

# THE MARKET CHRONICLE

~BY CATALYST

NEWS

● VOLUME 6

● 29 SEPTEMBER, 2023

## CIRCULAR AND AMENDMENT ISSUED BY THE MARKET REGULATOR SEBI:

### **New format of Abridged Prospectus for public issues of Non-Convertible Debt Securities and/ or Non-Convertible Redeemable Preference Shares (Applicability–Effective 1st Oct. 23)**

1. Section 2(1) of the Companies Act, 2013 defines an abridged prospectus as a memorandum containing such salient features of a prospectus as may be specified by the Securities and Exchange Board of India by making regulations in this behalf.
2. Further, Section 33(1) of the Companies Act, 2013 states that no form of application for the purchase of any of the securities of a company shall be issued unless such form is accompanied by an Abridged Prospectus.
3. As per Regulation 2(1)(a) of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (“NCS Regulations”) “abridged prospectus” means a memorandum accompanying the application form for a public issue containing such salient features of a prospectus as specified by the Board.
4. Further, in terms of Regulation 32(3) of the NCS Regulations, abridged prospectus shall be in the format as specified in Part B of Schedule I of the NCS Regulations.
5. In order to further simplify, provide greater clarity and consistency in the disclosures across various documents and to provide additional but critical information in the abridged Prospectus, the format for disclosures in the abridged Prospectus has been revised and is placed at Annex-I of this Circular.
6. Accordingly, for public issues that open on or after October 1, 2023, the format of an Abridged Prospectus shall be as per Annex-I of this Circular instead of Part B of Schedule I of the NCS Regulations.
7. A copy of the Abridged Prospectus shall be made available on the website of issuer, merchant bankers, registrar to an issuer and a link for downloading Abridged Prospectus shall be provided in issue advertisement for the public issue.
8. Further, the issuer/ Merchant Bankers shall insert a Quick Response (QR) code on the last on the last page of the Abridged Prospectus. The scan of such QR code on the Abridged prospectus would lead to the Prospectus. Further, the issuer entity/ Merchant Bankers shall insert a QR code on the front page of the documents such as front outside cover page, advertisement, etc. as deemed fit by them. The scan of the QR code would lead to the prospectus or abridged prospectus as applicable.
9. The Stock Exchanges are directed to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on their website.

Learn more: [https://www.sebi.gov.in/legal/circulars/sep-2023/new-format-of-abridged-prospectus-for-public-issues-of-non-convertible-debt-securities-and-or-non-convertible-redeemable-preference-shares\\_76430.html](https://www.sebi.gov.in/legal/circulars/sep-2023/new-format-of-abridged-prospectus-for-public-issues-of-non-convertible-debt-securities-and-or-non-convertible-redeemable-preference-shares_76430.html)

### **Mechanism for Sharing of Information by Credit Rating Agencies (CRAs) to Debenture Trustees (DTs) (Applicability–Effective 1st Oct. 23)**

Due to the large quantum of information submitted daily by CRAs to DTs, as well as short timelines mandated for disclosure of this information by DTs, it is essential that the data shared by CRAs be structured and submitted in a specified format for easier accessibility and analysis of the submitted data.

Accordingly, based on discussion with CRAs and DTs, an excel template is placed as Annexure. CRAs shall use the same template for their daily submissions of rating revisions to DTs.

Such submissions shall be sent by CRAs to DTs on the same day as the day of rating revisions, on either the generic email ID being used for regulatory purposes, or email IDs/URL as may be communicated for this purpose by DTs.

Monitoring: Monitoring of this circular shall be done in terms of the half-yearly internal audit for CRAs, mandated under Regulation 22 of the CRA Regulations and circulars issued thereunder.

Learn more: [https://www.sebi.gov.in/legal/circulars/sep-2023/mechanism-for-sharing-of-information-by-credit-rating-agencies-cras-to-debenture-trustees-dts-\\_76476.html](https://www.sebi.gov.in/legal/circulars/sep-2023/mechanism-for-sharing-of-information-by-credit-rating-agencies-cras-to-debenture-trustees-dts-_76476.html)

## Regulatory Reporting by AIFs (Revision of format and timeline for the Quarterly Activity Report (QAR) for AIFs on SI Portal) (Applicability–Immediate effect)

1. The existing format for Quarterly Activity Report (QAR) has been revised in consultation with AIF Industry Associations – Indian Venture and Alternate Capital Association (IVCA) and Equalifi (referred as 'association'). The said revised reporting format shall be hosted by the AIF associations on their website within 2 working days of issuance of this circular.
2. The association shall engage with all AIFs to ensure that to begin with and to carry out a trial run, QAR for June 2023 quarter is to be submitted in the revised format by October 15, 2023 on the SI Portal.
3. QAR for the quarter ending September 30, 2023, shall be submitted in the revised format by November 15, 2023.
4. From quarter ending December 31, 2023, onwards, QAR in the revised format shall be submitted within 15 calendar days from the end of each quarter.

Learn more: [https://www.sebi.gov.in/legal/circulars/sep-2023/regulatory-reporting-by-aifs\\_76908.html](https://www.sebi.gov.in/legal/circulars/sep-2023/regulatory-reporting-by-aifs_76908.html)

## Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform (Applicability – Effective 4th Dec. 23)

*In order to strengthen the existing investor grievance handling mechanism through SCORES by making the entire redressal process of grievances in the securities market comprehensive by providing a solution that makes the process more efficient by reducing timelines and by introducing auto-routing and auto-escalation of complaints, SEBI notified the Securities and Exchange Board of India (Facilitation of Grievance Redressal Mechanism) (Amendment) Regulations, 2023 and amended the regulations as mentioned under 'Schedule I' vide notification dated August 16, 2023. Consequently, it becomes necessary to revise the extant process for redressal of investors' grievances against Entities and provide for a mechanism through which Designated Bodies (as specified in 'Schedule II') may monitor the process of the redressal of investors' grievances by Entities.*

### Submission of the Complaint and handling of the Complaint by the Entity:

- 1.2. All Entities who are in receipt of the complaints of the investors ("Complaint") through SCORES, shall resolve the complaint within 21 calendar days of receipt of such Complaint.
- 1.3. The Complaints lodged on SCORES against any Entity shall be automatically forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Entities shall resolve the Complaint and upload the ATR on SCORES within 21 calendar days of receipt of the Complaint. The ATR of the entity will be automatically routed to the complainant.
- 1.4. The Complaint against the Entity shall be simultaneously forwarded through SCORES to the relevant Designated Body as mentioned under Schedule II. The Designated Body shall ensure that the concerned Entity submits the ATRs within the stipulated time of 21 calendar days.
- 1.5. The Designated Body shall monitor the ATRs submitted by the entities under their domain and inform the concerned entity to improve the quality of redressal of grievances, wherever required.
- 1.6. SEBI may concurrently monitor grievance redressal process by entities and Designated Bodies.

**Please Note:** Refer to page no 12 of the below redirected circular to understand the process flow of the complaints.

Learn more: [https://www.sebi.gov.in/legal/circulars/sep-2023/redressal-of-investor-grievances-through-the-sebi-complaint-redressal-scores-platform-and-linking-it-to-online-dispute-resolution-platform\\_77159.html](https://www.sebi.gov.in/legal/circulars/sep-2023/redressal-of-investor-grievances-through-the-sebi-complaint-redressal-scores-platform-and-linking-it-to-online-dispute-resolution-platform_77159.html)

## KNOWLEDGE SHARING!

**Did you know? The deadline for Dematerialization of AIF units having a fund size of 500 crores is 31st October 2023 as stated by SEBI!! Worry not Catalyst is here to assist you with the same!! Refer to the details below...**

Here is a summary of the steps and procedure for the dematerialization of units, which we at Catalyst will assist you with:

- First, the issuer needs to appoint a registrar and transfer agent (RTA) to handle the dematerialization process.
- Next, the issuer needs to register with the depositories (NSDL and CDSL).
- Finally, obtain a unique identification number (ISIN)

**To avail of depository services issuer has to register themselves with the depository first and subsequently submit a Master Creation Form (MCF) for the creation of ISINs.**

**NSDL PROCESS: - We request you to submit below-mentioned documents as required by NSDL:**

1. Application for admission as Issuer of Eligible Securities (Part I - Issuer Details)
2. Certified true Copy of the Memorandum and Article of Association/ PPM of the scheme with a certified true copy of Certificate of Incorporation and Name change certificate if any. (Investment Manager to submit)
3. A certified true copy of the last audited annual report with Financials. (Investment Manager to submit)
4. Trust Deed/ brief profile of the Trust on letterhead and signed by authorized signatory
5. List of Authorized signatories with Board Resolution with specimen signature. (Investment Manager)
6. Confirmation letter from Registrar & Transfer Agent (R&T Agent).
7. SEBI Registration Certificate
8. If the AIF is already admitted to CDSL, the ISIN activation letter from CDSL to be submitted
9. Net worth Certificate duly signed by Chartered Accountant as on last audited annual report
10. 3 Copy of the Tripartite Agreement (with Rs. 200/- frank of each agreement) for AIF.
11. Certified True Copy of GST Certificate, if applicable

**Fees payable to NSDL:** As per NSDL Circular No.: NSDL/CIR/II/26/2018 dated September 25, 2018, an Issuer shall pay an Annual Custody Fee at the rate of Rs. 11 per folio (ISIN position) in NSDL, subject to a minimum amount as mentioned below along with Joining Fee of Rs. 15000/- plus taxes as applicable (for Debentures Annual Custody Fees charged based on the Total Issue size).

You can check the NSDL rate chart on the mentioned link: <https://nsdl.co.in/about/charges.php>

**NSDL ISIN Creation Requisite Documents:**

- Master Creation Form for AIF Scheme/Fund
- Copy of PPM of the scheme
- Name change certificate of scheme or fund
- RTA confirmation letter

**CDSL PROCESS: - Similarly, if the Issuers wish to avail of CDSL connectivity also then, they have to register themselves on the CDSL depository and get their ISIN activated with CDSL also.**

**Requisite Documents for CDSL Issuer Onboarding:**

1. Application for admission as Issuer of Eligible Securities
2. Certified True Copy of Memorandum, Article of Association & Certificate of Incorporation and Name change certificate if any. (Investment Manager to submit)
3. Certified true copy of last audited annual report with Financials. (Investment Manager to submit)
4. Trust Deed/ Brief profile of the Trust on letterhead
5. List of Authorized signatories with Board Resolution with specimen signature. (Investment Manager)
6. SEBI Registration Certificate
7. If the AIF is already admitted in CDSL, the ISIN activation letter from CDSL to be submitted
8. Net worth Certificate duly signed by Chartered Accountant as on last audited annual report
9. 3 Copy of Tripartite Agreement (with Rs. 200/- frank of each agreement) for AIF.
10. Certified True Copy of GST Certificate

**Fees Payable to CDSL:** Reference Ministry of Corporate Affairs (MCA) notification dated 10th September 2018, Issuers are to pay @ ₹11.00 (\*) per folio (ISIN position) to CDSL, subject to a minimum is as: A non-refundable processing fee of ₹15,000/- shall be payable by Issuers companies for admission of unlisted securities. A non-refundable processing fee of ₹15,000/- shall be payable by Issuers for the removal of unlisted securities.

You can also check the CDSL Rate chart at: <https://issuercentre.cdslindia.com/Download/IssuerCompanies/How-to-become-issuer/CDSL%20Charges/CDSL-Issuers-Tariff-structure%20as%20on%20March%202019.pdf>

**CDSL ISIN Creation Requisite Documents:**

1. Letter of Intent cum Master Creation Form [MCF] Part-A and Part-B (duly filled, signed & stamped on every page of MCF).
2. Softcopy of the MCF Part B in Excel format.
3. Certified copy of Memorandum and Articles of Association.
4. Certification of registration of Alternative Investment Fund issued by SEBI.
5. Certified copy of Board Resolution [BR] for admission of Alternative Investment Fund with CDSL.
6. Certified true copy of Private Placement Memorandum [PPM].
7. Certified true copy of Trust Deed. (if any).
8. Certified true copy of Annual Financial Statement (if any)

**Further please note all the above-mentioned documents should be DSC affixed and the same will be routed through the RTA team (The RTA Commercial will also be applicable).**

**Please Note: We at Catalyst Trusteeship Ltd are here to help you and assist you for getting all the above procedures completed in an apt and timely manner as a part of our corporate services. Please feel free to reach out to us to discuss the same ahead...**

**Hurry up the deadline for the same is OCTOBER 31ST, Get in touch with us NOW!!**

# OUR DEBENTURE TRUSTEE DEAL HIGHLIGHTS OF SEPTEMBER!

Following are a few transaction highlights/ key deals handled by team Catalyst in the month of September:

**Debenture Trustee deal:** Please find below a description of a few major transactions completed in September 2023 -

- **India Infrastructure Finance Company Limited:** India Infrastructure Finance Company Limited (IIFCL), wholly owned by the Government of India (GoI), is a dedicated institution for financing infrastructure projects in the country. The issuer has raised listed rated long-term bonds through private placement aggregating to INR 2000 Crs.
- **L & T Finance Limited:** The company has issued listed rated secured debentures through private placement aggregating to INR 1800 Crs.
- **MindSpace Business Parks REIT (MBPR):** MBPR owned by K Raheja Group and Blackstone issued listed secured bonds aggregating to INR 500 Crs through private placement.
- **Embassy Office Parks REIT:** EOPR is India's first publicly listed REIT and the largest office REIT in Asia by area, had issued listed rated secured bonds INR 500 cr through private placement.
- **Canara Bank:** Canara Bank is one of India's largest PSBs. It has a strong franchise in the large and mid-size corporate banking segments. It has recently issued listed unsecured, rated, redeemable, non-cumulative, taxable, Non-convertible Bonds aggregating to INR 10,000 Crs through private placement.

*Also, it gives us immense pleasure to share with you that this month i.e. September 2023, we - Catalyst Trusteeship Ltd stand as the number 1 Debenture Trustee not only in terms of the number of NCD Issuance but also in terms of Volume as reported by the Prime Database Publication. As we strive hard to achieve many more such future accomplishments, as always we assure to provide you with the best of our services!!*

## HIGHLIGHTS OF THE MONTH:

### Security Trustee deals:

Sector	No. of Transaction	Facility Amount (Cr.)
Infrastructure Sector	20	26832.7
Renewable Sector	26	10186.3
NBFC	12	4317
Real Estate	1	250
Others	9	2888.3
Grand Total	68	44474.3

### Debenture Trustee deals:

Sector	No. of Transaction	Facility Amount (Cr.)
NBFC	47	27755.6
Real estate & Infra	12	3448
IT & Software	6	990.5
Banking & Finance	9	10400
Manufacturing	5	3993
Healthcare & Pharma	4	230
Others	10	3914
Grand Total	93	50731.1

### Securitization deals:

Asset Class	No. of Deals	Pool Size in Crores
Commercial Vehicle Loans	2	751
Education Institute loans	3	129
Farm loans (Tractor Loans)	2	638
Two Wheeler Loan	1	19
Housing Loans	3	126
Hypothecated Loan Pool	2	117
Loan Against Property	8	501
Microfinance Loans	34	2678
Personal Loans	4	181
Secured Business Loan	4	114
Unsecured Small Finance Loan	3	137
Grand Total	66	5391

### Other deals:

Category	No. of Deals	Issue Size in Crores
AIF Domestic	4	3340
AIF Gift City	1	200
Grand Total	5	3540

Thanks and Regards,  
Editorial team of Catalyst.

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