... "

4.3. Submission of working group:

4.3.1. Issuers have wide range of operations, vast number of branches and in some cases presence across different countries. In the interest of ease of doing business, the working group recommended to remove the requirement to provide details of all branches and units as provided in clause 3.3.8(d) of Schedule I of the NCS Regulations considering that details in relation to registered office are in any case stipulated as a disclosure requirement in Schedule I of the NCS Regulations.

4.4. Recommendations of CoBoSAC:

The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC suggested that this disclosure requirement is essential for the investor to understand the scale of the business operations of the

issuer, hence the disclosure may be provided by way of web-link and QR code. The details of the branches/ units may be provided to the debenture trustee and also kept available for inspection as specified in para 3.3.41(g) of schedule I of NCS Regulations. Additionally, this may be added as a part of the checklist as in the '*Security and Covenant Monitoring System*', wherein the issuer confirms provision of the information to the debenture trustee and debenture trustee confirms receipt of such information in this regard, in order to have an independent holding of such information.

4.5. Proposal

Considering the recommendations of working group, and deliberations held in CoBoSAC meeting, in order to facilitate ease of doing business and reduction in cost for the Issuers, the following is proposed:

- 4.5.1. Details regarding branches/ units of the Issuer as on the date of the offer document may be provide in the form of a static QR code and web-link.
- 4.5.2. The details of the said branches/ units may be provided to the debenture trustee and also kept available for inspection as specified in para 3.3.41(g) of schedule I of NCS Regulations.
- 4.5.3. To include a checklist item in the '*Security and Covenant Monitoring System*' regarding providing of information about branches/ units of the Issuer to the Debenture Trustee and confirmation of the same by the Debenture Trustee.

Consultation 3: Disclosure by way of QR code and web-link regarding the details of branches or units of the issuer in the offer document

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether the proposal of disclosing details about the branches/units of the Issuer as on the date of the offer document in the form of QR code and weblink is appropriate and adequate?
- 2) Whether the proposal of specifying that details of all the branches/units of the issuer as on the date of the offer document may be provided to the debenture trustee and also kept available for inspection as per para 3.3.41(g) of schedule I of the NCS Regulations is appropriate and adequate?
- 3) Whether the proposal to include this as a checklist in the '*Security and Covenant Monitoring System*', wherein the issuer confirms provision of the information to the debenture trustee and debenture trustee confirms receipt of information in this regard is appropriate and adequate?

5. Alignment of disclosure requirement in the offer document regarding 'project cost and means of financing' with that in case of equity

5.1. Background:

5.1.1. The current regulatory framework, under clause 3.3.8(e) of Schedule I of the NCS Regulations mandates disclosure of the project cost and means of financing, in case of funding of new projects. Similar disclosure requirement is provided in para 7 of Schedule VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 (hereinafter 'ICDR Regulations') regarding use of proceeds.

5.2. Extant regulatory provision:

5.2.1. Clause 3.3.8 of Schedule I of the NCS Regulations reads as under:

" 3.3.8. About the Issuer

The following details pertaining to the issuer:

(a) Overview and a brief summary of the business activities of the issuer;.....

(e) Project cost and means of financing, in case of funding of new projects."

5.2.2. Para 7 of Schedule VII (Disclosure in a placement document) of the ICDR Regulations reads as under:

"Use of proceeds:

(a) purpose of the placement;

(b) break-up of the cost of the project for which the money is being raised;

(c) means of financing for the project;

(d) proposed deployment status of the proceeds at each stage of the project"

5.3. Submission of working group:

The working group stated that clause 3.3.8(e) on disclosure of “*Project cost and means of financing, in case of funding of new projects*” in the offer document is restrictive. Hence, it suggested to broaden the scope and specify ‘*proposed use of proceeds*’ and thus, align the same with the ICDR Regulations.

5.4. Recommendations of CoBoSAC:

The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC suggested that clause 3.3.8(e) of Schedule I of the NCS Regulations may be aligned with clause 7 of Schedule VII of the ICDR Regulations.

5.5. Proposal:

Considering the recommendations of working group and deliberations held in CoBoSAC meeting, it is proposed to align clause 3.3.8 (e) of schedule I of the NCS Regulations with clause 7 of schedule VII of the ICDR Regulations.

Consultation 4: Alignment of disclosure requirement in the offer document regarding ‘project cost and means of financing’ with that in case of equity

Kindly provide your comments for the below item along with supporting rationale:

- 1) Whether the above proposal of aligning the provisions of clause 3.3.8 (e) of Schedule I of the NCS Regulations regarding disclosure about project cost and means of financing with clause 7 of Schedule VII of the ICDR Regulations which provides detailed disclosures about use of proceeds is appropriate and adequate?

6. Relaxation in the requirement of providing certain business and commercial details in case of purchase or acquisition of immoveable property in the offer document

6.1. Background:

6.1.1. The current regulatory framework, under 3.3.41(b) of Schedule I of the NCS Regulations requires listed entity to provide additional disclosures in case of purchase or acquisition of any immoveable property for which advances have been paid to third parties. Disclosures, *inter-alia*, include names, addresses, descriptions and occupations of the vendors, nature of the title or interest in such property proposed to be acquired etc.

6.2. Extant regulatory provision:

6.2.1. Clause 3.3.41(b) of Schedule I of the NCS Regulations reads as under:
"In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to 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:*

Provided that if the number of vendors is more than five, then the disclosures as required above shall be on an aggregated basis, specifying the immovable property being acquired on a contiguous basis with mention of the location/total area and the number of vendors from whom it is being acquired and the aggregate value being paid. Details of minimum amount, the maximum amount and the average amount paid/ payable should also be disclosed for each immovable property.”

6.3. Submission of working group:

The working group suggested to remove the above disclosure requirement specified under clause 3.3.41(b) of schedule I of the NCS Regulations in entirety from the perspective of ease of doing business. Since the issuers are required to provide a certificate that proceeds have been utilized for the purpose it is intended, providing minute business and commercial details in addition to the certificate on utilization of proceeds becomes too cumbersome for issuers.

6.4. Recommendations of CoBoSAC:

The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC deliberated that a certificate confirming that proceeds have been utilized for the purpose it is raised, is required as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter ‘LoDR Regulations’). Further, disclosures such as revision in the rating (as and when it happens), copy of annual reports (annually), certificate of utilization of issue proceeds (quarterly) have to be disclosed by a listed entity to the Stock Exchanges as well to the Debenture Trustee (promptly). NCS Regulations mandates disclosure specified under clause 3.3.41 (b) only in case the vendors are less than or equal to five. In case of more than five vendors, it is required to disclose on an aggregate basis. Thus, CoBoSAC recommended to retain disclosure requirement under clause 3.3.41(b) in the offer document with the following modifications:

- (a) The top five vendors may be determined on the basis of value i.e. sale consideration payable to the vendors.
- (b) Details of the remaining vendors may be provided to the debenture trustee and also kept available for inspection as per para 3.3.41(g) of schedule I of the NCS Regulations.
- (c) Additionally, there should be a checklist item as part of the '*Security and Covenant Monitoring System*', wherein the issuer confirms provision of the information to the debenture trustee and debenture trustee confirms receipt of information in this regard, in order to have an independent holding of such information.

6.5. Proposal

Considering the recommendations of working group and deliberations held in CoBoSAC meeting, the following modifications are proposed to clause 3.3.41(b) of Schedule I of NCS Regulations:

- 6.5.1. The top five vendors may be determined on the basis of value i.e. sale consideration payable to the vendors; and
- 6.5.2. Details of the remaining vendors may be provided by way of QR code and weblink in the offer document. Further, the said details may be provided to the debenture trustee and also kept available for inspection as per para 3.3.41(g) of schedule I of the NCS Regulations.
- 6.5.3. Additionally, there should be a checklist item as part of the '*Security and Covenant Monitoring System*', wherein the issuer confirms provision of the information to the debenture trustee and debenture trustee confirms receipt of information in this regard, in order to have an independent holding of such information.

Consultation 5: Relaxation in the requirement of providing certain business and commercial details in case of purchase or acquisition of immovable property in the offer document

Kindly provide your comments separately for each of the below items along with supporting rationale:

- 1) Whether the proposal of determining top five vendors on the basis of value i.e. sale consideration payable to the vendors is appropriate and adequate?
- 2) Whether the proposal of specifying that details of the remaining vendors may be provided by way of QR code and weblink in the offer document. Further, the said details may be provided to the debenture trustee and also kept available for inspection as per para 3.3.41(g) of schedule I of the NCS Regulations is appropriate and adequate?
- 3) Whether the proposal there should be a checklist item as part of the 'Security and Covenant Monitoring System', wherein the issuer confirms provision of the information to the debenture trustee and debenture trustee confirms receipt of information in this regard is appropriate and adequate?

7. Providing flexibility in the signatories for the purpose of providing attestation in the offer document

7.1. Background:

7.1.1. The current regulatory framework, under clause 3.3.37 of Schedule I of the NCS regulations requires directors of a body corporate and authorized persons for entities other than a body corporate to provide certain attestations such as in respect of issuer being in compliance with the provisions of SCRR, SEBI Act, Companies Act, etc.

7.2. Extant regulatory provision:

7.2.1. Clause 3.3.37 of schedule I of the NCS Regulations reads as under:

"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 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992), Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder;

.....

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

"Investment in non-convertible securities is risky,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."

7.3. Submission of working group:

7.3.1. The frequency of private placement of debt securities being generally high especially for Banks/ NBFCs/ PSUs etc., attestation of declaration by all the Directors at all times may not be feasible and becomes time consuming. Hence, the working group has suggested that in case of private placement of debt securities, the Board may be given the

discretion to delegate the power to attest to any Committee / Key Managerial Personnel or any other person as deemed fit.

7.4. Recommendations of CoBoSAC:

The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC recommended that the suggestion of the working group can be made applicable to issuances through public mode and private placements as the same enables ease of doing business and creates operational ease for the issuer. To ensure alignment of responsibility of compliance with the management of the issuer and limit the delegation to senior management, the attestation of compliance may be provided (subject to delegation by the Board of directors) by:

- a. the executive Chairperson and compliance officer, or
- b. MD & CEO and compliance officer or
- c. the CFO and compliance officer or
- d. whole-time director and compliance officer
- e. Jointly by any two key managerial personnel¹

Appropriate disclosures in the offer document to be made explicitly specifying that irrespective of the persons providing the attestation, the responsibility of the content of the offer documents is that of the Board of Directors

7.5. Proposal:

Considering the recommendations of working group and deliberations held in CoBoSAC meeting, it is proposed that attestation as specified under clause

¹ Section 2(51) of the Companies Act, 2013 defines Key managerial personnel as “key managerial personnel”, in relation to a company, means—

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed

3.3.37 of Schedule I of the NCS Regulations may be provided (subject to delegation by Board of directors) by any of the following:

- a. the executive Chairperson and compliance officer, or
- b. MD & CEO and compliance officer or
- c. the CFO and compliance officer or
- d. whole-time director and compliance officer or
- e. Jointly by any two key managerial personnel or

Accompanied by appropriate disclosures in the offer document specifying that the final and ultimate responsibility of the content of the offer documents is of the Board of Directors.

Consultation 6: Providing flexibility in the signatories for the purpose of providing attestation in the offer document

Kindly provide your comments separately for the below item along with supporting rationale:

- 1) Whether the proposal of the attestation of declaration as specified under clause 3.3.37 in Schedule I of the NCS Regulations by any of the following (along with the disclosure as noted below) is appropriate and adequate?

(a) the executive Chairperson and compliance officer, or

(b) MD & CEO and compliance officer or

(c) the CFO and compliance officer or

(d) whole-time director and compliance officer or

Jointly by any two key managerial personnel.

Accompanied by appropriate disclosures in the offer document specifying that the final and ultimate responsibility of the content of the offer documents is of the Board of Directors

8. Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by entities that has listed commercial paper

8.1. Background:

While regulation 57 of the LoDR Regulations requires entities that has listed non-convertible securities to submit status regarding its payment obligations (payment of interest/ dividend and repayment of principal) within one working day of its payment becoming due, Para 8.4 of Chapter XVII of the Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated July 07, 2023 (hereinafter ‘NCS Master Circular’) requires entities that has listed commercial paper to submit status regarding its payment obligations within two days of its payment becoming due.

8.2. Extant regulatory provision:

8.2.1. Regulation 57 of the LODR Regulations reads as under:

“Intimation to stock exchanges

57. The listed entity shall submit a certificate to the stock exchange regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it becoming due, in the manner and format as specified by the Board from time to time.”

8.2.2. Para 8.4 of Chapter XVII (Listing of Commercial Paper) of the NCS Master Circular reads as under:

“8. Material events or Information: *The issuer shall disclose the following details to the stock exchange(s) as soon as possible but not later than 24 hours from the occurrence of event (or) information:*

.....

8.4.A certificate confirming fulfilment of its payment obligations, within 2 days of payment becoming due.”

8.3. Submission of working group:

The working group recommended that the timeline for intimating to Stock Exchanges regarding the status of payment of interest/ repayment of principal for listed commercial paper may be aligned with Regulation 57 of LoDR Regulations, i.e. within one working day of the payment being due, in order to ensure consistency.

8.4. Recommendations of CoBoSAC:

The suggestions of working group for EoDB were placed for deliberations at CoBoSAC. CoBoSAC recommended to align the timeline for intimating to Stock Exchanges regarding the status of payment of interest/ repayment of principal for listed commercial paper with Regulation 57 of LoDR Regulations.

8.5. Proposal

8.5.1. Considering the recommendations of working group and deliberations held in CoBoSAC meeting, it is proposed that an entity that has listed commercial paper shall provide a certificate to the Stock Exchange, confirming fulfilment of its payment obligations, within one working day of payment becoming due.

Consultation 7: Modification in the timeline for submission of status regarding payment obligations to the stock exchanges by an entity that has listed commercial paper

Kindly provide your comments for the below item alongwith supporting rationale:

- 1) Whether the proposal of aligning the timeline for intimating to Stock Exchanges regarding the status of payment of interest/ repayment of principal for listed commercial paper with Regulation 57 of LoDR Regulations, i.e. within one working day of the payment being due is appropriate and adequate?

9. Public Comments

9.1. Considering the implications of the aforementioned matters on the market participants, public comments are invited on the above-detailed proposals. The comments/ suggestions should be submitted through the following mode latest by May 30, 2024 :-

9.1.1. Preferably through Online web-based form

9.1.1.1. The comments may be submitted through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

9.1.1.2. The instructions to submit comments on the consultation paper are as under:

1. *Before initiating the process, please read the instructions given on top left of the web form as "Instructions".*
2. *Select the consultation paper you want to comment upon from the dropdown under the tab – "Consultation Paper" after entering the requisite information in the form.*
3. *All fields in the form are mandatory;*
4. *Email Id and phone number cannot be used more than once for providing comments on a particular consultation paper.*
5. *If you represent any organization other than the types mentioned under dropdown in "Organization Type", please select "Others" and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select "Others" and mention "Not Applicable" in the text box.*
6. *There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*
7. *If you want to provide your comments for the selected proposal, please select "Yes" from the dropdown under "**Do you want to comment on the proposal**" and use the text boxes provided for the same.*
8. *After recording your response to the proposal, click on "Submit" button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.*

9. *If you do not want to react on any proposal, please select that proposal from the dropdown and click on “Skip this proposal” and move to the next proposal.*
10. *After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on “Check your response before submitting” just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.*
11. *The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper*

- 9.1.1.3. In case of any technical issue in submitting your comment through web based public comments form, you may contact the following through email with a subject: *"Issue in submitting comments on Consultation Paper on rationalizing disclosure requirements in the offer document for non-convertible securities and modification in timeline of disclosure to Stock Exchanges regarding payment obligations for listed commercial paper"*.
- a) Rishi Barua, DGM (rishib@sebi.gov.in)
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