

CIRCULAR

SEBI/HO/DDHS/DDHS/CIR/P/2019/115

October 22, 2019

To

**Issuers who intend to list their Commercial Papers
All Recognized Stock Exchanges**

Dear Sir / Madam,

Subject: Framework for listing of Commercial Paper

1. The issuers of Commercial Papers (CPs) have shown interest to list CPs for trading on Stock Exchange(s) with a view to broadening investor participation in CPs. Accordingly, to enable listing of CPs and to ensure investor protection, it is important that issuers make appropriate disclosures at the time of listing and on a continuous basis.
2. In view of the above, a disclosure framework applicable for listing of CPs was discussed in the meeting of Corporate Bonds & Securitization Advisory Committee (CoBoSAC), chaired by Shri H. R. Khan.
3. Based on recommendations of CoBoSAC, for listing of CPs, issuers and stock exchanges shall comply at the time of listing and on a continuous basis with the following;
 - a. An issuer who desires to list its CP shall forward an application for listing along with the disclosures specified in **Annexure I** to the concerned stock exchange(s).
 - b. On approval of the listing application by the concerned stock exchange(s), the disclosures so provided along with the application for listing, shall be made available on the website of the concerned stock exchange(s).
 - c. Post listing, the issuer shall make disclosures, as specified in **Annexure II**, during the tenure of the CP(s) to the concerned stock exchange(s), which in turn shall disseminate the same on its website.
4. The Stock exchange(s) are advised to put in place;
 - a. Necessary systems and procedures for monitoring of disclosures as specified in **Annexure I & II** of this circular.

- b. A framework for imposition of fine, in case of non-compliance and/ or inappropriate disclosures by issuers.
5. Any non-compliance with the conditions of listing issued under this circular may also attract action under Securities and Exchange Board of India Act, 1992.
6. This Circular is issued in exercise of powers conferred under Section 11(1) of Securities and Exchange Board of India Act, 1992.
7. This Circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and under the drop down "Corporate Debt Market".

Yours faithfully,

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Annexure I

Disclosures to be provided along with the application for listing

1. Issuer details:

1.1. Details of the issuer:

- (i) Name, Address, CIN and PAN
- (ii) Line of business
- (iii) Chief Executive (Managing Director / President/ CEO / CFO)
- (iv) Group affiliation (if any).

1.2. Details of the directors:

Name, designation and DIN	Age	Address	Director since	List of other directorships

1.3. Details of change in directors in last three financial years including any change in the current year:

Name, designation and DIN	Date of appointment/ resignation	Date of cessation (in case of resignation)	Remarks(viz. reasons for change etc)

1.4. List of top 10 holders of equity shares of the company as on date or the latest quarter end:

S.no	Name and category of shareholder	Total no. of equity shares	No of shares in demat form	Total shareholding as % of total no. of equity shares

1.5. Details of the statutory auditor:

Name and address	Date of appointment	Remarks

- 1.6. Details of the change in statutory auditors in last three financial years including any change in the current year:

Name, address	Date of appointment/ resignation	Date of cessation (in case of resignation)	Remarks (viz. reasons for change etc)

- 1.7. List of top 10 debt securities holders (as on):

S. No.	Name of holder	Category	Face value	Holding of debt securities as a percentage of total debt securities outstanding of the issuer

- 1.8. List of top 10 CP holders (as on):

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

2. Material Information:

- 2.1. Details of all default/s and/or delay in payments of interest and principal of CPs, (including technical delay), debt securities, term loans, external commercial borrowings and other financial indebtedness including corporate guarantee issued in the past 5 financial years including in the current financial year.
- 2.2. Ongoing and/or outstanding material litigation and regulatory strictures, if any.
- 2.3. Any material event/ development having implications on the financials/credit quality including any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event which may affect the issue or the investor's decision to invest / continue to invest in the CP.

3. Details of borrowings of the company, as on the latest quarter end:

- 3.1. Details of debt securities and CPs:

Seri es	ISIN	Tenor/ Period of maturit y	Coup on	Amo unt issu ed	Date of allotm ent	Redem ption date/ Schedu le	Credit rating	Secur ed/ Unse cured	Sec urity	Other Details viz. Details of IPA, Details of CRA

- 3.2. Details of secured/ unsecured loan facilities/ 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 banks or financial institutions or financial creditors, as on last quarter end:

Lender' s name/ Name of the Bank	Nature of facility/ instru ment	Amount sanctio ned	Principal Amount outstand ing	Repay ment date / schedu le	Securit y, if applica ble	Credit rating, if applica ble	Asset classification

- 3.3. 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 debt service reserve account (DSRA) guarantees/ any put option etc.

4. Issue Information:

- 4.1. 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 (details of credit rating letter issued not older than one month on the date of opening of the issue), details of issuing and paying agent and other conditions, if any.
- 4.2. CP borrowing limit, supporting board resolution for CP borrowing, details of CP issued during the last 15 months.
- 4.3. End-use of funds.
- 4.4. Credit Support/enhancement (if any):

- (i) Details of instrument, amount, guarantor company
- (ii) Copy of the executed guarantee
- (iii) Net worth of the guarantor company
- (iv) Names of companies to which guarantor has issued similar guarantee
- (v) Extent of the guarantee offered by the guarantor company
- (vi) Conditions under which the guarantee will be invoked

5. Financial Information:

- 5.1. Audited / Limited review half yearly consolidated (wherever available) and standalone financial information (Profit & Loss statement, Balance Sheet and Cash Flow statement) along with auditor qualifications, if any, for last three years along with latest available financial results.

In case an issuer is required to prepare financial results for the purpose of consolidated financial results in terms of Regulation 33 of SEBI LODR Regulations, latest available quarterly financial results shall be filed.

- 5.2. Latest audited financials should not be older than six month from the date of application for listing.

Provided that listed issuers (who have already listed their specified securities and/or 'Non-convertible Debt Securities' (NCDs) and/or 'Non-Convertible Redeemable Preference Shares' (NCRPS)) who are in compliance with SEBI (Listing obligations and disclosure requirements) Regulations 2015 (hereinafter "SEBI LODR Regulations"), may file unaudited financials with limited review for the stub period in the current financial year, subject to making necessary disclosures in this regard including risk factors.

6. Asset Liability Management (ALM) Disclosures:

- 6.1. NBFCs seeking to list their CPs shall make disclosures as specified for NBFCs in SEBI Circular nos. CIR/IMD/DF/ 12 /2014, dated June 17, 2014 and CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time. Further, "Total assets under management", under para 1.a. of Annexure I of CIR/IMD/DF/ 6 /2015, dated September 15, 2015 shall also include details of off balance sheet assets.
- 6.2. HFCs shall make disclosures as specified for NBFCs in SEBI Circular no. CIR/IMD/DF/ 6 /2015, dated September 15, 2015, as revised from time to time with appropriate modifications viz. retail housing loan, loan against property, wholesale loan - developer and others.

Annexure II

Continuous obligations and disclosure requirements for listed CPs:

1. Financial results:

- 1.1. Issuers who have listed their specified securities and are required to comply with provisions of Chapter IV of SEBI LODR Regulations and also have outstanding listed CPs shall prepare and submit financial results in terms of Regulation 33 of SEBI LODR Regulations and additional line items as required under Regulation 52(4) of SEBI LODR Regulations.
- 1.2. Issuers who have listed NCD's, NCRPS or both and are required to comply with provisions of Chapter V of SEBI LODR Regulations and also have outstanding listed CPs or who only have outstanding listed CPs shall prepare and submit financial results in terms of Regulation 52 of SEBI LODR Regulations.

However, if an issuer is required to prepare financial results for the purpose of consolidated financial results in terms of Regulation 33 of SEBI LODR Regulations, then such issuers, shall prepare and submit financial results in terms of para 1.1. above.

2. 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:

- 2.1. Details such as expected default/ delay/ default in timely fulfilment of its payment obligations for any of the debt instrument;
 - 2.2. Any action that shall affect adversely, fulfilment of its payment obligations in respect of CPs;
 - 2.3. Any revision in the credit rating;
 - 2.4. A certificate confirming fulfilment of its payment obligations, within 2 days of payment becoming due.
3. Issuers who are NBFCs/HFCs, shall simultaneously submit to the stock exchanges the latest ALM statements as and when they submit the same to respective regulator(s) viz RBI/NHB, as applicable.
 4. A certificate from the CEO/CFO to the recognized stock exchange(s) on quarterly basis certifying that CP proceeds are used for disclosed purposes, and adherence to other listing conditions, as specified in Annexure I.