**REVISED DRAFT**

FIMCIR Date:

13th May 2024

To All Members & Stakeholders

**Commercial Paper (CP) & Non-Convertible Debentures (NCD) of original or initial maturity up to one year.**

**Operational Guidelines-2024**

To ensure smooth functioning of the markets, FIMMDA, in consultation with RBI, publishes standardized procedure and documentation, for various products in consonance with the international best practices. These guidelines are to be adhered to by all the participants. FIMMDA Operational Guidelines on Commercial Paper (CP) were last published on 30th March 2020.

We have now revised / updated the operational guidelines incorporating guidelines on Non-Convertible Debentures of original or initial maturity up to one year. The revision is in alignment with *RBI Master Directions: (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) issued vide Circular No. RBI/FMRD/2023-24/109 FMRD.DIRD.09/14.02.001/2023-24* *dated 3rd January 2024, which are effective from 1st April 2024* and also consolidates all circular instructions issued by FIMMDA till date, on the subject.

Members are to note that, in case of any conflict of the provisions in the FIMMDA Operational Guidelines-2024 with the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, dated 3rd January 2024 (‘the Directions’), as updated from time to time, the Directions shall prevail.

These guidelines are an integral part of FIMMDA Handbook of Market Practices.

Sd/-

G. Ravindranath

Chief Executive Officer

**Commercial Papers (CP) & Non-Convertible Debentures (NCD) of original or initial maturity up to one year**

1. **RBI Master Directions:**

All the stakeholders viz. Issuers /IPA / Depository / RTA / Debenture Trustee are required to comply with the RBI Directions, FIMMDA Operational Guidelines and completion of all attendant formalities applicable.

RBI Circular No. *vide Circular No. RBI/FMRD/2023-24/109 FMRD.DIRD.09/14.02.001/2023-24* *dated 3rd January 2024*

(<https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=12592> )

*Members are to note that, in case of any conflict of the provisions in the FIMMDA Operational Guidelines-2024 with the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, dated 3rd January 2024 (‘the Directions’), as updated from time to time, the Directions shall prevail.*

1. **Operational Guidelines, Conventions, Standardised Procedure & Documentation**
2. **Issuance:**
3. Amount:

The aggregate amounts sought to be raised under the CP/NCD should be lowest of:

1. Limit approved by Board of Directors or Equivalent body.
2. Limit specified by financial sector regulator concerned.
3. Ceiling stipulated by Credit Rating Agency.
4. Rating:
   1. CP/NCD shall be issued within the validity for issuance mentioned in the Credit rating letter.
   2. The maturity date of the CP / NCD should be within the validity period of rating.
   3. The credit rating(s) to specifically mention the amount of borrowing through CP / NCD and the validity period of rating.
   4. If the CP / NCD issue has been rated by more than one rating Agency:
      * + 1. Where the ratings are different, the lower of the two ratings along with the amount specified against said rating would be applicable.
          2. Where the ratings are the same but the amounts are different, the rating with the lower amount should be adopted.
5. **Letter of Offer:** 
   1. Standard Letter of Offer format with details of the issue and required disclosure of information is placed at **Annexure-1**
   2. Letter of Offer to be made available to the investors, by publishing the same on issuer’s website and the electronic platform if any of the depositories through the IPA.
   3. Letter of Offer may be either for a specific issue or for a series of issues.

In case the Letter of Offer is common to all issues, the same should be updated for each issue.

* 1. **Listing:** If the CP / NCD is proposed to be listed, it shall be mentioned in the Letter of offer. The issuer shall be responsible for listing the same and also ensure compliance with applicable SEBI guidelines.

1. **IPA / Depository / RTA /Debenture Trustee:**
2. Issuer should appoint an Issuing Paying Agency (IPA) for CP / NCD issuance. A Standard Format of Issuing Paying Agency Agreement is appended. **(Annexure-2).**
3. IPA has been made the nodal point to protect the interest of the investors.
4. NCD Issue: Debenture Trustee need to be appointed.
5. Issuer should have arrangements in place with Depository / RTA.
6. Issuer will approach the IPA preferably a day before the actual issue of the CP / NCD, and submit original rating letter issued by CRA/s for perusal and return the same.
7. **Credit Enhancement:**

If a CP / NCD is supported by a standby assistance / backstop facility / irrevocable guarantee, the issuer must appoint an **Independent Trustee.**

1. **Pricing:**

The Issuer may fix a discount rate for issue of CP / NCD, or invite bids from prospective investors. The CP / NCD may also be issued at a negotiated price.

1. **Process Flow:**
   1. **Issuance:**
      * 1. Once all arrangements are in place, the Issuer should get ISIN created by submitting necessary documents as prescribed by the Depository.
        2. ISIN should be in place and activated before issuance CP / NCD. The ISIN number should be advised to the IPA for control purposes through Issuer/ Registrar and Transfer Agent.
        3. The CP / NCD program / tranche issued must be completed within a period of two weeks from the date of commencement of the issue.
        4. For operational convenience, prospective investors should remit the fund to the IPA by 4.00 p.m. to enable them to complete all actions within normal banking hours.
2. IPA should have **an exclusive CP Funds Account** (a separate account operable by the IPA) for each such issuer for crediting the funds received from the investors on issue of the Demat CP. From this account, the funds will be transferred to the issuers‟ normal account.
3. Since several series of CPs of an issuer may simultaneously be open in the market, to keep track of funds received etc. it will be in order to maintain a separate current account called as **“CP Funds Account--(Company)”.**
4. As soon as the CP is subscribed either by negotiation or by book building process, the Issuer exchanges Deal Confirmation Note **(Annexure 3)** with investors.
5. Issuer will pay stamp duty at the time of primary CP / NCD issuance as ~~per as~~ applicable.
6. Issuer will submit full details of the deal to the IPA per **Annexure -4**.
7. On value date, on receipt of funds from the investors, the IPA will inform the Depositories along with Issuer / RTA to credit CP / NCD directly to the investors Demat account.
8. Issuer will also provide to the IPA / RTA details as per format prescribed by the Depository, for uploading to the depository.
   * + - 1. Depositories to cross verify the details uploaded by the RTA with that uploaded by the IPA then credit the units in the Demat account of the investor.
         2. In case of difference in data between the list provided by IPA and RTA, the corporate action will be reinitiated by the depositories with the RTA, IPA and the Issuer.
9. Standard Format for CP is as per **Annexure-5.**
10. Issuer will also submit a single promissory note for total FV of the CPs **(Jumbo Promissory Note** as set out in **Annexure 6** to be issued (Ref to ISIN may be given), duly executed.
11. Issuers are encouraged to issue digitally signed usance promissory note.
12. The stamping of the UPN would be as per the relevant guidelines of Indian Stamp Act ~~and the same shall be~~.
13. Stamp duty will be collected by the Depositories before execution of corporate action.
14. IPA, after verification of the consolidated UPN can prepare an IPA certificate as per **(Annexure 7)** and make available the same in electronic form:
    * On IPA’s website and
    * Any electronic platform of the depositories for the CP/NCD.
15. IPAs are encouraged to shift to issue of digital signature certificates
16. The IPA shall ensure that the issuer has created electronic security against the UPN bearing the ISIN. The CP / NCD in UPN form will not be cancelled when the security in demat is created.
17. The IPA would make below mentioned noting on consolidated UPN and hold the same.

*“Issuer has created electronic security against the UPN with (Name of the Depository) bearing ISIN No: \_\_\_\_\_\_\_\_\_\_\_for the credit of investors’ account with DPs stated in Issuer’s letter dated \_\_\_\_\_\_\_\_\_\_\_and not available for trade in the secondary market.”*

1. **Redemption:**
2. Redemption date of a CP/NCD should be a Mumbai business day.

Mumbai Business Day means a Mumbai Banking Day, except any Saturday, even if commercial banks settle payment and are open for general business on Saturdays

1. *One working day before the maturity date:*

IPA will send a request to the Depository seeking a list of Investors along with Investor’s bank account details (BENPOS report) as at the end of that day (one working day before the maturity date).

1. *Maturity Date:*
   1. No transfers/transactions will be permissible on maturity date of CP / NCD.
   2. The Depository will furnish the list of Investors / Holders of CP / NCD (BENPOS report) before 11:00 A.M. on the maturity date.
   3. The Issuer, while providing funds, may demarcate funds for redemption of specific issue(s).
   4. Unless otherwise instructed, the IPA would settle the CP/NCD by electronic transfer of funds on due date.
   5. Subject to availability of funds in the Issuer's account, the IPA should make full redemption payment to all the investors/holders of CP / NCD.
   6. *If the issuer has made only partial payment of the CP / NCD maturing then the IPA payment should be made to the Investors /Holders of CP/ NCD on pro rata basis*
2. When CP/NCD are fully redeemed IPA will advise the Depository through Registrar and Transfer Agent to extinguish the CP / NCD as a debit corporate action on the same day.
3. *Registrar and Transfer Agent must not extinguish the redeemed securities at the instance of the issuer.*
4. **Default Delay in Redemption**
   * 1. The IPA will also report the delay (technical delay-RTGS / NEFT / Market Disruption) in funding the CP / NCD Funds Account for redemption on maturity date. For this purpose, the time fixed in these CP/NCD Operational Guidelines will be the cut-off time.
     2. The IPA, not being in the position of a Trustee, is not required to seek recovery from the issuer or initiate any action against the Issuer or on behalf of the investors.
5. **Secondary Market Transactions in CP / NCD**
   * 1. Secondary market transactions would take place in the manner they are taking place in case of other debt instruments and would be without recourse to the transferor.
     2. The trade settlement will take place on T+0 or T+1-day basis and settled through the clearing corporation of any recognized stock exchange or any other mechanism approved by RBI.
     3. One working day before the maturity date, only T+0 transactions will be allowed. On maturity date, no transfers/transactions will be allowed.
     4. Terms stated in the Deal Confirmation Note are binding on both parties, i.e. seller and buyer.
     5. RBI regulated entities who have signed the multilateral agreement need not exchange the physical deal confirmation letters for deals done amongst themselves.
     6. The holder of a CP / NCD is entitled to receive original / certified copies of Letter of Offer before settlement/view the same on website of depository.
     7. The seller of CP / NCD must have the CP / NCD to the credit of his DP account, on contract date. Forward sale contracts / value date contracts are not allowed as per the current guidelines of RBI.
     8. Applicable stamp duty as per Stamp Act is payable by the transferor for secondary market transaction.
6. **Buyback of CP / NCD**
   * CP: The buyback of CPs can be made only after 7 days from the date of issue. Where CP is issued in tranches the minimum threshold period of 7 days for buyback is to be computed from the date of issuance of that tranche.
   * NCD: The buyback of NCDs can be made only after 90 days from the date of issue.
7. Issuer floats buyback offer and intimates both depositories with offer letter indicating the start date & closing date of offer, actual buyback date, uniform price offered, etc. in the format as per Annexure 1 and requests the depositories to send the offer letter to all the investors through their e-notice facility. A copy is sent to IPA **(Day-1).**
8. Registrar and Transfer Agents (RTA) of the issuer initiates set up of BENPOS Report on Depository system on same day **(Day-1).**
9. Both depositories to send e notices by 11:00 a.m., on the immediately following working day **(Day-2)** to all Investors as per BENPOS statement.
10. Depositories to send confirmation mail to Issuer endorsing copy to IPA with BENPOS report that e notices have been sent to all investors by 11:00 a.m. on the immediately following working day. **(Day-2)** The term “ALL Investors” will constitute those investors who have registered their valid email ID with the depository.
11. The start date can be the next working day after the date of intimation to the depositories **(Day-2)** or later. The closing date can be the same as start date or later. *The actual buyback date will be the next working day after the closing date.* ***(Day-3)***
12. Investors to send deal confirmationletters **(Annexure 8)** to the issuer and transfer CP/NCD to CP/NCD Securities account from start date till closing date (EOD time of depository or till such time online transfers are allowed)
13. Immediately after EOD of closing date, the issuer to send copies of all deal confirmation letters received from the investors to the IPA.
14. On buyback day **(Day-3),** IPA verifies the CP/NCD transferred and the deal confirmation letters and intimates the issuer of the total buyback amount.
15. Issuer to fund the account by 3 pm on the buyback day (Day-3).
16. IPA distributes the funds, reports on F-TRAC and extinguishes CP/NCD in co-ordination with the issuer and RTA on buyback day **(Day-3).**
17. The buyback can be for amount less than the outstanding amount under an ISIN. In case of such partial buyback, if the investors opt for more than the offered amount, the bids for up to the individual investor’s eligible amount will be accepted in full and the bids in excess of eligible amount will be accepted on a proportionate basis.
18. **Market Conventions:**
    * 1. Day Count Convention: Actual /365;
      2. The CP / NCD are quoted in terms of yield.
      3. Other market conventions are as per FIMMDA Handbook of Market Practices.
19. **Holiday & Other Conventions:** FIMMDA’s Handbook of Market Practices may be referred for the holiday conventions, including unscheduled holidays.
20. **Roles & Responsibilities:**
21. **Issuer:**
22. Issuer should ensure meticulous compliance of all extant RBI Directions, FIMMDA Operational Guidelines and completion of all attendant formalities as applicable.
23. The Issuer will make available to the IPA requisite documents, at least one day prior to the value date of the first deal under the same series.
24. Issuer should comply with all relevant requirements for issue of CP / NCD and furnish a declaration in this regard to the IPA along with the Board resolution authorizing the company to borrow through the issuance of a CP / NCD.
25. Issuer must ensure that investments are not accepted from related parties as defined Indian Accounting Standard (Ind AS) 24- Related Party Disclosures or International Accounting Standard (IAS) 24 -Related Party Disclosures or any other equivalent Accounting Standards.
26. Keep the bank(s) from whom it has outstanding fund or non-fund-based credit facility(ies) informed of its market borrowings, including through CPs, latest by the end of the month in which a CP / NCD was issued.
27. Arrange for demat credit into investors accounts on T-day (Value date) provided the stated consideration is received in the CP / NCD Funds Account maintained by the IPA.
28. Route all subscriptions / redemptions / buybacks / payments after default etc., through the IPA.
29. We encourage issuers to use the services of one IPA only so as to enable better compliance of directions / guidelines.
30. **Issuing and Paying Agent (IPA)**
31. IPA should ensure meticulous compliance of all extant RBI Directions, FIMMDA Operational Guidelines and completion of all attendant formalities as applicable.
32. Verify all documents submitted by the issuer and ensure that they are in order and issue a certificate as per prescribed format that all information and documents submitted by Issuer are in order. (IPA Certificate).
33. Make available the IPA certificate and the Offer letter in electronic form on the website and electronic platform if any of the depositories for the CP / NCD.
34. Provide to the investors upon request, certified copies of original documents and /or digitally signed documents related to the issuance viz. Board resolution, Credit rating letter, Letter of Offer and Jumbo promissory note etc.,
35. Hold Copy of original of Credit Enhancement document with relevant declarations and confirm that documents are in order.
36. Obtain a declaration from the Issuer that the amount already raised and outstanding and/or proposed to be raised is/are within the ceiling mentioned by the credit rating agency or as approved by the Board whichever is lower, further stating the amount of CP / NCD issued and subscribed so far on strength of the credit rating under reference.
37. Obtain confirmation from the Issuer for each issuance of CP / NCD that they are eligible to issue CP / NCD as per the norms fixed by RBI, in terms of:
38. Net worth (where applicable)
39. Classification of their liabilities with the financing banks and institutions as Standard Assets etc.
40. Upload the CP / NCD issuance details on F-TRAC by close of business hours of the day of issue.
41. Report the details of redemption payment / buy back / default /delay on F-TRAC platform, by 5.30 pm. of the day of buyback /payment/ default/delay as the case may be. The cases of default will be informed to Depositories, registrar and transfer agents and the CRA concerned.
42. If an issuer of CP / NCD has a CP / NCD backed by corporate guarantee, then the issuer has to appoint a trustee. In such cases the IPA certificate should additionally mention the following:

*“We confirm that the issuer has appointed as Trustee for Corporate guarantee and also we have confirmation from the ----- Trustee ltd that they hold the original of the corporate guarantee issued by ".*

1. **Role of Credit Rating Agency (CRA)**
2. Credit ratings for the CP / NCD should be exclusive and not combined with any other short- term borrowings.
3. Credit rating letter should have a validity period for issuance of CP / NCD.
4. Credit Rating letter should have a validity period for the Rating.
5. Credit rating letter should have a ceiling amount which should include all outstanding CP / NCD as on a date.
6. The rating, if based on a guarantee /backstop facility to be issued FI/Bank/corporate, should clearly indicate so.

**Annexure-1**

**LETTER of OFFER**

**ISSUE OF Commercial Paper (CP) &**

**Non-Convertible Debentures (NCD) of original or initial maturity up to one year**

**PART I**

|  |  |
| --- | --- |
| Issuer Details |  |
| Name and Address of Issuer |  |
| Line of Business |  |
| Chief Executive  (Managing Director / President / CEO / CFO / Top Most Executive) |  |
| Group Affiliation (If Any) |  |

**PART II**

|  |  |  |
| --- | --- | --- |
| Issue Details |  | |
| ISIN |  | |
| Proposed Date of Issue |  | |
| Amount (Rs.) |  | |
| Tenor and Date of Maturity |  | |
| Proposed to be Listed / Unlisted |  | |
| End Use of CP / NCD proposed (specific details) |  | |
| Market Conventions | FIMMDA Conventions | |
|  | | |
| Credit Rating Details for the Proposed Issue | Credit Rating - 1 | Credit Rating - 2 |
| Credit Rating Issuer |  |  |
| Rating |  |  |
| Date of Rating |  |  |
| Validity for issuance |  |  |
| Validity period for rating |  |  |
| For Amount (Rs.) |  |  |
| Conditions (If Any) |  |  |
| Long term credit rating obtains by the Issuer |  |  |
| Unaccepted Credit Rating assigned to the Issuer |  |  |
|  | | |
| Issuing and Paying Agent Details (Name and Address) |  | |
|  | | |
| Debenture Trustee Details (Name and Address) |  | |
| (In case of NCD) |
|  | | |
| Credit Enhancement Details |  | |
| (If any) |
|  | | |
| Description of Instrument |  | |
| Amount (Rs. In Lacs) |  | |
| In Favor of | ISSUER OF CP / NCD / HOLDER OF CP / NCD | |
| Name and Address of the Guarantor |  | |
| Net worth of the Guarantor |  | |
| (Rs. In Lacs) |
| Extent of The Guarantee Offered by the Guarantor for the Issue |  | |
|  |  | |
| Conditions under which the guarantee will be invoked |  | |
| Independent Trustee Details (Name and Address) |  | |
| Whether guarantor is a group entity | (Yes / No) | |
| If yes, | | |
| Names of Companies to Which Guarantor Has Issued similar guarantees, | | |
| **Name** | **Extent of Guarantee** | **Conditions Under Which the guarantee will be invoked** |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| In case of NCD |  |  |

**PART III**

**A.**

|  |  |
| --- | --- |
| Issuer Financial Details |  |
| CP/NCD Borrowing |  |
| Limit |  |
| Date of Board Resolution |  |

**B. Details of CP / NCD and other Debt Instruments outstanding date of Letter of Offer CP / NCD / other Debt Instruments (Including Liabilities not redeemed on due date)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ISIN | Issue Date | Amount Issued | Maturity Date | Amount O/S | IPA | Debenture Trustee | CRA | Rating | Rated Amount |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**C. Fund-based facilities from banks/Financial institutions, if any**

|  |  |  |  |
| --- | --- | --- | --- |
| NAME OF THE BANK | NATURE OF THE FACILITY | O/S AMOUNT / LIMIT | ASSET CLASSIFICATION |
|  |  |  |  |

**D. Details of default of CP, NCD or any other debt instrument and other financial indebtedness including corporate guarantee issued in the past five financial years including in the current financial year.**

**E. Shareholding Details of Promoters / Details of share Pledged**

**F. Financial Summary**

**(Including Net worth / Equity / Investment in subsidiaries / Affiliates)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Current Year** | **Year 1** | **Year 2** | **Year 3** |
| Equity |  |  |  |  |
| Net worth |  |  |  |  |
| Investment in Subsidiaries/Affiliates |  |  |  |  |
| Total Debt Outstanding -Short Term (< 1 Year) -Other Debt |  |  |  |  |
| Gross Income |  |  |  |  |
| Operating Profit (PBITD) |  |  |  |  |
| Gross Profit (PBTD) |  |  |  |  |
| Net Profit (Post Tax) |  |  |  |  |
| Audit Qualifications (If Any) |  |  |  |  |

*Note: If the issuer has not been in existence for three years, the information of the issuer for the period such information is available shall be disclosed.*

G. Details of Statutory auditor and changes thereof in the last three financial year

H. Any other material event / development having implications for the financials/ credit quality resulting in material liability, corporate restructuring event or such other matters affecting the issue or investor’s decision (Material Litigation and Regulatory Strictures, If Any)

I. An issuer which is either an NBFC or an HFC shall disclose the residual maturity profile of its assets and liabilities in the following format:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Category | Up to 30/31 days | >1 month – 2 months | >2 months –3 months | >3 months –6 months | >6 months –1 year | > 1 year – 3 years | >3 years –5 years | >5 years | Total |
| Deposit |  |  |  |  |  |  |  |  |  |
| Advances |  |  |  |  |  |  |  |  |  |
| Investments |  |  |  |  |  |  |  |  |  |
| Borrowings |  |  |  |  |  |  |  |  |  |
| Foreign Currency Assets (FCA) |  |  |  |  |  |  |  |  |  |
| Foreign Currency Liabilities (FCL) |  |  |  |  |  |  |  |  |  |

Authorized Signatory of the Issuer

Date

Original / authenticated copy of any document related to above information will be made available to the investors on request.

**Annexure-2**

**ISSUING AND PAYING AGENCY AGREEMENT**

*This agreement is made at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ this day of, between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ limited, a statutory body established under \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Act /”a Company”/ “Government Company” within the meaning of the Companies Act, 2013, and having its Registered Office at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter called the “Issuer” or “Company”, which expression shall be interchangeably used unless it be repugnant to the subject or context thereof, include its successors and assigns ) of ONE PART.*

AND

[a body corporate, constituted by and under the Banking Companies (Acquisition and Transfer of Undertakings) Act, [1970 / 1980] and having its Head Office at \_\_\_\_\_\_\_\_\_ / a statutory corporation, constituted by and under the \_\_\_\_\_\_\_\_\_\_ and having one of its Local Head Offices at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ / a Banking Company within the meaning of the Banking Regulation Act, 1949 and a company within the meaning of the Companies Act 1956 and having its registered office \_\_\_\_\_\_\_\_\_\_\_\_\_ / incorporated under the laws of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and a Banking Company within the meaning of the Banking Regulation Act, 1949 and having principal place of business in India at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (IPA Address) ] (hereinafter called “the IPA” which expression shall, unless it be repugnant to the subject or context, include its successors and assigns) of the other part.

WHEREAS:

The Issuer is eligible to issue Commercial Paper (hereinafter called "CP") / Nonconvertible debentures (NCDs) in accordance with the directions issued by the Reserve Bank of India (“RBI”) vide the Direction No FMRD.DIRD.09/14.02.001/2023-24 dated January 03, 2024 and the amendments thereto as may be made and in force from time to time (the “RBI Directions”) and also the operational guidelines and the market practice conventions issued by the Fixed Income Money Market and Derivatives Association of India (“FIMMDA”) (“the FIMMDA Guidelines”)(“The Guidelines” will mean RBI Directions and the FIMMDA Guidelines taken together).

The Issuer being desirous of issuing CP / NCD has approached the IPA as required under “the Directions” for Private Placements of the CPs / NCDs to the permitted Class of Investors in accordance with the Directions.

Pursuant thereto and for other ancillary matters connected with the issue and repayment of the CPs / NCDs, the Issuer has approached the IPA to act as the Issuing and Paying Agent of the Issuer with a view to ensuring compliance with the Directions for each issuance of CPs / NCDs made by the Issuer and also for facilitating the collection of monies from the Investors on each such issuance of CPs / NCDs and similarly the return of monies to the Investors on redemption of CPs.

“The IPA” being satisfied that the Company has complied with the necessary prerequisites for private placements of the CPs / NCDs has agreed to act as the Issuing and Paying Agent of the Issuer and accordingly help in such Private Placements for the consideration and on the terms and conditions as stated hereafter*.*

**NOW THIS AGREEMENT WITNESSTH AS FOLLOWS:**

In this Agreement and in its annexures and schedules referred to, each of the following words and expressions shall, unless the context otherwise requires, have the meanings stated below:

|  |  |  |
| --- | --- | --- |
| 1 | **Authorized Signatory** | One or more person authorized by the Board of directors of the Issuer to issue any instructions on behalf of the Issuer and whose specimen signatures shall have been forwarded in advance to the IPA and certified by the Managing Director or any whole-time director of the Issuer; |
| 2 | **All India Financial Institutions (FI's / AIFI; s)** | shall include: (a) Export Import Bank of India, (b) National Bank for Agriculture and Rural Development, (c) National Housing Bank, (d) Small Industries Development Bank of India and (e) National Bank for Financing Infrastructure and Development. |
| 3 | **Class of Investors** | Means one or more Permitted Investor/s who by the nature of their Business, constitute a distinct class including Scheduled Banks, Foreign Institutional Investors, etc. and does not include „ |
|  |  |  |
| 4 | **Commercial Paper** / **NCD** | Means an unsecured money market instrument issued in the form of a promissory note |
| 5 | **Companies Act** | The Indian Companies Act, 2013 |
|  |  |  |
| 6 | **Credit Rating Agency / CRA** | A CRA registered with SEBI and accredited by the Reserve Bank as External Credit Assessment Institution (ECAI) for assigning bank loan ratings shall be eligible to rate CPs and NCDs. |
| 7 | **Credit Rating** | Means the rating issued by a Credit Rating Agency, which is a minimum credit rating of ‟A3‟ as per rating symbol and definition prescribed by SEBI |
| 8 | **Credit Enhancement Document** | Means a document of guarantee or a Standby Letter of Credit or any back-stop facility given by a Scheduled Bank or an All India Financial Institution or Non-bank entities (including corporates) |
| 9 | **Credit Enhancement** | Means credit enhancement given by way of a Credit Enhancement Document for the purpose of guaranteeing the redemption of CPs by making funds available for the same; |
| 10 | **Deal Confirmation Note** | Means the acknowledgment note exchanged between the Issuer and any investor or between buyer and seller containing the terms on which the CP / NCD is to be issued or sold / bought or bought back and the other details of the transaction and details required to settle the transaction |
| 11 | **Depository Participant** | Means a depository participant registered with a Depository and having connectivity with the Depository |
| 12 | **Depository** | Means a depository registered with SEBI under the provisions of the SEBI (Depositories and Participants) Regulations 1996 |
| 13 | **Foreign Portfolio Investors** | Means any entity registered as a foreign portfolio investor with SEBI under the provisions of SEBI (Foreign Portfolio Investor) Regulations 2014 |
| 14 | **ISIN** | Means International Securities Identification Number issued as a unique identification number to each Commercial Paper in a Dematerialized form |
| 15 | **Letter of Offer** | Means the offer document issued by the Issuer for the issue of CPs or CP Buyback, containing information and particulars of the issuer and such other information as required by the Directions |
| 16 | **Mumbai Business Day** | Means a Mumbai Banking Day, except any Saturday, even if commercial banks settle payment and are open for general business on Saturdays |
| 17 | **NI Act** | The Negotiable Instruments Act, 1881 |
| 18 | **Permitted Investors** | Means any person eligible to invest in or hold CPs/NCDs under the RBI Directions; and does not include Related parties as defined elsewhere in thisdocument |
| 19 | **Promissory Note** | Means promissory note as defined Under of the NI Act 1881 |
| 20 | **RBI** | Means the Reserve Bank of India |
| 21 | **Scheduled Bank** | Means a bank included in the Second Schedule of the Reserve Bank of India Act, 1934; |
| 22 | **Standard Asset** | Means the borrowal account of an issuer classified as a standard asset by a Scheduled Bank / AIFI / NBFC which has granted banking / financing facility to such person |
| 23 | **Tangible Net Worth** | Means the paid-up capital plus free reserves (including balances in the share premium account, capital and debentures redemption reserves and any other reserve not being created for repayment of any future liability or for depreciation in assets or for bad debts or reserve created by revaluation of assets) as per the latest audited balance sheet of the Company, as reduced by the amount of accumulated balance of loss, balance of deferred revenue expenditure, as also other intangible assets |
| 24 | **Working Capital Limit** | Means the aggregate limits, including those by way of purchase/discount of bills sanctioned by one or more Scheduled Bank /AIFI / NBFC for meeting the working capital requirements. |
| 25 | **Related parties** | Related parties shall have the same meaning as assigned to it under Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures or International Accounting Standard (IAS) 24 – Related Party Disclosures or any other equivalent accounting standards. |

In addition to the terms defined in this Clause, certain other terms are defined elsewhere in this Agreement and whenever such terms are used in this Agreement, they shall have their respective defined meanings, unless the context expressly or by necessary implication otherwise requires. Words and expressions used but not defined herein and defined in the Reserve Bank of India Act, 1934 (2 of 1934) shall have the same meaning as assigned to them in that Act.

1. The Issuer hereby appoints the IPA to act as the Issuing and Paying Agent of the Issuer in respect of the CP / NCD proposed to be issued by the Issuer and IPA agrees to act as the Issuing and Paying Agent of the Issuer as per the Directions and subject to compliance of the procedure as hereinafter mentioned.
2. The Issuer, being duly authorized by its Board of Directors and being eligible under the Directions, hereby agrees that any issue of CP / NCD shall be only to the Permitted Investors and within the limits so approved by the Board of Directors, the limit specified in the Credit Rating, Limit specified by financial sector regulator concerned whichever is lowest.
3. The Company shall not make any offers to the public for subscribing to the CP / NCD including in the form and manner as referred to in the Section 42 of the Companies Act.

**19. BANK AND DEPOSITORY ACCOUNT**

* 1. The IPA shall open a separate account operable by the IPA before any CP / NCD is issued, for the purpose of receiving from and paying to the Investors the monies in respect of the CP / NCD (the “CP / NCD Funds Account”). The CP / NCD Funds Account shall be solely used for transactions relating to payments received from and made to Investors in respect of any CP / NCD to be issued or redeemed by the Issuer.
  2. The IPA shall maintain the CP / NCD Funds Account in such manner and for that purpose maintain such records so that the movement of funds in respect of each issuance can be identified, tracked and traced separately. If deemed necessary, the IPA shall maintain separate sub-accounts under the CP / NCD Funds Account for ensuring the above.
  3. Registrar and Transfer Agent (RTA) and Issuer shall credit / transfer the CP / NCD units / funds as prescribed in the FIMMDA Operating Guidelines for CP / NCD issuance.
  4. The IPA shall maintain CP / NCD Securities Account in such manner and for the purpose of facilitating CP / NCD Buyback so that the investors could deposit the CP / NCD into this account and such CP / NCD can be identified, tracked, traced and extinguished separately.

**20. The Issuer agrees that any issue of CP / NCD shall be made subject to the following conditions;**

1. The Issuer, before the issuance, shall confirm to IPA that eligibility norms prescribed under the Directions, from time to time, including those relating to:
2. Net worth (where applicable)
3. Classification of Issuers’ liabilities by the Scheduled Banks and AIFIs NBFCs as a Standard Asset.
4. that the amount sought to be raised, is along with the amounts which shall be outstanding at the time of the issue are within the lowest of the:
   1. Limit approved by the Board of Directors
   2. Ceiling stipulated by Credit Rating
   3. Limits set by the Regulator concerned.
5. However, in case a redemption of any existing CP / NCD and issuance of new CP / NCD is to be made simultaneously or on the same day, then the amount sought to be redeemed and the corresponding amount sought to be issued shall not be double counted and counted only once for the purpose of ascertaining the limits under sub-clause (i)(c) above;
6. that the CP / NCD shall be issued within the validity period for issuance of CP / NCD as mentioned in the Credit Rating letter
7. The Issuer shall issue a Letter of Offer for the issue / series of issues, containing minimum disclosure of information and brief particulars of the issue as set out in **Annexure I.** If issued for a series of issues, such a letter of offer shall be updated for each fresh issue/tranche. The Issuer will make the Letter of Offer available to the investors, by publishing the same on the website of the depositoriesthrough the IPA.
8. Every issue of CP / NCD, including renewal shall be deemed as a fresh issue.
9. The CP shall be issued for a maturity period of not less than 7 (seven only) days and not more than one year from the value date. thereof and NCD shall be issued for a maturity period not less than 90 days and not more than one year and shall comply with the following:

* If the CP / NCD are to be issued in parts on different dates, then each CP / NCD issued as part of the same Issue shall have the same maturity date;
* CP / NCD issued on the same day with the same tenor and with similar terms shall be identified as one issue and have one ISIN number;
* CP / NCD bearing same ISIN shall have identical maturity date;
* The amounts to be raised under a specific issuance / ISIN shall be raised within a period of two weeks from the date on which the Issuer opens the issue for subscription. Provided that if the CP / NCD under the same issuance / ISIN, is to be issued in parts on different dates then the period of 2 (two) weeks shall still be computed from the date from each such issue is first opened for subscription;
* If CP / NCD are being issued with Credit Enhancement (including any credit backstop facility) from a Scheduled Bank or an AIFI, then the Issuer shall ensure that a distinctive ISIN code is given to CP / NCD having such Credit Enhancement facility and a Trustee is appointed. The CP / NCD shall be issued in denomination of Rs. 5, 00, 000 (Rupees Five Lacs Only) or in multiples thereof.

**21. Issue Procedure**

1. A CP / NCD shall be issued in the form of a promissory note and held in a dematerialized form through any of the depositories approved by and registered with SEBI.
2. As the CP / NCD is issued in dematerialized form,
3. The Issuer will comply with and complete all Depository formalities including entering into tripartite agreement, appointment of Registrar and Transfer Agent, etc.;
4. The Issuer shall also send to IPA the list of allottees, (other than related parties) value date of issuance, net amount to be received from each Investor, place of receipt of money, contact details of each Investor, ISIN of security, maturity date of security along with particulars of each Investor’s DP Account as contained in the Deal Confirmation Note. The foregoing shall be communicated in writing and such letter shall be signed by an Authorized Signatory
5. The Issuer will first issue the CP / NCD in the form of a jumbo usance promissory note in favor of all the investors jointly and deliver the same to the IPA. IPA will give instructions to the Registrar and Transfer Agent for creation of security in terms of the jumbo promissory note.
6. The Issuer shall ensure that the Registrar and Transfer Agent credits the security so created in the demat account of the investors as informed by the IPA, upon receipt of stated consideration from the investor to the CP / NCD Funds Account (Current Account) of the Issuer through an approved mode of payment of that day.

**22. IPA Certificate**

The IPA shall Simultaneously, with the issuance of the CP / NCD make available to the Investors, the IPA Certificate in electronic form on the website of the depositories for the CP / NCD. The IPA Certificate shall, inter alia, confirm to the Investors that:

1. IPA has verified board resolution of the Issuer authorizing the issue of CP / NCD;
2. IPA has verified the original letter issued by the Credit Rating Agency containing the Credit Rating;
3. IPA is holding the original jumbo promissory note against which electronic entry favouring the investor/s has been authorized by the Issuer and the IPA through the Registrar and Transfer Agent /Depository;
4. Existence of issuing and paying agency arrangement between the Issuer and itself including that the IPA Agreement continues to be valid and binding;
5. In case if issuer of CP /NCD has a CP / NCD backed by Corporate Guarantee then the issuer has to appoint a trustee and the IPA to confirm in their certificate as under

“We confirm that the issuer has appointed ------- as Trustee for Corporate guarantee and also we have confirmation from the Trustee Ltd that they hold the original Corporate guarantee issued by\_\_\_\_\_\_"

The CP / shall be issued at a discount to the face value.

NCD shall be issued at a discount to the face value or with Fixed or floating rate coupon.

Such discount rate shall be negotiated between the Issuer and the Investor and stated in the Deal Confirmation.

The CP / NCD shall be stamped at the expense and cost of the Issuer in accordance with the provisions of the Indian Stamp Act, 1899.

The Issuer shall ensure that a distinctive ISIN code is given to the CP / NCD having Credit Enhancement including any backstop facility and that the Credit Enhancement would be available to IPA for redemption of CP / NCD under the said ISIN. The Issuer shall, submit unconditional Credit Enhancement Documents in respect of each such issue.

**In case of CP / NCD being issued with Credit Enhancement facility, then the Issuer shall ensure that:**

* the same is an *unconditional* Credit Enhancement undertaking of a Scheduled Bank or a AIFI or Non-bank entities (including corporates);
* a Trustee is appointed
* such Credit Enhancement facility can be invoked and be available to the Trustee independently of the Issuer for redemption of the CP / NCD;
* the same is submitted to the IPA in respect of each such issue and before the CP / NCD in respect of such an issue are issued.

**23. FEES**

i) In consideration of the IPA agreeing to act as an Issuing and Paying Agent for all issues of CP/NCD that the Issuer may make while this Agreement is in force, the Issuer agrees to pay to the IPA simultaneously with each such issuance:

* + 1. A fee at the rate of\_\_\_\_\_\_\_% of the total amount of the FV of CP/ NCD issued subject to a maximum of Rs\_\_\_(Rupees\_\_\_\_\_\_only); and
    2. All such reasonable out of pocket and other expenses the IPA may have incurred for such issuance of CP / NCD.

ii) The Issuer shall, over and above the fees and amounts mentioned in i) above, shall also pay to the IPA a sum of Rs \_\_\_\_\_\_\_\_as annual commitment fees and all such reasonable out of pocket and other expenses that the IPA may have incurred under this Agreement including those incurred in defending any action brought as a result of this Agreement

iii) Issuer undertakes to reimburse IPA in consideration of the transaction/custody fee paid by it to a Depository Participant and/or the Depository for securities held/transferred in CP /NCD Securities Account.

**24. The Issuer makes the following representations on the basis of which the IPA has agreed to act as an Issuing and Paying Agent:**

1. That the Issuer is duly incorporated and organized, validly existing and in good standing;
2. That the Issuer has full power and authority to execute and deliver this Agreement having been duly authorized by the Board of Directors of the Issuer Company or equivalent set up in case of other issuers, by their Resolution passed at a Meeting held on which Resolution is in full force, valid and binding and has not been rescinded, modified or altered in any manner whatsoever;
3. That the power of the Authorized Signatories to borrow under CP / NCD as per Board Resolution dated is limited to Rs. -------Crores and that the shareholders‟ consent under Section 180(1)(c) of the Companies Act, 2013 if applicable, has been obtained and continues to remain valid;
4. That the issuer has obtained a Credit Rating not lower than “A3‟ from the required number of Credit Rating Agency/ies registered with the Securities and Exchange Board of India and that the CP / NCD issue date is within the validity period for issuance of CP / NCD as mentioned in the Rating letter;
5. That the borrowal account, if any, of the issuer is classified as Standard Asset with all financing Scheduled Bank(s) / AIFI(s) / NBFCs
6. That the latest Balance Sheet/limited review of the issuer for the last quarter/half-year of the current year and the audited balance sheet of the last three years will be submitted to the IPA at the time of each issuance of CP / NCD;
7. That the Tangible Net Worth of the issuer is Rs (Rupees \_\_\_\_\_ Crores Only) as per the latest audited Balance Sheet of the issuer, which has been made available to the IPA;
8. That the issuer agrees and confirms that it will be the sole responsibility of the issuer to discharge the CP /NCD after issue according to their tenor and that they constitute a duly valid and binding obligation on the issuer;
9. That the issuer has complied with the procedural formalities as laid down in the Directions and has obtained all approvals as are necessary there under copies of which are delivered to the IPA and the issuer confirms that all such approvals including corporate and statutory approvals and exemptions as are applicable to the issue of CP / NCD by the issuer are current, valid and effective for such issue and its private placement; and
10. That the issuer agrees and confirms that in the event of any default on any CP / NCD obligation, it will not be allowed to access the CP / NCD market for six months from the date of default or full repayment of the defaulted obligation whichever is earlier.

**25. The Issuer agrees that the following representations shall be deemed to have been made by the Issuer and it is on the basis of this, the IPA has agreed to act as an Issuing and Paying Agent for each such issue of CP / NCD:**

1. The representation contained in Clause 24 above shall be deemed to have been reproduced here;
2. That the amount sought to be raised by this issue together with the amount raised under previous issues of CP / NCD which are still outstanding shall not on the date on which the CP / NCD are issued under this issue exceed the limits fixed by the Board of the issuer entity/ Credit Rating Agency, or by the Regulator concerned whichever is lowest.
3. That the Issuer satisfies the requirements for issuing CP / NCD and shall ensure compliance with the procedural formalities as laid down in the “Guidelines”.

**26.COVENANTS BY THE ISSUER**

1. This Agreement is limited and restricted to the issue of CP / NCD by the Issuer in accordance with the Directions and Operational Guidelines on CP / NCD;
2. That the Issuer shall not extend the tenure of any CP / NCD on their maturity, unless the same is affected by way of afresh issuance of CP / NCD;
3. The Issuer agrees to furnish copies of its quarterly Financial Statement, copies of its Annual Balance Sheet and Profit and Loss Account together with the Abridged versions thereof as required under law and further to respond fully and promptly to all reasonable requests for information concerning the Issuer and its operations made from time to time by the IPA, under this Agreement and shall not use it in any manner to make profit for itself;
4. The Issuer agrees to indemnify and keep the IPA indemnified and kept harmless from and against all liabilities, claims, damages, costs and expenses (including legal fees and expenses) relating to or arising out of or based upon any untrue statement or misrepresentation made by the Issuer on the basis of which the IPA was induced to act in the matter of issue of CP / NCD by the Issuer and/or any action or omission under this Agreement so long as they are not caused by the gross negligence or willful misconduct of the IPA and its Officers and employees.
5. The Issuer undertakes to inform the IPA of any changes made to the Credit Rating or of any other credit rating being issued or the Issuer or any of its obligations being put under rating watch. Such information and all the requisite details shall be conveyed to the IPA in writing and within 48 hours of the Issuer being made or becoming aware of the same.
6. The Issuer undertakes to submit a certificate from the CEO/CFO/Topmost Executive of the entity to the concerned IPA that the proceeds of CPs and NCDs have been used for the disclosed purposes. The certificate shall be provided to the IPA within 3 months of the issue of CP/NCD or on maturity of the issue, whichever is earlier and certifying adherence to other conditions of the offer document and the CP / NCD directions.

**27. CONDITIONS PRECEDENT**

1. At or promptly following the execution of this Agreement and as a condition precedent to any obligations of the IPA hereunder, the Issuer shall furnish to the IPA the following Documents in form and substance satisfactory to the IPA:
2. A certified copy of the Memorandum and Articles of Association of the Company;
3. A certified copy of the Resolutions passed by the Board of Directors of the Issuer for the execution of this Agreement and for entering into other documents ancillary to and incidental to the above; and
4. An Opinion of the Issuer's Legal Counsel about the constitution of the Issuer entity and the various compliances made by the Issuer for being eligible to issue of CP / NCD as per the said Directions.
5. In respect of each issue of CP / NCD and as a condition precedent to any obligations of the IPA hereunder, the Issuer shall furnish to the IPA the following documents in form and substance satisfactory to the IPA:
6. Confirmation that there have been no amendments to the Memorandum and Articles of Association of the Company since last certified copy of the same was submitted to the IPA and if there are any such amendments, then a certified copy of the amended Memorandum and Articles of Association of the Company shall be submitted.
7. Confirmation that the Credit Rating letter continues to be valid and has not been withdrawn;

AND

1. Confirmation that the sum of the amount proposed to be raised along with the amounts borrowed under CP / NCD will not exceed, on the day the CP / NCD are issued, the limit specified in respect of CP / NCD borrowings in the Credit Rating / board resolution or by the Regulator concerned, whichever is lower.

**The IPA shall hold in its custody, the originals of the following documents on behalf of the Investors:**

* 1. Credit Enhancement Documents in original, if applicable;
  2. Credit Rating letter (certified copy);
  3. Certified Copy of Board Resolutions passed by the Board of Directors for execution of this Agreement, borrowing under CP / NCD and for entering into other documents ancillary to and incidental to the above;
  4. Letter of Offer as amended from time to time;
  5. Certified copy of the Memorandum and the Articles of Association of the Company.

**Upon receipt from time to time, of written instructions from any one of the Authorized Signatories making specific reference to this Agreement, IPA will take the following action**:

a. Complete the issuance of CP / NCD in accordance with such instructions as to amount, rate, date of issue and maturity date;

Provided further that CP / NCD issuance in the dematerialized form shall be in accordance with the normal book entry commercial paper program procedures of the Depository.

**28. DELIVERY OF CP /NCD**

**a.** As the CP / NCD is issued in dematerialized form, the electronic delivery and receipt of payment may not necessarily be completed simultaneously and, IPA is authorized to obtain a list of investors/holders of CP / NCD as of one working day prior to the maturity date from the depositories, required to ensure that the issuer funds the CP / NCD Funds Account by 3.00 p.m. on the date of maturity and fund transfer to the investors account is done on the maturity date.

**29.REPORT TO F-TRAC**

After the CP / NCD are issued, the IPA shall upload electronically the CP / NCD issuance details in F-TRAC by close of business hours of the day of issue.

**30.REDEMPTION**

The IPA shall be nodal point for the redemption of the CP / NCD on the maturity date. The Issuer shall make available sufficient funds for the redemption of CP / NCD. As the CP / NCD is in dematerialized form, the redemption shall take place as under:

1. One working day before the maturity date, IPAs will send a request to the depositories to give a list of investors (BENPOS report) as at the end of that day with their bank account details. No transfers/transactions will be permissible on maturity date of CP / NCD. IPA will receive the list of investors / holders of CP / NCD before 11:00 A.M. on the maturity date. Subject to availability of funds in the Issuer's account, the IPA will make full / pro-rata redemption payment to the investors/holders of CP / NCD.
2. When CP / NCD are fully redeemed IPA will advise the depositories through Registrar and Transfer Agent to extinguish the CP / NCD as a debit corporate action. The Registrar and Transfer Agent / NSDL shall not complete the debit corporate actions in respect of such ISIN without written instructions from the IPA.

**31.PAYMENT ON MATURITY**

1. IPA agrees to effect payment of each CP / NCD on the Issuer’s behalf by debiting the “CP / NCD Funds Account‟ for the maturity value of such CP / NCD. IPA would cancel each such CP / NCD so paid, by writing to Registrar and Transfer Agent to extinguish such CP / NCD
2. When any CP / NCD has matured for payment, the IPA shall not be bound to pay the amount due under the CP / NCD to the holder thereof, unless sufficient funds are made available by the Issuer in the CP / NCD Funds Account or arrangements are made by the Issuer separately from its own resources or with a Credit Enhancement provider for making payment on the date of maturity of the CP / NCD, of which due notice shall be given by the Issuer to the IPA two (2) Clear Business Days prior to the due date of maturity of the CP;
3. If such payment is arranged by the Issuer separately through its own resources, the CP / NCD Funds Account of the Issuer should be credited with the maturity value of the CP / NCD sufficiently in advance of the due date of maturity so as to enable the IPA to redeem the CP / NCD on the date of maturity (without days of grace).
4. If the payment is arranged by way of Credit Enhancement, then the Issuer shall so ensure and arrange with the Scheduled Bank / AIFI / Entity providing the Credit Enhancement that the CP / NCD Funds Account is credited with the maturity value of the CP / NCD sufficiently in advance of the date of maturity of the CP / NCD so as to enable the IPA to redeem the CP / NCD on the date of maturity (without days of grace).
5. In any event, if the date of maturity falls on a Holiday, then arrangements should be so made by the Issuer as to enable the IPA to make payment of the Maturity Value of the CP / NCD on the immediately preceding Mumbai Business Day.

**32.DEFAULT NOTIFICATION**

The IPA shall, in case of default in payment by the Issuer, notify promptly such default on the F-TRAC platform, to the Investors, Trustee if any, the Depository, Registrar and transfer agent and the CRA concerned by 5.30 pm on the date of default. The IPA, not being in the position of a Trustee, is not required to seek recovery from the issuer or initiate any action against the Issuer or on behalf of the investors.

The IPA will also report the delay (technical delay-RTGS /NEFT / Market Disruption) in funding the CP / NCD Funds Account for redemption on maturity date.

**33.DELAYED PAYMENT**

If the issuer makes a delayed redemption payment, post default the same will have to be routed through same IPA for proper tracking of CP / NCD.

**34. INSTRUCTIONS**

The Issuer understands that all instructions, whether by E-mail or in writing (including facsimile), are to be directed to IPA/Department of IPA Bank.

Instructions given or delivered by or in writing must be received completely by the IPA by -- - A.M. / P.M., if the CP / NCD are to be delivered and credit received the same day. In the event a discrepancy exists between the Facsimile/Email and written instructions, or in the absence of receiving written instructions, telephonic instructions as understood by IPA, will be deemed the controlling and proper instructions unless contrary notice is received by the IPA / Department of IPA Bank prior to the taking of any action.

**35. ISSUER’S AUTHORIZED SIGNATORIES**

The Issuer shall get the Jumbo CP / NCD executed and forward them to the IPA together with papers stated in this IPA agreement. At the first issue, the Issuer shall submit incumbency certificate listing the names of the Issuer’s Authorized Signatories together with specimens of their signatures. Until IPA receives a subsequent incumbency certificate from the Issuer, IPA shall be entitled to rely on the last such certificate delivered to it for purposes of determining the Issuer’s Authorized Signatories.

IPA shall not have any responsibilities to the issuer to determine by whom or by what means the facsimile signature may have been affixed on the Certificated Notes, or to determine whether any facsimile or manual signature is genuine, if such facsimile or manual signature resembles the specimen signatures filed with IPA by a duly Authorized Signatories. Any instruction bearing the manual or facsimile signature of an Authorized Signatories and duly attested in a certificate of incumbency by the Company Secretary on the date such signature is affixed shall bind the Issuer, notwithstanding that such individual shall have died or shall have otherwise ceased to hold office on the date when the IPA acts upon such instructions.

In case where the documents are digitally signed, the IPA shall rely on the certificate provided by the issuer listing the names of the Issuer’s authorized signatories to verify the digital signature affixed on the document.

**36.INSTRUCTIONS AND INFORMATION**

Each instruction given by the Issuer to the IPA shall constitute a representation and warranty to the IPA by the Issuer that the issuance and delivery of the CP / NCD have been duly and validly authorized by the Issuer and that the CP / NCD when completed and delivered will constitute a legal, valid and binding obligation of the Issuer and that the Appointment of the IPA to act for the Issuer has been duly authorized by all necessary corporate action of the Issuer.

**37.RECORD AND REGISTER**

The IPA shall maintain complete Records and a Register containing full particulars of the CP / NCD issued by the Issuer, ISIN wise the date / dates of issue of the CP / NCD the names of the Investor(s), the place of issue, the total amount for which they are issued, the maturity value of the CP /NCD, the particulars of Credit Enhancement, the date of maturity of the CP / NCD the name of the holder who presents the CP / NCD for payment and the particulars of payment made on the CP / NCD to the holder, whether by the Issuer through its own resources or by any Credit Enhancement provider, the fees, costs and expenses being shown separately, and the date/s when the CP / NCD are extinguished.

Upon the reasonable request in writing of the Issuer, the IPA shall promptly provide to the Issuer with information about the aforesaid particulars.

**38.NOTICES**

Any notices to be given to the Issuer may be made or given by leaving the same at or posting the same by Registered / Speed Post in an envelope addressed to the Issuer and at its Registered Office and any Notice to be given to the IPA may be made or given by leaving the same or posting the same by Registered/Speed Post in an envelope addressed to the IPA and at the concerned Office of the IPA and every such Notice shall be deemed to be served, as the case may be, at the place at which it is left or at the time at which it would have been delivered in the ordinary course of post at such Registered Office of the Issuer or such concerned Office of the IPA.

**39.MODIFICATIONS**

This Agreement shall not be altered, modified, amended, supplemented or terminated in any manner whatsoever except by a written instrument signed by both the Parties hereto.

**40.ASSIGNMENT**

This Agreement is not assignable by either party without the consent of the other Party.

**41.TERMINATION**

1. The agreement shall be valid up to \_\_\_\_\_(Date).
2. Before any further issuance of CP / NCD is issued by the Issuer, this Agreement is terminable at the volition of either Party by two (2) Clear Business days written notice. Such termination shall not be effective in respect of any outstanding CP / NCD.
3. In the event of the Issuer having committed breach of any procedure contained herein or in the event any of the Representations made by the Issuer is detected subsequent to the Issue of CP / NCD to be untrue, false or misleading, then the IPA shall take such remedial steps as may be deemed necessary at that time in order to protect the interest of the holders and the IPA may terminate this agreement but such termination shall not be effective in respect of any outstanding CP / NCD.

**42.DISPUTE RESOLUTION**

(TO BE NEGOTIATED BETWEEN THE PARTIES)

**43.JURISDICTION**

(TO BE NEGOTIATED BETWEEN THE PARTIES)

IN WITNESS WHEREOF the Common Seal of the Issuer has been hereunto affixed and the Issuing and Paying Agent has caused these presents to be executed by its Authorized Official the day, month and year first hereinabove written.

The Common Seal of )

within named ------------------- Limited )

pursuant to the authority )

granted by the Resolution of the Board of )

Directors passed )

on the day of ) 20---, hereunto affixed in the ) presence of Mr./Ms. ) and Mr./Ms. ) Directors of the Company / and ) Mr./Ms. ) Secretary of the Company / the )

Authorized Official by the Board )

in that behalf who have signed )

these presents in token thereof )

SIGNED, SEALED AND DELIVERED )

by the within named )

THE ISSUING AND PAYING AGENT ISSUER

by Mr./Ms.------------------

Authorised Person

**Annexure-3**

**Deal Confirmation**

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE OF CONTRACT** | : |  |  |
| **CP (MATURITY VALUE) PRICE** | : Rs.  : Rs. | **DUE DATE \*: DISC. RATE:** | **% p a** |

ISSUE REFERENCE : ISIN CODE:

* CREDIT RATING : ISSUED BY: ISSUED BY:
* DATE OF RATING :
* VALIDITY FOR ISSUANCE :
* VALIDITY PERIOD FOR RATING :
* FOR AMOUNT :
* CONDITIONS (if any) :
* CREDIT SUPPORT (if any)
  1. DESCRIPTION OF INSTRUMENT :
  2. AMOUNT :
  3. ISSUED BY :
  4. IN FAVOUR OF : *ISSUER OF CP / HOLDERS OF CP*
  5. CONDITIONS (IF ANY) :
* Name of Guarantor :
* Name of Trustee :
* ISSUING AND PAYING AGENT: (name and address)

### Issuer’s liability under the CP will continue beyond due date, in case the CP is not redeemed on due date, even if the CP is in demat.

SELLER OF CP :

PURCHASER OF CP :

## SETTLEMENT INSTRUCTIONS

VALUE DATE :

FUNDS -Please Credit to (A/c Details) / Issue DD / PO

fvg for Rs.

CP- Please deliver to (DP A/c details)

MARKET CONVENTIONS: **FIMMDA CONVENTIONS**

***THE DEAL IS DONE BY***

*(ON BEHALF OF SELLER)* MR./MS.

*(ON BEHALF OF PURCHASER)* MR./MS.

ON *(TRADE DATE)* AT *(TIME) OVER PHONE / IN PERSON*

*NO RECOURSE IS AVAILABLE TO THE PURCHASER OF CP AGAINST PREVIOUS HOLDERS OF THE CP.*

THIS CONTRACT NOTE IS EXECUTED BY

(ON BEHALF OF SELLEROF CP) (ON BEHALF OF PURCHSER OFCP)

*NOTE: ISSUER IS THE SELLER OF CP IN CASE OF PRIMARY MARKET DEAL.*

**Annexure-4**

**Issuer Confirmation to IPA**

1. Value Date of deal
2. Name and address of the counter party
3. Contact person’s name, telephone, fax numbers etc.
4. Details of the DP account of investor/buyer such as client name, client ID, DP a/c No., DP ID etc. as contained in the Deal Confirmation Notes as also the jumbo CP.
5. FV of CP / NCD to be delivered and consideration to be received.
6. Letter/mail from the investor giving the depository details of the investor.
7. Consolidated list of CP/NCD to be issued for different value date.
8. Confirmation that the investors are not out of related parties as defined vide Indian Accounting Standard (Ind AS) 24- Related Party Disclosures or International Accounting Standard (IAS) 24 -Related Party Disclosures or any other equivalent Accounting Standards.

**Annexure– 5**

**Format of Commercial Paper (CP) in the form of a Promissory Note**

Sr No:

(NAME OF ISSUING COMPANY/INSTITUTUION)

Issued at (PLACE)

Date of issue:

Date of Maturity \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ without days of grace (If such date happens to fall on a holiday, payment shall be made on the immediate preceding Mumbai Business day)

For value received hereby (NAME OF THE ISSUING COMPANY/INSTITUTION promises to pay or their order on the (NAME OF INVESTOR) maturity date as specified above the sum of Rs. (in words) upon presentation and surrender of this Commercial Paper

(NAME OF ISSUING AND PAYING AGENT)

For and on behalf of NAME OF THE ISSUING COMPANY/INSTITUTION

AUTHORIZED SIGNATORY AUTHORIZED SIGNATORY

**Annexure-6**

**Format (Specimen) of Jumbo Usance Promissory Note)**

Specimen Copy =============

XYZ LTD

(NAME OF ISSUING COMPANY/INSTITUTION)

Issued at Mumbai Date of issue: (PLACE)

Date of Maturity \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ without days of grace

(If such date happens to fall on a holiday, payment shall be made on the immediate preceding Mumbai business day)

For value received XYZ Ltd hereby

(NAME OF THE ISSUING COMPANY/INSTITUTION

\* promises to pay --------------------------------- or their order (NAME OF INVESTOR) UPON maturity date as specified above the sum of Rs. ................................. (Rupees One Hundred Crores only) upon presentation and surrender of the Commercial Paper at ABC Bank Mumbai

Note the below mentioned wording should appear within the marked block “Issuer has created electronic security against the UPN with NSDL (depository) bearing ISIN Number for the credit of investors account with DPs stated in Issuers letter dated ... and this document is not available for trade in secondary market”

(NAME OF ISSUING AND PAYING AGENT)

F o r a n d o n b e h a l f o f x y z L T D .

NAME OF THE ISSUING COMPANY/INSTITUTION

AUTHORIZED SIGNATORY

e.g.

Andhra Bank 10.00 cr  
ICICI Bank 80.00 cr.

IDBI Bank 10.00 cr

Total Rs. 100.00 cr

For XYZ Ltd.

(AUTHORIZED SIGNATORY)

**Annexure-7**

**Issuing and Paying Agent Certificate**

|  |  |
| --- | --- |
|  |  |
| REF NO: |  |
| ISIN CODE: |  |
| MV of CP/NCD: Rs. |  |
| Units  (1 unit Rs.5.00 lacs) |  |
| DP Name |  |
| DP ID |  |
| Client Name |  |
| Client ID |  |
| CP Securities Account Details |  |
| CP securities Redemption Account Details |  |

We hereby confirm that (issuer entity) the Issuers have appointed us as the Issuing and Paying Agent (IPA) for the CP/NCD under reference. We have a valid IPA agreement with the issuer.

We have verified the documents viz:

1.Details of Credit rating letters:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| CRA | Rating Letter Dated | Validity  for Issuance | Rating | Validity period for the rating | Ceiling Amt |
| (1) | (2) | (3) | (4) | (5) | (6) |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

2.Details of Credit rating letter considered for ceiling and CP/NCD issued thereunder:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| CRA | Rating letter dt | Validity for issuance | Rating | Validity period for rating | Ceiling Amt | out of  (6) CP  s issued  and o/s | CP  issued now | Balance available (6-7-8) |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|  |  |  |  |  |  |  |  |  |

3. Offer letter of issuer dated\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

We certify that the documents are in order.

Certified copies of original documents are held in our custody.

#### We hold:

1. Board resolution authorizing borrowal through CP/NCD issuance up to Rs. Crs.
2. Copy of Original of Unconditional Credit Enhancement letter issued by Bank/ FI/Corporate for an amount Rs.\_\_\_\_\_\_\_ covering this issue represented by ISIN number (above), (wherever applicable) and
3. Original Jumbo Commercial Paper

**Annexure-8**

**CONFIRMATION / CONTRACT NOTE – BUYBACK**

|  |  |
| --- | --- |
| Date of Buyback |  |
| **Description of instrument** | |
| Issuer |  |
| Issue Date |  |
| ISIN |  |
| Date of Maturity |  |
| Total Buyback Face value | Rs. |
| Price | Rs. |
| Total Consideration | Rs. |
| Name and Address of Issuing  and Paying Agent (IPA) |  |
| Market Conventions | FIMMDA conventions |
| Seller of CP/NCD |  |
| DP name |  |
| DP ID |  |
| Client ID |  |
| Purchaser of CP/NCD |  |
| Settlement date |  |
|  |  |
| Proceeds to be credited to |  |
| Beneficiary Name |  |
| Bank Name |  |
| Account no |  |
| IFSC code |  |
| Settlement amount | Rs. |
|  |  |
| CPs/NCD to be transferred to |  |
| Name of IPA |  |
| DP Name |  |
| DP ID |  |
| Client ID |  |

THIS CONTRACT NOTE IS EXECUTED BY

(ON BEHALF OF ISSUER OF CP/NCD) (ON BEHALF OF INVESTOR OF CP/NCD)

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