



**Corporate
Professionals**
WHERE EXCELLENCE IS LAW



Consultation paper on
**‘Review of provisions of NCS
Regulations and LODR Regulations
for ease of doing business and
introduction of fast track public
issuance of debt securities’**



Part 1

Review of provisions of NCS Regulations and LODR Regulations for ease of doing business



Recommendations of the Working Group



REDUCTION IN DENOMINATION AND APPOINTMENT OF MERCHANT BANKER

Proposed Changes:

- Proposes reducing the face value of privately placed NCDs and non-convertible redeemable preference shares from Rs. 1 lakh to **Rs. 10,000**.
- Requires the **appointment of a merchant banker** for due diligence in cases where the face value is Rs. 10,000, aiming to enhance participation from non-institutional investors.



Recommendations of the Working Group



REDUCTION IN DENOMINATION AND APPOINTMENT OF MERCHANT BANKER

Consultation Proposal:

- a) Do you agree with the proposed reduction in the denomination of face value of privately placed NCDs or NCRPS along with appointment of merchant banker?
- b) Do you agree with the proposed requirement of appointment of merchant banker in case of issuance of SDIs at a face value of Rs. 10,000?



Recommendations of the Working Group

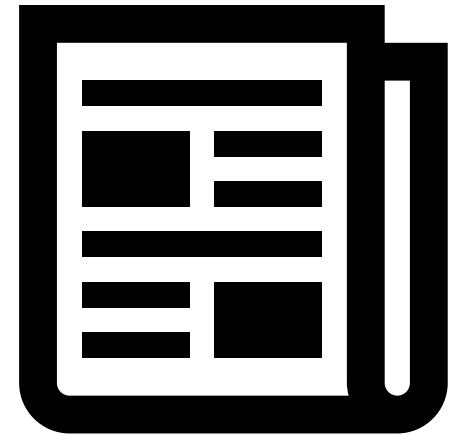


QR CODES IN OFFER DOCUMENT

Schedule I of NCS Regulations

Proposed Changes:

Suggestion to insert **web-links and QR codes** for audited financials for the last 3 financial years and stub period in the Offer Document instead of including these financial statements directly. This aims to reduce file sizes and technical difficulties in filing documents.



● Recommendations of the Working Group



QR CODES IN OFFER DOCUMENT

Consultation Proposal:

Do you agree with the proposal?



Recommendations of the Working Group

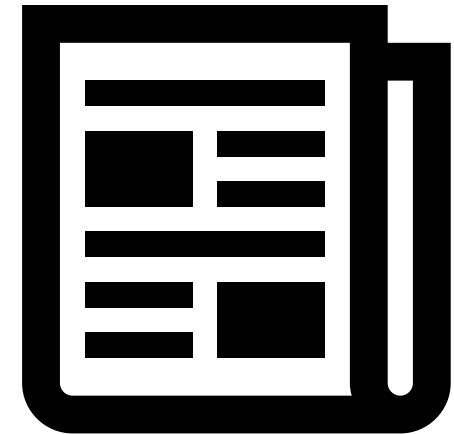


DETAILS OF CERTAIN INFORMATION IN OFFER DOCUMENT

Schedule I of NCS Regulations

Proposed Changes:

Proposal to provide **certain details** (e.g., related party transactions, remuneration of directors, director changes, defaults, etc.) up to the latest quarter of the current financial year instead of providing information as of the current date.



● Recommendations of the Working Group



DETAILS OF CERTAIN INFORMATION IN OFFER DOCUMENT

Consultation Proposal:

Do you agree with the proposal?



Recommendations of the Working Group



STANDARDIZATION OF SHUT PERIOD

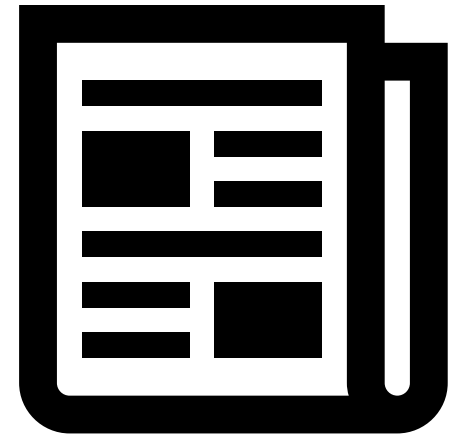
Current Provision:

The duration of the shut period, which is said to vary from 1 to 45 days.

Proposed Changes:

Suggested standardization of the shut period (the duration between the Record Date and the interest payment/redemption date) at **15 days** before the due date of payment for debt securities to bring uniformity in market practices.

Schedule I of NCS Regulations



Recommendations of the Working Group



STANDARDIZATION OF SHUT PERIOD

Consultation Proposal:

Do you agree with the proposal to standardize the record date/ shut period at 15 days before the due date of payment of interest/ redemption?



Recommendations of the Working Group

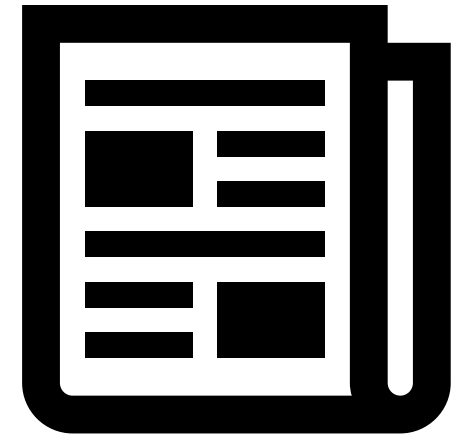


HARMONIZATION OF DUE DILIGENCE CERTIFICATE

Regulation 40 of NCS Regulations

Proposed Changes:

Aims to align and harmonize the **format of due diligence certificates** specified in different provisions and circulars.



Recommendations of the Working Group



HARMONIZATION OF DUE DILIGENCE CERTIFICATE

Consultation Proposal:

Do you agree with the proposed formats of the due diligence certificates under Regulation 40 and 44 of NCS Regulations?



Recommendations of the Working Group



PUBLISHING FINANCIAL RESULTS IN NEWSPAPERS OPTIONAL

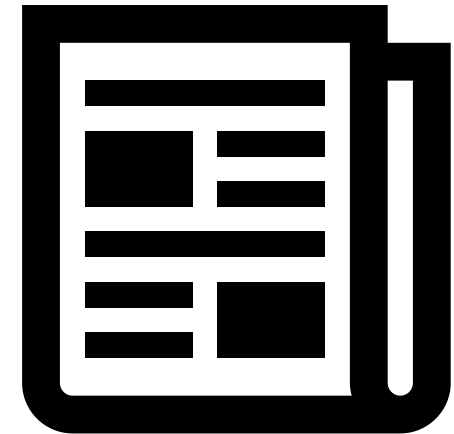
Current Provision:

Mandatory publication of financial results in newspapers within 2 days after the meeting.

Proposed Changes:

Suggests making it **optional** for listed entities to publish financial results in newspapers, considering that the results are already available on their websites and stock exchanges' websites shortly after the board meetings.

Regulation 52(8) of LODR Regulations



Recommendations of the Working Group



PUBLISHING FINANCIAL RESULTS IN NEWSPAPERS OPTIONAL

Consultation Proposal:

Do you agree with the proposed discretion to the listed entities to publish the financial results in the newspapers?





Part 2

Introduction of concept of Fast Track public issuance and listing of debt securities



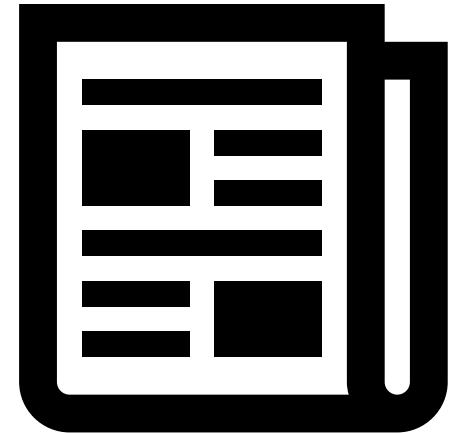
Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

Background and Need for Change:

Demonstrates that nearly **98% of debt issuance** occurs through private placements, limiting public participation. To address this, the proposal suggests introducing a faster route for debt issuers to access public markets.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

Proposed Fast Track Public Issue Process:

a) Requirement of Prospectus or Generic Information Document (GID) & Key Information Document (KID):

Proposes using a **common document** for both public issues and private placements, with different levels of disclosure.

b) Eligibility Criteria for Issuers:

Issuers meeting **specific criteria** including compliance with regulations, consistent listing track record of 3 consecutive years, credit rating of not less than “AA-”, financial stability, and no significant defaults or regulatory actions.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

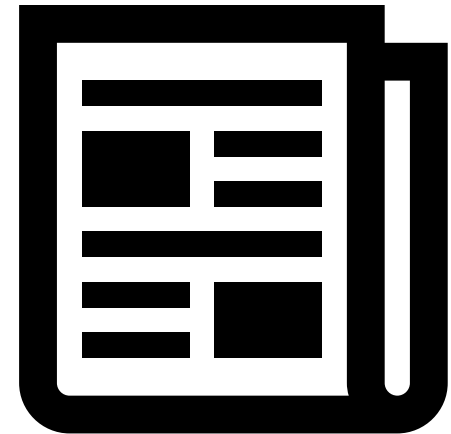
Proposed Fast Track Public Issue Process:

c) Filing Time for Draft GID:

Reducing the time required for seeking public comments on a draft offer document for a fast track public issue to **2 working days** due to the stringent eligibility norms proposed.

d) Disclosures in GID and KID:

GID to contain all disclosures specified under Schedule I of NCS Regulations; KID for fast track public issue to include additional relevant information for public issuance.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

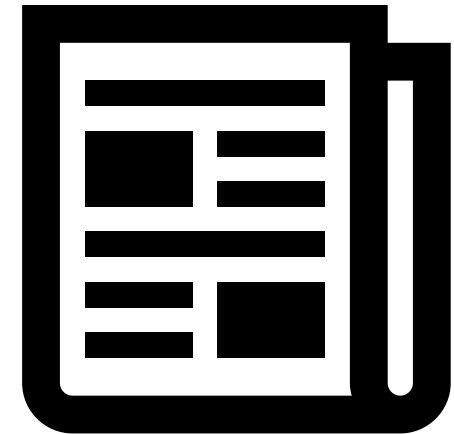
Proposed Fast Track Public Issue Process:

e) Digital Statutory Advertisement:

Allow issuers opting for fast track public issue to utilize electronic modes for advertisement (e.g., issuer's website, stock exchange's website) instead of mandatory newspaper advertisements, saving time and costs.

f) Shorter Subscription Period:

Keep the fast track public issue open for a minimum of 1 working day and a maximum of 10 working days, with the provision for a one-day extension in case of a revision in price/yield.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

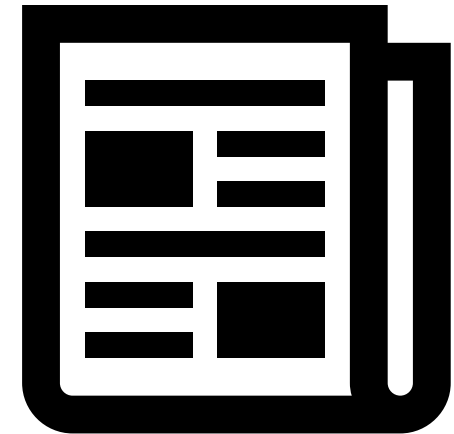
Proposed Fast Track Public Issue Process:

g) Minimum Subscription and Retention of Oversubscription:

Propose removing the minimum subscription requirement for financial sector entities undertaking fast track public issue; cap the retention of over-subscription at a **maximum of 5 times** the base issue size.

h) Listing Timelines:

Specify listing timelines for fast track public issues **at 'T+3'**, reducing the timeline compared to the regular public issue.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

S. No.	Steps involved in the issuance and listing of securities	Timelines for a regular public issue	Timelines for a fast track issue
1	Seeking public comments on draft offer document	7 working days.	2 working days.
2	Period of subscription, viz. no. of days the issue remains open	3 to 10 working days (extension of 3 days in case of revision in yield).	1 to 10 working days (extension of 1 day in case of revision in yield).
3	Listing timelines	6 days from the date of closure of issue.	3 days from the date of closure of issue.
4	Preparation of offer document including due diligence by merchant banker	Generally, it takes around 45-60 days to prepare the same.	In view of acceptance of GID-KID as offer document in this case, it shall bring down the timeline considerably by 2-3 weeks.



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

Consultation Proposal:

- a) Do you agree with the proposed framework of fast track public issue of debt securities?
- b) Are the proposed eligibility norms adequate?
- c) Do you agree with the proposed reduction in the number of days for seeking public comments to 2 working days as opposed to 7 working days in case of public issue?
- d) Whether the disclosures proposed in GID-KID adequate?



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

Consultation Proposal:

- e) Do you agree with the proposal that a fast track public issue should be kept open for a minimum of 1 working day as opposed to that of minimum 3 working days in case of a regular public issue?
- f) Do you agree with the proposal to remove the requirement of minimum subscription in case of banks and entities in the financial sector?



Recommendations of the Working Group



FAST TRACK PUBLIC ISSUANCE AND LISTING OF DEBT SECURITIES

Consultation Proposal:

- g) Do you agree with the proposal of retention of over-subscription at five times of the base issue size?
- h) Do you agree with the proposed listing timelines of T+3 in case of fast track public issue?





**Corporate
Professionals**
WHERE EXCELLENCE IS LAW

