



CIRCULAR

CIR/IMD/DF/6/2015

September 15, 2015

To,

**All Recognised Stock Exchanges
All Registered Merchant Bankers
All Credit Rating Agencies
All NBFCs through stock exchanges, where they are listed.**

Dear Sir/Madam,

Disclosures to be made by NBFCs in the Offer Documents for public issue of Debt Securities under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

1. SEBI, vide circular no. CIR/IMD/DF/12/2014 dated June 17, 2014, inter-alia, prescribed additional disclosures to be provided for public issue of debt securities by NBFCs.
2. Based on the feedback from market participants on disclosures in offer document by NBFCs, after due deliberations, it has been decided to align the disclosures made in the offer documents to be in line with the stipulations as required by the Reserve Bank of India (RBI).
3. In line with the above, the following modifications are being made to the additional disclosures to be provided for public issue of debt securities by NBFCs, as mentioned in SEBI circular CIR/IMD/DF/12/2014 dated June 17, 2014

a) Point 4 (I)(d) (iv) of the Circular shall be modified as follows:

Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its guidelines on Corporate Governance for NBFCs, from time to time.

b) Point 4 (I)(d) (v) of the Circular shall be modified as follows:

Details of loans, overdue and classified as non-performing in accordance with RBI guidelines.

4. NBFCs are frequent issuers of debt securities and amongst other things, generally also utilize the issue proceeds for onward lending. Thus, there may be a possibility that such onward lending may be made to such persons, which are connected to the NBFCs or are a part of its "Group".

Given this, it is imperative that adequate disclosures are provided for, to keep the investors informed with regards to such onward lending to "Group" entities.

Therefore, it has been decided that in case any of the borrower(s) of the NBFCs form part of the "Group" as defined by RBI, then appropriate disclosures shall be made in the following format:

S No.	Name of the Borrower (A)	Amount of Advances /exposures to such borrower (Group)(Rs. Crore) (B)	Percentage of Exposure (C)= B/Total AUM
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5. Further, in order to allow investors to better assess the NBFC issue, it has been decided that the following additional disclosures shall be made by NBFCs in their offer documents: -
- i. A portfolio summary with regards to industries/ sectors to which borrowings have been made by NBFCs.
 - ii. Quantum and percentage of secured vis-à-vis unsecured borrowings made by NBFCs.
 - iii. Any change in promoter's holdings in NBFCs during the last financial year beyond a particular threshold. At present, RBI has prescribed such a threshold level at 26%. The same threshold shall be applicable or as may be prescribed by RBI from time to time.
6. NBFCs may provide disclosures on the basis of the draft template, as far as possible, as provided in **Annexure I** of this Circular.
7. The provisions of this circular shall be applicable for the draft offer document for issuance of debt securities, issued by NBFCs, filed with the designated stock exchange on or after November 01, 2015.



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

8. This circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities markets.
9. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

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Annexure I – Draft Template that may be published by NBFCs

It is recommended that the below disclosures shall pertain to the most recent financial year

1. Classification of loans/advances given to according to:

a. Type of loans

S. No	Type of loans	Rs crore
1	Secured	
2	Unsecured	
	Total assets under management (AUM) *	

b. Sectoral Exposure

S. No	Segment-wise break-up of AUM	Percentage of AUM
1	Retail	
a	- Mortgages (home loans and loans against property)	
b	- Gold loans	
c	- Vehicle finance	
d	- MFI	
e	- M&SME	
f	- Capital market funding (loans against shares, margin funding)	
g	- Others	
2	Wholesale	
a	- Infrastructure	
b	- Real estate (including builder loans)	
c	- Promoter funding	
d	- Any other sector (as applicable)	
e	- Others	
	Total	

c. Denomination of loans outstanding by ticket size*:

S. No	Ticket size **	Percentage of AUM
1	Upto Rs. 2 lakh	
2	Rs. 2-5 lakh	
3	Rs. 5-10 lakh	
4	Rs. 10-25 lakh	
5	Rs. 25-50 lakh	
6	Rs. 50 lakh-1 crore	
7	Rs. 1-5 crore	
8	Rs. 5-25 crore	
9	Rs. 25-100 crore	
10	>Rs. 100 crore	
	Total	



* Information required at the borrower level (and not by loan account as a customer may have multiple loan accounts)

** Ticket size at the time of origination

d. Denomination of loans outstanding by LTV*:

S. No	LTV	Percentage of AUM
1	Upto 40%	
2	40-50%	
3	50-60%	
4	60-70%	
5	70-80%	
6	80-90%	
7	>90%	
	Total	

*LTV at the time of origination

e. Geographical classification of borrowers

S. No	Top 5 states	Percentage of AUM
1		
2		
3		
4		
5		
	Total	

f. Details of loans overdue and classified as non-performing in accordance with the RBI's guidelines

Movement of gross NPA*	Rs. Crore
Opening gross NPA	
- Additions during the year	
- Reductions during the year	
Closing balance of gross NPA	

*Please indicate the gross NPA recognition policy (DPD)

Movement of provisions for NPA	Rs. Crore
Opening balance	
- Provisions made during the year	
- Write-off / write-back of excess provisions	
Closing balance	

g. Segment-wise gross NPA

S. No	Segment-wise gross NPA	Gross NPA (%)
1	Retail	
a	- Mortgages (home loans and loans against property)	
b	- Gold loans	
c	- Vehicle finance	
d	- MFI	
e	- M&SME	
f	- Capital market funding (loans against shares, margin funding)	
g	- Others	
2	Wholesale	
a	- Infrastructure	
b	- Real estate (including builder loans)	
c	- Promoter funding	
d	- Any other sector (as applicable)	
e	- Others	
	Total	

2. Residual maturity profile of assets and liabilities (in line with the RBI format):

	Up to 30/31 days	>1 month – 2 months	>2 months – 3 months	>3 months – 6 months	>6 months – 1 year	>1 years – 3 years	>3 years – 5 years	>5 years	Total
Deposit									
Advances									
Investments									
Borrowings									
Foreign Currency assets									
Foreign Currency liabilities									

3. Others

- Lending policy: Should contain overview of origination, risk management, monitoring and collections
- Classification of loans/advances given to associates, entities/person relating to the board, senior management, promoters, others, etc.: As is being disclosed currently