भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/049

March 31, 2023

To,
All listed entities
All the Recognized Stock Exchanges

Madam/ Sir,

Sub: Extension of compliance period – Fund raising by large corporates through issuance of debt securities to the extent of 25% of their incremental borrowings in a financial year

1. Chapter XII of NCS Operational Circular[1] on *'Fund raising by issuance of Debt Securities by Large Corporates'* (LCs Chapter), *inter-alia,* mandates large corporates to raise minimum 25% of their incremental borrowings in a financial year through issuance of debt securities which has to be met over a contiguous block of two years from Financial Year (FY) 2021-22 onwards.

2. Taking into account the representations from the market participants and on a review of the matter, it has been decided that the contiguous block of two years over which large corporates need to meet the mandatory requirement of raising minimum 25% of their incremental borrowings in a financial year through issuance of debt securities will be extended to a contiguous block of three years (from the present requirement of two years) reckoned from FY 2021-22 onwards.

3. The Stock Exchange(s)are directed to:

   3.1. bring the provisions of this circular to the notice of the Stock Brokers and also disseminate the same on their websites;
   3.2. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above directions in coordination with one another to achieve uniformity in approach and communicate regarding the same to SEBI;

4. The provisions of paras 2.2 (c) and 2.2 (d) of Chapter XII of the NCS Operational Circular shall be modified accordingly.

5. This Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 55 (1) of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021 to protect the interest of investors in securities and to promote the development of, and to regulate the securities market.

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[1] *Operational Circular for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) dated August 10, 2021 and amended from time to time.*

6. This Circular is available at www.sebi.gov.inunder the link “Legal” >> “Circulars.”

Yours faithfully,

Pradeep Ramakrishnan
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