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## Annexure – A

Table 1: Introduction of a separate chapter for corporate governance norms in the LODR Regulations which will be applicable only to HVDLEs (Para 4 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public	SEBI views on the	Revised Proposal	CoBoSAC
No.		Comments not in support	public comments	placed before	views, SEBI
		of the proposal/ Additional	before CoBoSAC	CoBoSAC	views ( if any)
		Suggestions			and Final
					proposal
1.	Introduction of a separate chapter	Modification to the existing	The suggestion is not	a.to introduce a	CoBoSAC is in
	for corporate governance norms in	provisions by way of provisos	accepted as 75% of the	separate chapter for	agreement with
	the LODR Regulations which will	to align with the needs of	entities who have	HVDLEs comprising of	the revised
	be applicable only to HVDLEs	HVDLEs would be more	responded have	provisions pertaining to	proposal.
		preferable for ease of	suggested to have a	corporate governance	
	Proposal: To facilitate ease of	reference.	separate chapter for	norms; and	<u>Final</u>
	reference for HVDLEs to adhere to		HVDLEs and for ease	b.To clearly specify that	<u>Proposal</u> : No
	the corporate governance norms, the		of reference, it is better	provisions of this	change -
	following was proposed in the		to have a separate	separate chapter shall	same as
	consultation paper:		chapter.	be applicable to	revised
	a)Introduce a separate chapter for	Companies which are equity	The suggestion is	HVDLEs to whom	proposal.
	HVDLEs comprising of all the	listed as well as high value	accepted;	Regulations 15 to 27 are	
		debt listed should be required		not applicable. i.e. the	

provisions pertaining to corporate	to only comply with the		provisions of this	
governance norms; or	provisions applicable to equity		separate chapter shall	
b)Carve out only those provisions for	listed entities and not the		be applicable only to	
HVDLEs which differ from equity	provisions applicable to		pure debt listed entities.	
listed entities in a separate chapter.	HVDLEs.			
	Annual Secretarial	The suggestion is		
Rationale: To remove ambiguity and	Compliance Report must be	accepted;		
provide ease of reference.	retained for HVDLEs to			
	endure Good Corporate			
	Governance.			

Table 2: Relaxation in the threshold for identification of High Value Debt Listed Entities for applicability of Corporate Governance Norms (Para 5 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public	SEBI views on the	Revised	CoBoSAC views, SEBI
No.		Comments not in	public comments	Proposal placed	views ( if any) and Final
		support of the proposal/	before CoBoSAC	before	proposal
		Additional Suggestions		CoBoSAC	
1.	Relaxation in the threshold for	Few comments suggests	The suggestion is not	No Change –	Few committee members
	identification of High Value Debt	to increase the threshold	accepted;	same as proposal	opined that the threshold
	Listed Entities for applicability of	to Rs.2000 cr/ Rs.5000 or		in the	may be kept at Rs.2000 cr.
	Corporate Governance Norms	higher.	It is suggested to align	Consultation	However, it was discussed
			the threshold for	Paper	and agreed that doubling it
	Proposal: The threshold of listed		HVDLE with that of		from Rs.500 cr to Rs 1000
	outstanding non-convertible		Large corporates i.e		cr is appropriate at this
	securities for identification of a debt		Rs.1000 cr.		stage and may be revisited
	listed entity as HVDLE may be				later.
	increased from Rs.500 crore to				
	Rs.1000 crore.				Final proposal: No
					<b>change -</b> same as proposal
	Rationale: In order to align the				in the Consultation Paper
	threshold for HVDLEs with that				
	specified for Large Corporates.				

Table 3: Introduction of the sunset clause for applicability of Corporate Governance norms (Para 6 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public	SEBI views on	Revised	CoBoSAC
No.		Comments not in	the public	Proposal	views,
		support of the	comments	placed	SEBI
		proposal/	before	before	views ( if
		Additional	CoBoSAC	CoBoSAC	any) and
		Suggestions			Final
					proposal
1.	Introduction of the sunset clause for applicability of Corporate	one comment has	The suggestion	No Change	The
	Governance norms	suggested that a	is not accepted.	- same as	committee
		transition time of 6		proposal in	members
	Proposal:	months may be given	Currently the	the	are in
	a)Once the corporate governance norms become applicable to a	to all the applicable	provisions are	Consultatio	agreement
	HVDLE, they shall continue to remain applicable till such time the	entities to comply with	applicable on a	n Paper	with the
	value of outstanding listed debt securities reduces and remains	the said provisions.	'comply or		revised
	below the specified threshold for a period of three consecutive		explain' basis till		proposal.
	financial years. The value of outstanding listed debt securities may		March 31, 2025		
	be reviewed on the last day of every financial year (i.e. cut-off date		and will be		<u>Final</u>
	- March 31).b)Further, if the value of outstanding listed debt		mandatory only		proposal:
	securities of the entity increases in the subsequent years and the		from April 01,		No change
	listed entity hits the specified threshold, then it has to comply ensure		2025 onwards.		- same as

compliance with the provisions within two quarter i.e. six months	Hence, sufficient	proposal in	
and disclosures of such compliance may be made in Corporate	time is already	the	
Governance compliance report on and from third quarter following	provided.	Consultatio	
the trigger		n Paper	
Rationale: At present, the provisions of corporate governance			
norms continue to apply to an HVDLE even the value of outstanding			
listed non-convertible debt securities fall below the specified			
threshold. In order to address this issue, a provision similar to that			
specified for equity listed entities is proposed to be introduced for			
HVDLEs.			
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Table 4: Relaxation with regard to constitution of the Nomination and remuneration committee (NRC) (Para 7 of board memorandum)

S.	Proposal in	Su Summary of Public	SEBI views on the	Revised Proposal placed	CoBoSAC views, SEBI
No.	Consultation Paper	Comments not in support of	public comments	before CoBoSAC	views ( if any) and Final
		the proposal/ Additional	before CoBoSAC		proposal
		Suggestions			
1.	Relaxation with	Few of the comments have	The suggestion may	Revised proposal:	Few committee members
	regard to	suggested that the functions of	not be accepted in	a)The board of directors of	opined that the functions of
	constitution of the	NRC may be discharged by the	full as there is a	a HVDLE may either	NRC committee are
	Nomination and	Board of Directors instead of	option to either	choose to constitute NRC	essentially different from the
	remuneration	Audit committee since majority	constitute NRC or	or may ensure that the	functions of the audit
	committee (NRC)	of the members of the Audit	delegate the	functions of NRC as	committee. Further, the
		Committee are required to be	functions to NRC;	specified in Regulation	functions of the audit
	Proposal: It is	individuals with financial	further the	19(4) of the LODR	committee are critical in nature
	proposed that the	expertise. Hence, the Audit	composition of NRC	Regulations is discharged	and therefore should be kept
	board of directors of a	Committee members may not	is similar to that of	by the Audit Committee or	independent of other
	HVDLE may either	be equipped with the expertise	audit committee,	full board of directors	functions. Thus, the proposal
	choose to constitute	and experience required by	thus, it is appropriate		to delegate the functions of
	NRC or may ensure	members of NRC. The Board as	that functions of	b)Further, it may be noted in	NRC to audit committee may
	that the functions of	a whole, would have the	NRC may be	case of certain entities like	be dropped
	NRC as specified in	requisite expertise and	delegated to audit	PSU or State financial	
	Regulation 19(4) of	experience to decide on the	committee.	corporations, directors may	SEBI Views:
	the LODR	matters of the NRC		be appointed by the	

	Regulations is	The Role and responsibilities of	Alternatively, it is	Ministry or central	It may be noted that in case of
	delegated and	Audit Committee is already too	suggested that the	government or State	entities that are set up under
	discharged by the	onerous and now delegating the	functions of NRC	government or as the	public private partnership
	Audit Committee.	duties of NRC will make the	may be discharged	provisions of the respective	(PPP) mode/ structure, where
		Audit Committee more	by full board of	statue. In such cases, the	the composition of board of
	Rationale: : In order	burdensome. Thus, few have	directors	role of NRC is limited. Thus,	directors is pre-decided or is
	to avoid constitution	suggested that constitution of		in order to provide clarity to	as per mutual terms between
	of multiple	the NRC may be retained		such entities, it is proposed	the public authority and private
	committees by	In the case of All India Financial	The suggestion is	to specify that in case of	entity, the role of NRC may be
	HVDLEs.	Institutions like NABARD, where	accepted;	entities that are not	limited, thus, it is proposed
		the Board of Directors are		companies or body	that part (b) of the revised
		appointed by the Government of		corporate incorporated	proposal may be extended to
		India and/or ex officio positions		under the Companies Act,	entities that have been set up
		representing different Ministries		2013, the function of the	under PPP mode/ structure.
		of the Government of India or		NRC may be ensured as	For this purpose, PPP shall
		Reserve Bank of India, the role		per the provisions of their	be defined as a Public-Private
		of NRCB becomes infructuous.		respective statues.	Partnership basis between a
					public concessioning authority
					and a private SPV
					concessionaire selected on
					the basis of open competitive
					bidding or on the basis of an
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		MoU with the releva	ant
		authorities.	
		Final Proposal:	
		a) the board of directors of	a
		HVDLE may either choo	se
		to constitute NRC or m	ay
		ensure that the functions	of
		NRC as specified	in
		Regulation 19(4) of t	he
		LODR Regulations	is
		discharged by full board	of
		directors.	
		b) In case of entities that a	are
		not companies or bo	dy
		corporate incorporat	ed
		under the Companies A	.ct,
		2013 or are setup under t	he
		PPP mode/ structure t	he
		function of the NRC may	be
		ensured as per t	he
		provisions of th	eir

respective statues or the
terms of the PPP model/
structure.
c) For this purpose, PPP shall
be defined as a Public-
Private Partnership basis
between a public
concessioning authority and
a private SPV
concessionaire selected on
the basis of open
competitive bidding or on
the basis of an MoU with the
relevant authorities.

Table 5: Relaxation with respect to constitution of Risk Management Committee (RMC) (Para 8 of board memorandum)

S.	Proposal in Consultation	Summary of Public	SEBI views on the public	Revised	CoBoSAC views, SEBI views (
No.	Paper	Comments not in support	comments before	Proposal	if any) and Final proposal
		of the proposal/ Additional	CoBoSAC	placed	
		Suggestions		before	
				CoBoSAC	
1.	Relaxation with respect to	The functions of RMC may be	The suggestion may not be	No Change	The committee members were in
	constitution of Risk	discharged by the Board of	accepted as evaluation of	- same as	agreement that board of directors
	Management Committee	Directors instead of Audit	the risk management	proposal in	of a HVDLE may either choose to
	(RMC)	committee since majority of	systems is one of the	the	constitute RMC or the functions of
		the members of the Audit	functions to be discharged	consultatio	the RMC may be discharged by
	Proposal: The board of	Committee are required to be	by the Audit committee,	n paper.	the Audit committee. Further, it
	directors of a HVDLE may	individuals with financial	(Clause A.11 of Part C of		was suggested that in order to
	either choose to constitute	expertise. Hence, the Audit	Schedule II of the LODR		have flexibility the functions of the
	RMC or may ensure that the	Committee members may not	Regulations).		RMC may be discharged by the
	functions of RMC as	be equipped with the expertise			board of directors
	specified in Regulation 21(4)	and experience with respect to			
	of the LODR Regulations is	risk management, required by			Final proposal:
	delegated and discharged	members of RMC. The Board			The board of directors of a
	by the Audit Committee.	as a whole, would have the			HVDLE may either choose to
		requisite expertise and			constitute RMC or may ensure

Rationale: In order to avoid	experience to decide on the		that the functions of RMC as
constitution of multiple	matters of the RMC.		specified in Regulation 21(4) of
committees by HVDLEs.			the LODR Regulations is
			delegated and discharged by the
			Audit Committee or board of
			directors.

Table 6: Relaxation with respect to constitution to Stakeholders Relationship Committee (SRC) (Para 9 of board memorandum)

S.	Proposal in	Summary of Public Comments not in	SEBI views on the public	Revised Proposal	CoBoSAC
No.	Consultation Paper	support of the proposal/ Additional	comments before	placed before	views, SEBI
		Suggestions	CoBoSAC	CoBoSAC	views ( if any)
					and Final
					proposal
1.	Relaxation with	a) The proposal is considered inadequate as it	The suggestion may not be	Revised Proposal:	The committee
	respect to	transfers the role of Stakeholders Relationship	accepted.	a) the board of directors	members are in
	constitution to	Committee (SRC) to the Board, when there		of a HVDLE may	agreement with
	Stakeholders	might be instances, where there may be no	In the interest of the	either choose to	the revised
	Relationship	requirement of oversight keeping in view the	debenture holders, it may	constitute SRC or	proposal.
	Committee(SRC)	type of market participants, category of	be necessary to have SRC	may ensure that the	
		investors (retail or institutional).	or the functions of the SRC	functions of SRC as	Final proposal:
	Proposal: the board	b) An alternative could be to prescribe setting	may be discharged by the	specified in	No change –
	of directors of a	up an exclusive committee only in case the	Board; Further, Companies	Regulation 20(4) of	same as
	HVDLE may either	number retail individual investors exceed a	act mandates constitution	the LODR	revised
	choose to constitute	prescribed threshold say 5000 investors may be	of SRC in case the no. of	Regulations is	proposal
	SRC or may ensure	made mandatory.	debenture holders exceeds	delegated and	
	that Board of	c) In all other cases, the proposal of board	1000. Thus, the suggestion	discharged by the	
	directors of a HVDLE	oversight instead of an exclusive SRC may be	does not hold merit.	Board of Directors.	
	may discharge the	made applicable.			

functions of SRC as	d)Also, in the case of secretarial audit,		b) The functions of the
specified in	comments on the process of investor		SRC may be
Regulation 20(4) of	grievances including status of investor		modified to include
the LODR	grievances may be made mandatory.		the grievances
Regulations.			related to creation of
	The role of SRC in case of HVDLEs needs to	The suggestion may be	charge, payment of
Rationale: In order	be modified to include requirements relating to	accepted.	interest/ principal,
to avoid constitution	timely creation of charge, payment of interest,		maintenance of
of multiple	maintenance of security cover, fulfillment of		security cover, any
committees by	other covenants etc.		other covenants.
HVDLEs.	The proposed recommendation should not be	The suggested may not be	
	accepted as SRC is constituted to investigate	accepted;	
	and protect the interests and solve the	The proposal intends to	
	grievances of stakeholders. In case of high	provide flexibility to the	
	value debt listed entities, the interest of	HVDLEs regarding	
	debenture holders should be protected. Hence,	constitution of multiple	
	these entities should have an individual SRC.	committees; Nevertheless,	
		in case HVDLEs do not	
		constitute SRC, the	
		functions of the SRC has to	
		be discharged by the board	
		of directors.	

Table 7: Harmonization of reporting formats with that specified for equity listed entities (Para 10 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public	SEBI views on the	Revised Proposal placed before	CoBoSAC
No.		Comments not in	public comments	CoBoSAC	views, SEBI
		support of the proposal/	before CoBoSAC		views ( if any)
		Additional Suggestions			and Final
					proposal
1.	Introduction of filing of	Keeping separate format	The suggestion	It may be noted that SEBI in the	The committee
	corporate governance	of quarterly compliance	may be accepted;	board meeting held on September	members are
	compliance report in XBRL	report for HVDLE and		27, 2024 approved the proposal	in agreement
	format and harmonization of	equity would be suggested	The issue is	that disclosures to the stock	with the
	reporting formats with that	as certain tabs activated in	addressed as it is	exchanges shall be made by a	revised
	specified for equity listed	half yearly report	now proposed to	listed entity in XBRL format in	proposal.
	entities	applicable to equity are not	have a separate	accordance with the guidelines	
		applicable to HVDLE.	chapter of corporate	specified by Stock Exchanges from	
	Proposal:		governance norms	time to time (insertion of regulation	<u>Final</u>
			for HVDLEs.	50(4) in the LODR Regulations). In	proposal: No

(a)It is proposed that quarterly	Disclosure requirements	The suggestion	view of the same, it is proposed that	change	1
compliance report as specified in	for an equity listed entity	may be accepted;	it may not be necessary to again	same	as
Regulation 27(2) of the LODR	and for a debt listed entity		specify in regulation 27(2) that the	revised	
regulations shall be in XBRL format	are significantly different.	Reporting	quarterly compliance report shall be	proposal.	
(b)Further, in case of reporting for	There is a need to create /	requirements and	in XBRL format. Thus, this proposal		
corporate governance compliance,	adopt a new format for	formats will be	may be dropped.		
it is proposed that the format for	reporting by HVDLE	harmonized			
HVDLEs may be harmonized with	specifically meeting the	keeping in mind the	Revised proposal:		
the format specified for equity listed	requirements of the	requirements of the	Harmonization of the reporting		
entities	investors of the debt listed	debt listed entities.	requirements and format for		
	entities.		HVDLEs with the that of equity		
Rationale: It has been observed			listed entities.		
from the filings made by HVDLEs					
on the websites of stock exchange					
(s) that the filings are not made in					
uniform formats.					

Table 8: Introduction of Business Responsibility and Sustainability Report (BRSR) for HVDLEs on a voluntary basis (Para 11 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public Comments not	SEBI views on the	Revised	CoBoSAC
No.		in support of the proposal/	public comments	Proposal	views, SEBI
		<b>Additional Suggestions</b>	before CoBoSAC	placed	views ( if any)
				before	and Final
				CoBoSAC	proposal
1.	Introduction of Business	Few comments have suggested to	The suggestion may not	No Change	The committee
	Responsibility and Sustainability	make disclosures as per BRSR	be accepted at this stage;	- same as	members are in
	Report (BRSR) for HVDLEs on a	mandatory for HVDLEs	To begin with, it is	proposal in	agreement with
	voluntary basis		proposed on voluntary	the	the revised
			basis.	consultatio	proposal.
	Proposal: It is proposed that HVDLEs	One of the comment has suggested	The suggestion may not	n paper.	
	may comply with the requirements of	not to prescribe additional disclosure	be accepted since it is		Final proposal:
	providing disclosures as per BRSR as	requirement for HVDLEs as HVDLEs	proposed to introduce		No change –
	specified in Regulation 34(2)(f) of the	are still maturating in terms of	BRSR for HVDLEs on		same as
	LODR Regulations on a voluntary basis.	reporting under LODR, hence	voluntary basis.		proposal in the
		suggesting additional disclosure			consultation
	Rationale: To inculcate practice of	requirement could hamper the current			paper.
	good governance at par with equity	disclosure and create compliance			
	listed entities.	burden for internal teams.			

Table 9: Requirements related to maximum number of directorships (Para 12 of board memorandum)

S.	Proposal in Consultation Paper	Summary of	SEBI views on	Revised Proposal	CoBoSAC views, SEBI views
No.		Public	the public	placed before	( if any) and Final proposal
		Comments not	comments	CoBoSAC	
		in support of the	before		
		proposal/	CoBoSAC		
		Additional			
		Suggestions			
1.	Requirements related to	In case of certain	The comment	Revised Proposal:	The committee members are in
	maximum number of	HVDLEs which	holds merit. In	a) To include directorships	agreement with the revised
	directorships	are not companies	such cases, it may	in HVDLEs alongwith	proposal.
		like PSU, State	be proposed that	directorships in equity	
	Proposal:	financial	maximum	listed entities while	SEBI Views:
	a.To include directorships in	corporations,	directorship in	reckoning the number	In order to ensure that directors
	HVDLEs alongwith directorships in	Directors are	case of entities	of directorships held by	devote adequate time for each
	equity listed entities while	appointed directly	that are not	a person in listed	entity, part (b) of the revised
	reckoning the number of	by the	incorporated	entities.	proposal may be dropped.
	directorships held by a person in	Government. In	under the	b)In case of certain	
	listed entities.	such cases the	Companies Act,	entities like PSU or	Final proposal:
		entity will not have	2013 shall be	State financial	a) To include directorships in
		control over the	subject to the	corporations which are	HVDLEs alongwith

b.Further, to give sufficient time to	number of	provisions of the	not incorporated under	directorships in equity listed
all the listed entities to ensure	Directorships of	respective statue	the Companies Act,	entities while reckoning the
compliance with the provision, a	the Director and	of such entities	2013, the provisions of	number of directorships held
period of six months or a period of	accordingly they		maximum directorships	by a person in listed entities.
time till next AGM is held, may be	may not be in		shall be subject to the	b) Further, to give sufficient
provided	compliance with		provisions of the	time to all the listed entities
	this provision		respective statue of	to ensure compliance with
Rationale: To ensure that a			such entities	the provision, a period of 6
director is able to pay adequate			c) Further, to give	months or till the time AGM
attention to all listed entities			sufficient time to all the	is held from the date of
irrespective of the security listed, it			listed entities to ensure	applicability of the provision
is important to include pure debt			compliance with the	to the entity, whichever is
listed entities while counting the			provision, a period of 6	later, may be provided.
ceiling on the number of			months or till the time	
directorships; this will facilitate due			AGM is held from the	
corporate governance, due			date of applicability of	
attention to matters by the directors			the provision to the	
and accordingly, protection of			entity, whichever is	
investors – whether in debt or			later, may be provided.	
equity.				

Table 10: Requirements related to number of memberships or chairpersonships in the committees by a director (Para 13 of board memorandum)

S.	Proposal in Consultation Paper	Summary of Public	SEBI views on the public	Revised	CoBoSAC
No.		Comments not in support of	comments before	Proposal	views, SEBI
		the proposal/ Additional	CoBoSAC	placed	views ( if any)
		Suggestions		before	and Final
				CoBoSAC	proposal
1.	Requirements related to number of	Most of the HVDLEs which are	The comment does not hold	No Change	The committee
	memberships or chairpersonships in	All India Financial Institutions	merit.	- same as	members are in
	the committees by a director	(AIFIs) Directors are appointed	Though the directors may	proposal in	agreement with
		directly by the Government. In	be appointed by the	the	the revised
	Proposal: It is proposed that HVDLEs	such cases AIFIs will not have	government; the	Consultatio	proposal.
	(along with equity listed companies) should	control over the number of	committees are generally	n Paper	
	be considered for the purpose of computing	Committee memberships of the	formed by the board of		Final proposal:
	the maximum limit of committees, a director	Director and accordingly they	directors; thus the		No change –
	can act as a Member or Chairperson.	may not be in compliance with	maximum no. of		same as
		this provision	committees in which a		proposal in the
	Rationale: In order to ensure that directors		director can act as a		Consultation
	devote adequate time to listed entities		Member/ Chairperson is in		paper.
	including HVDLEs and in the interest of		the control of the board of		
	investor protection.		directors of the entity.		

Table 11: Requirements pertaining Related Party transactions (RPT) (Para 14 of board memorandum)

S.	Proposal in Consultation	Summary of Public	SEBI views on	Revised Proposal	CoBoSAC views, SEBI views ( if
No.	Paper	Comments not in	the public	placed before	any) and Final proposal
		support of the	comments	CoBoSAC	
		proposal/ Additional	before		
		Suggestions	CoBoSAC		
1.	Requirements pertaining	The projections of RPT	The suggestion	Revised proposal:	The committee members were largely
	Related Party	for whole tenor of bond	is not accepted;	(a)Issuer at the time of	in favour of the proposal. Few
	transactions (RPT)	issuance is not	The issuer is	issuance of non-	committee members suggested that
		practically possible. The	required to	convertible securities	instead of issuers providing the
	Proposal:	tenure of NCS may	estimate the	(proposed to be listed)	maximum amount of RPT to be
	(a)Issuer at the time of	range upto 10 years or	maximum	may provide a declaration	undertaken over the tenor of the debt
	issuance of non-convertible	even higher in case of	amount of RPT	upfront in the offer	securities, upfront in the offer
	securities (proposed to be	unsecured NCS	which it	document regarding the	document, the threshold for obtaining
	listed) may provide a	including perpetual debt	proposes to	maximum amount	NOC from the DT for material RPT
	declaration upfront in the	instruments.	undertake over	(percentage of issue size)	transaction in case of pure HVDLEs
	offer document regarding		the tenor of the	of RPT, issuer proposes	may be aligned with the threshold for
	the amount (percentage of		bonds.	to undertake over the	material RPT as specified for equity

issue size) of RPT, issuer	If the company wants to	The suggestion	tenor of the proposed	listed entities under the LODR
proposes to undertake over	enter into the	is accepted.	non-convertible	Regulations.
the tenor of the proposed	transaction for an	It is proposed	securities.	
non-convertible securities.	amount more than the	that in case the		SEBI Views:
	amount disclosed in the	issuer proposes	(b)The earlier proposal on	In addition to the above, the following
(b)The monitoring of the	offer document then	to enter into a	monitoring of the	consequential provision relating to
utilization of proceeds of the	what would be the	transaction for	utilization of proceeds of	RPT is proposed:
issue may be conducted by	procedure of approval of	an amount more	the issue by credit rating	For related party transactions of
credit rating agency	such RPT is not clear	than the	agency is proposed to be	unlisted subsidiaries of a listed
	from here Further if the	disclosed	dropped since the current	subsidiary, the prior approval of the
(c)Further, the issuer shall	HVDLEs which are also	amount in the	requirement of	shareholders and NOC from
upfront declare in the offer	Equity Listed Entities	offer	submission of utilisation	Debenture Trustee as specified above
document the debt-equity	are entering into	documents, (a)	certificate by a listed entity	of the listed subsidiary shall be
ratio, debt service coverage	transaction with RPT	the	as specified in Reg 52(7)	obtained.
ratio and interest service	whether they need to	Issuer/ listed	and Reg 56 of the LODR	
coverage ratio and such	take the approval of	entity shall	Regulations is considered	Further for the existing material RPT
other financial/ non-	equity shareholders only	obtain No-	adequate.	which may continue beyond the date
financial covenants that will	or need to take approval	objection		of notification, NOC from DT is
be maintained by the Issuer	of debenture holders as	Certificate	(c)Further, the issuer shall	proposed to be taken within a period
over the tenor of the non-	well.	(NOC) (for the	upfront declare in the offer	of one year from the date of
convertible securities. The		additional	document the debt-equity	notification.
monitoring of such ratios		amount	ratio, debt service	

including covenants shall		exceeding the	coverage ratio and	Final proposal:
be conducted by the		disclosed	interest service coverage	a)An issuer, proposing to undertake
Debenture Trustee.		amount) from	ratio and such other	material related party transaction, as
		the Debenture	financial/ non-financial	defined under Regulation 23, shall
(d) In cases where		Trustee who in	covenants that will be	obtain No-objection Certificate (NOC)
Issuer has not made the		turn shall obtain	maintained by the Issuer	from the Debenture Trustee [who in
aforesaid declaration		such NOC from	over the tenor of the non-	turn shall obtain such NOC from the
upfront in the offer		the debenture	convertible securities.	debenture holders (i.e. more than
document as specified in		holders	The monitoring of such	50%) (in value) of the debenture
para 13.3.4(a), the Issuer/		(determined by	ratios including covenants	holders not related with the Issuer, on
listed entity shall obtain No-		a majority of the	shall be conducted by the	the basis of present and voting
objection Certificate (NOC)		debenture	Debenture Trustee.	including e-voting.
from the Debenture Trustee		holders not		
who in turn shall obtain		related with the	(d)In cases where Issuer	b)For related party transactions of
such NOC from the		Issuer) for all the	has not made the	unlisted subsidiaries of a listed
debenture holders		material RPTs	aforesaid declaration	subsidiary, the prior approval of the
(determined by a majority of	Declaring various ratios	The suggestion	upfront in the offer	shareholders and NOC from
the debenture holders not	and other financial	may not be	document as specified in	Debenture Trustee of the listed
related with the Issuer) for	covenants in the offer	accepted;	para 4(a), or the issuer	subsidiary [who in turn shall obtain
all the material RPTs.	document over the tenor	Presently, the	proposes to enter into a	such NOC from the debenture holders
	of the proposed non	issuer generally	transaction for an amount	(i.e. more than 50%) (in value) of the
Rationale:	convertible securities	provides	more than what is	debenture holders not related with the

It is observed that in case of	would also not be	financial	disclosed amount in the	listed subsidiary, on the basis of
certain debt listed entities	feasible	covenants in the	offer documents then the	present and voting including e-voting.
the shareholding of such		offer document	Issuer/ listed entity shall	
entities are wholly/		issuance of	obtain No-objection	c)All existing material related party
substantially held by one or		bonds which are	Certificate (NOC) (for the	contracts or arrangements entered
a few shareholders, which		to be maintained	additional amount	into prior to the date of notification of
are related parties. When		over the tenor of	exceeding the disclosed	these regulations and which may
these entities enter into		the bond.	amount) from the	continue beyond such date shall be
RPTs, they are required to	The current practise of	The suggestion	Debenture Trustee who in	placed for approval of the
obtain the approval of	monitoring the end use	is accepted;	turn shall obtain such	shareholders in the first Annual
majority of the shareholders	should be continued;	since the current	NOC from the debenture	General Meeting held subsequent to
who are not related parties.	Appointing a Credit	requirement of	holders (determined by a	the notification of the Regulation and
Such shareholders, who	rating agency for	submission of	majority of the debenture	NOC from Debenture Trustee within a
are not related parties,	monitoring of utilization	utilisation	holders (in value) not	period of one year from the date of
either hold a negligible	proceeds in case of a	certificate by a	related with the Issuer) for	notification shall be obtained. The
portion of the equity or none	HVDLEs is not feasible,	listed entity as	all the material RPTs. The	Debenture Trustee shall in turn shall
at all, in which case the	as this will increase the	specified in Reg	procedure for obtaining	obtain such NOC from the debenture
entity will not be able to	compliance	52(7) and Reg	NOC from the Debenture	holders (i.e. more than 50%) (in value)
transact such RPTs	requirement. Further the	56 of the LODR	Trustee shall be specified	of the debenture holders not related
because of 'impossibility of	current compliance	Regulations is	by SEBI.	with the listed entity, on the basis of
compliance' with the	wherein Institution are	considered		present and voting including e-voting.
	required to submit	adequate.		

provisions of LC	DR certificate of utilization		(e)The aforesaid	d)The said NOC shall be obtained
Regulations.	of proceeds obtained by		provisions shall form part	before seeking shareholder's
	statutory auditors to		of offer documents and	approval on the same through
	Debenture Trustees is		shall be applicable on	resolution. If the NOC has been
	adequate requirement.		prospective issuances	withheld, the matter shall not be taken
	The approval may be	The suggestion	post the date of	forward for shareholders'
	counted in value of the	is accepted The	notification.	consideration.
	debenture holder	approval from		
	instead of majority of	the debenture	(f)The aforesaid	e)The said provisions shall be
	debenture holders in	holders shall be	provisions shall not be	applicable only to pure HVDLEs (i.e
	number.	determined by	applicable to entities that	pure debt listed entities)
		majority in	are HVDLEs (i.e. have	
		value.	listed outstanding non-	
			convertible debt securities	
			above the specified	
			threshold as on date) and	
			are proposing to	
			undertake related party	
			transactions till they come	
			with any further issuance.	

## Annexure – B

## **Draft Amendment Notification**

Amendment shall be notified after following the due process.