



CIRCULAR

CIR/IMD/DF-1/19/2012

July 25, 2012

**All Registered Merchant Bankers
All Recognized Stock Exchanges**

Dear Sir/Madam,

Sub: Contents of Application Form and Abridged Prospectus for Public Issue of Debt Securities

Background

1. SEBI had notified SEBI (Issue and Listing of Debt Securities) Regulations in 2008 specifying norms for public issue of debt securities and privately placed listed debt securities.
2. With respect to public issue of debt securities, there is currently no specified standard format for the Application Form and Abridged Prospectus. This has resulted in different application forms and abridged prospectus being used in public issues of debt securities.
3. In order to standardize the Application Form and Abridged Prospectus for public issue of debt securities, the existing forms and abridged prospectus were discussed and deliberated upon with market participants. Based on the discussions, the structure, design, format, contents and organization of information in the Application Form and Abridged Prospectus have been standardized and made uniform for public issues of debt securities.

Application Form

4. The following shall be applicable with respect to the application form to be filled up by the investor:
 - a) All Application forms shall be printed in A4 size sheet. The illustrative format of Application Form that shall be used for Resident and Non-Resident Investors (NRI), are placed at Annexure A and B respectively. It may be noted that certain sections in the form are filled only for illustrative purposes.
 - b) No change shall be carried out in spacing, placement or in data fields in the Application Form except for the following :



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- i. For issues offered only in dematerialized form, the sections pertaining to physical applications may be removed.
 - ii. Under Point No. 5 in application form, the number of columns for providing different series details is illustrative and may vary depending on the terms of the issue.
 - iii. Investor Categories and sub-categories may vary depending on the issue.
 - iv. Details to be provided under issue structure may vary depending on the terms of the issue.
 - v. KYC documents required may vary depending on the terms of the issue.
 - vi. The declaration pertaining to application in physical form may be removed if the issue is offered only in dematerialized form.
- c) In case the issue is not offered to NRI investors, the NRI specific form may not be printed.

Abridged Prospectus

5. The following shall be applicable with respect to the abridged prospectus annexed to the application form:
- a) The abridged prospectus shall be printed in A4 size sheets. The information shall be provided under the abridged prospectus as given at Annexure-C hereto.
 - b) The Abridged Prospectus shall be printed:
 - i. In Times New Roman font,
 - ii. in a font size of not less than 10,
 - iii. with a line spacing not less than 1.00 lines
 - iv. and normal character spacing with 100% scale and no condensation.
 - c) A larger font size may be used, if required, for different heads of information. All major heads shall be in uppercase and bold and in boxes. The first level sub-heads shall be in bold and in boxes. The other levels of sub-heads shall be bold and underlined.
 - d) The numbering shall be either continuous or with different types of numbering for different heads/ sub-heads.
 - e) The application form shall be so positioned that on the tearing-off of the application form, no part of the information given in the abridged prospectus is mutilated.



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- f) The order of the contents in the abridged prospectus shall not be changed.
- g) Tabular formats and pointers may be used wherever possible for efficient understanding. Instructions for filling up the form, payment instructions and risk factors shall be in pointers and every pointer shall be in a new line.
- h) The top of every page in the abridged prospectus shall have a colored strap in bold letters incorporating the statement

“IN THE NATURE OF FORM 2A - MEMORANDUM CONTAINING
SALIENT FEATURES OF THE PROSPECTUS”

- i) Under the sections ‘any other information’, any information which is important for the investor but has not been included in the other heads may be included.
 - j) Risk factors shall be so provided that they convey the risks associated with the issue briefly.
 - k) A reference may be made to the prospectus wherever necessary.
6. The issuer and all the concerned intermediaries are directed to comply with the instructions contained in this circular effective from 30 days to the date of this circular.
7. This circular is issued in exercise of powers conferred under Section 11(1) and section 11A of the Securities and Exchange Board of India Act, 1992 read with Regulation 31(1) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
8. This circular is available on SEBI website at <http://www.sebi.gov.in/> under the category “Legal Framework” and “Corp Debt Market”.

Yours faithfully,

Maninder Cheema
Deputy General Manager
Investment Management Department
Tel No.022-26449754
Email id - maninderc@sebi.gov.in

APPLICANT'S UNDERTAKING

I/We hereby agree and confirm that:

- I/We have read, understood and agreed to the contents and terms and conditions of Prospectus dated _____, 2012 ("Prospectus")
- I/We hereby apply for allotment of the NCDs to me/us and the amount payable on application is remitted herewith.
- I/We hereby agree to accept the NCDs applied for or such lesser number as may be allotted to me/us in accordance with the contents of the Prospectus subject to applicable statutory and/or regulatory requirements.
- I/We irrevocably give my/our authority and consent to [●], to act as my/our trustees and for doing such acts as are necessary to carry out their duties in such capacity.
- I am/We are Indian National(s) resident in India and I am/ we are not applying for the said NCDs as nominee(s) of any person resident outside India and/or Foreign National(s).
- The application made by me/us do not exceed the investment limit on the maximum number of NCDs which may be held by me/us under applicable statutory and/or regulatory requirements.
- In making my/our investment decision I/We have relied on my/our own examination of the company and the terms of the issue, including the merits and risks involved and my/our decision to make this application is solely based on disclosures contained in the Prospectus.
- I/We have obtained the necessary statutory and/or regulatory permissions/approvals for applying for, subscribing to, and seeking allotment of the NCDs applied for.

Additional Undertaking in case the Applicant wishes to hold the NCDs in physical form:

- In terms of Section (8)(1) of the Depositories Act, 1996, I/we wish to hold the NCDs in physical form.
- I/We confirm that the information provided in this form is true and correct and I/We enclose herewith self attested copies of the KYC Documents.

ISSUE RELATED INFORMATION FOR FILLING THE APPLICATION FORM**KYC Documents:**

(To be submitted only for holding NCDs in Physical Forms) Self-attested copies of the following documents are required to be submitted by the Applicants as KYC Documents:

- PAN card
- Proof of identification for individuals: Any of the following documents are accepted as proof for individuals: ● Passport ● Voter's ID ● Driving Licence ● Government ID Card ● Defence ID Card ● Photo PAN Card ● Photo Ration Card.
- Proof of residential address: Any of the following documents are accepted as proof of residential address: ● Passport ● Voter's ID ● Driving License ● Ration Card ● Society Outgoing Bill ● Life Insurance Policy ● Electricity Bill ● Telephone (Land/Mobile) Bill.
- Copy of a cancelled cheque

Investor Categories:

Category I	Sub Category Code	Category II	Sub Category Code
Public Financial Institutions, Statutory Corporations	11	Companies, Bodies Corporate, Societies	21
Commercial Banks, Co-operative Banks, Regional Rural Banks	12	Public/private charitable/religious trusts	22
Provident Funds, Pension Funds, Superannuation Funds, Gratuity Fund	13	Scientific and/or industrial research organizations	23
Venture Capital funds registered with SEBI	14	Partnership firms in the name of the partners	24
Insurance Companies registered with the IRDA	15	Limited liability partnerships	25
National Investment Fund	16	Category III	Sub Category Code
Mutual Funds	17	Resident Indian individuals	31
		Hindu Undivided Families through the Karta	32

Issue Structure:

Options	1	2	3	4	5	6
Frequency of Interest Payment						
Minimum Application In Multiples of						
Face Value of NCDs (₹ / NCD)						
Issue Price (₹ / NCD)						
Mode of Interest Payment						
Coupon (%)						
Effective Yield (per annum)						
Put and call option						
Tenor						
Redemption Amount (₹ / NCD)						
Nature of Indebtedness						

Basis of Allotment :

For details, please refer to paragraph (●) on page (●) of this Abridged Prospectus.

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APPLICANT'S UNDERTAKING

I/We hereby agree and confirm that:

1. I/We have read, understood and agreed to the contents and terms and conditions of Prospectus dated ____, 2012 ("Prospectus")
2. I/We hereby apply for allotment of the NCDs to me/us and the amount payable on application is remitted herewith.
3. I/We hereby agree to accept the NCDs applied for or such lesser number as may be allotted to me/us in accordance with the contents of the Prospectus subject to applicable statutory and/or regulatory requirements.
4. I/We irrevocably give my/our authority and consent to [●], to act as my/our trustees and for doing such acts as are necessary to carry out their duties in such capacity.
5. I/we confirm that I am/ we are a NRI(s) as per Foreign Exchange Management Act, 1999, as amended and rules, regulations, notifications and circulars issued, and I am/ we are not applying for the said Bonds as nominee(s) of any person resident outside India (other than an NRI applicant eligible to apply under the Issue) and/or Foreign National(s) and I am/ we are eligible to apply under the Issue.
6. The application made by me/us do not exceed the investment limit on the maximum number of NCDs which may be held by me/us under applicable statutory and/or regulatory requirements.
7. In making my/our investment decision I/We have relied on my/our own examination of the company and the terms of the issue, including the merits and risks involved and my/our decision to make this application is solely based on disclosures contained in the Prospectus.
8. I/We have obtained the necessary statutory and/or regulatory permissions/approvals for applying for, subscribing to, and seeking allotment of the NCDs applied for.

Additional Undertaking in case the Applicant wishes to hold the NCDs in physical form:

1. In terms of Section (8)(1) of the Depositories Act, 1996, I/we wish to hold the NCDs in physical form.
2. I/We confirm that the information provided in this form is true and correct and I/We enclose herewith self attested copies of the KYC Documents.

ISSUE RELATED INFORMATION FOR FILLING THE APPLICATION FORM

KYC DOCUMENTS

(To be submitted only for holding NCDs in Physical Forms) Self-attested copies of the following documents are required to be submitted by the Applicants as KYC Documents:

1. PAN card
2. Proof of identification for individuals: Any of the following documents are accepted as proof for individuals: ● Passport ● Voter's ID ● Driving Licence ● Government ID Card ● Defence ID Card ● Photo PAN Card ● Photo Ration Card ● PIO card in case of application by PIO
3. Proof of residential address: Any of the following documents are accepted as proof of residential address: ● Passport ● Voter's ID ● Driving License ● Ration Card ● Society Outgoing Bill ● Life Insurance Policy ● Electricity Bill ● Telephone (Land/Mobile) Bill.
4. First Applicant's Cancelled cheque of the bank account to which the refund, interest and redemption amounts shall be credited by the Issuer.

ISSUE STRUCTURE

Options	1	2	3	4	5	6
Frequency of Interest Payment						
Minimum Application In Multiples of						
Face Value of NCDs (₹ / NCD)						
Issue Price (₹ / NCD)						
Mode of Interest Payment						
Coupon (%)						
Effective Yield (per annum)						
Put and call option						
Tenor						
Redemption Amount (₹ / NCD)						
Nature of Indebtedness						

ABRIDGED PROSPECTUS

1. DETAILS RELATING TO ENTITIES ASSOCIATED WITH THE ISSUE

This section shall include the following:

- a) The name, address and logo of the lead managers, along with telephone number(s), fax number(s), website address(es), name of contact person(s) and email address(es).
- b) The name address and logo of the Registrar to the issue, along with telephone number(s), fax number(s), website address(es), name of contact person(s) and email address(es).
- c) The name and address of the Compliance Officer and/or Company Secretary of the issuer, along with telephone number, fax number, website address and email address.
- d) Any other information as may be necessary for assisting the investors to contact the appropriate authority.

2. DISCLAIMER

This section may include any disclaimers pertaining to the issue that may be required to be made by the issuer.

3. DETAILS PERTAINING TO THE ISSUE

a. OBJECTS OF THE ISSUE

This section shall include objects of the issue and the purpose for which issue proceeds shall be utilized.

b. ISSUE PROCEDURE

i. Procedure for Application

1. Availability of Prospectus and Application Forms:

This section may include the centers where the prospectus and application form shall be available to the investor. If the application form is available online, the details of the same may also be mentioned.

2. Who Can Apply:

This section shall include the categories of persons/entities who are eligible to apply for the issue.



3. Who cannot Apply:

This section shall include the categories of persons/entities who are not eligible to apply for the issue.

4. Any other Information:

Any other information which may be relevant for the investor in understanding the procedure for application

ii. Application for Allotment of Debt Securities in Physical Form & Dematerialized Form:

1. Applications for Allotment of Securities in the physical form:

This section shall include details for applications by investors for allotment of debt securities in physical form including instructions for filling up the application form, documents to be submitted , if any and any other relevant details.

2. Applications for Allotment of Debt Securities in the dematerialized form:

This section shall include details for applications by investors for allotment of debt securities in dematerialized form including instructions for filling up the application form, documents to be submitted , if any and any other relevant details.

3. Online Applications:

This section may be included if an online application facility is available to the investor. This shall detail the procedure for applying online.

iii. Instructions for filling up Application Form:

1. General Instructions:

This section shall include detailed instructions with respect to filling up of application form and procedure for submission of application. Any general instructions may be included under this section including instructions pertaining to application form, applicants bank account details, joint applications, applications under power of attorney, multiple applications etc.

2. DO's and DONT's:

Any specific do's and dont's that may be important for the investor for filling and submission of application form may be included in this section.

3. Any Other Information :



Any other information which may be relevant for the investor in understanding the procedure for filling up application form.

iv. Payment Instructions:

This section shall include all the payment instruction to the investors including details of payment into escrow account. If the instructions vary for different category of investors the same may be elaborated.

v. Submission of Application Forms:

This section shall include details of how to submit, where to submit the application form and any other information pertaining to submission of application form.

vi. Rejection of Applications:

This section shall include conditions and situations under which application may be rejected.

c. TERMS OF THE ISSUE

i. General Terms of the Issue

This section shall include the authority under which the debt securities are to be issued and any other relevant information.

ii. Face Value

This section shall include the face value of the debt securities, to be issued.

iii. Security

In case of secured debt securities, details of such security shall be mentioned under this section.

iv. Credit Rating

This section shall include all the ratings that the issue has received.

v. Subscription

This section shall specify the issue opening and closing date and any other information pertaining to the period of subscription of debt securities.

vi. Application Amount

This section shall specify the minimum number of debt securities and the multiples in which the application may be made by the investor.



vii. Escrow Mechanism

This section shall specify the details of the escrow mechanism pertaining to the issue.

viii. Allotment of Debt securities

This section shall specify the details pertaining to allotment of debt securities including basis of allotment, form of allotment, grouping of applications, allocation ratio, deemed date of allotment, allotments in the first instance, under subscription, over subscription, proportionate allotment, allotment in case of multiple applications etc

ix. Refund Orders

This section shall specify the details of the refund orders pertaining to the issue.

x. Interest

This section shall specify the details pertaining to Interest payment including Interest payment date, Interest on application monies received which are used towards allotment of debt securities, Interest on application monies received which are liable to be refunded etc.

xi. Redemption

This section shall specify the details pertaining to redemption of the debt securities.

xii. Payments

This section shall specify the details pertaining to payments to security-holders including Record date, effect of holidays on payments, manner of payment, modes of payment, printing of bank particulars etc

xiii. Transfer Of Debt securities:

This section shall specify the details pertaining to transfer of debt securities held in demat form, transfer of debt securities held in physical form, register of bond-holders etc

xiv. Taxation

This section shall specify the details pertaining to the tax status of the issue



xv. **Any Other Information**

4. OTHER INSTRUCTIONS

This section shall include the details pertaining to security-holder's rights, nomination, events of default, debenture trustee, pre-issue advertisement, impersonation, Listing of the bonds, utilisation of application money till allotment, any undertaking by the issuer etc.

5. DETAILS PERTAINING TO THE COMPANY

This section shall include details pertaining to the company including following,

- (i) General Information & Background
- (ii) Capital structure
- (iii) Management
- (iv) Group Companies/Subsidiaries
- (v) Debt equity ratio
- (vi) Other financial information
- (vii) Any other information

6. LEGAL AND OTHER INFORMATION

This section shall include details pertaining to the legal and other information including regulation and policies governing the issue, outstanding litigation and material developments, other regulatory and statutory disclosures, any disclaimer by stock exchange/regulatory authorities etc.

7. RISK FACTORS

This section shall include the following

- (i) Risks relating to the company
- (ii) Risks relating to Indian economy
- (iii) Risks relating to the issue
- (iv) Any other risk factors

8. DECLARATIONS:

This section shall include declaration by issuers regarding compliance with all laws and regulations pertaining to the issue, disclosures made being true and correct, etc.



9. DETAILS OF CENTERS WHERE THE APPLICATION FORMS ARE AVAILABLE AND COLLECTION CENTRES

This section shall include names and addresses of centers where application forms are available including that of the lead managers to the issue and details of the collection centers.