

<sup>122</sup>[**SCHEDULE XXI**  
**[See regulation 106F(2)]**

**PART A**

**DISCLOSURES IN THE ADDENDUM TO THE OFFER DOCUMENT FOR RIGHTS  
ISSUE OF INDIAN DEPOSITORY RECEIPTS**

- (1) The listed issuer making a rights issue of IDRs shall make the disclosures as specified in this Part in the form of an addendum to the offer document.
- (2) Notwithstanding the above, where disclosures of matters similar or equivalent to those set out in this Schedule are required by home country regulations to be made in a particular form or by reference to particular requirements of such regulations, the same shall prevail over the requirements of this Schedule and shall be deemed to be complied with by disclosures made in the offer document on the basis of the home country regulations, but a reference shall be made in the addendum, to the concerned page numbers of the offer document where such disclosures are made.

**(I) Cover Page:**

**(A) Front Cover Page:**

- (1) The front outside cover page of the addendum for a rights offering shall contain the following details:
  - (a) The name of the issuer, its logo, address of its registered office, principal office in India, its telephone number, fax number, contact person, website address and e-mail address.
  - (b) The number and price of IDRs offered and issue size, as may be applicable.
  - (c) The following disclaimer and advisory on general risk :
  - (d) "Investment in IDRs involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities being offered in the issue have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document."
  - (e) Specific attention of investors shall be invited to the statement of "Risk factors" given on page number(s) ..... under the section "General Risks".
  - (f) Save where a form of responsibility statement is required in the offer document in accordance with the home country regulations, the following clause on 'Issuer's Absolute Responsibility' shall be incorporated in a box format:

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<sup>122</sup> Inserted by SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2011 w.e.f. 23.09.2011.

- (g) "The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the offer document and the addendum contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in the offer document and the addendum is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make these documents as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."
  - (h) The name, logo and address of the lead merchant banker and the designation of the officers/employees who have signed the due diligence certificate and filed the offer document and the addendum with the Board, along with their telephone numbers, fax numbers, website addresses and e-mail addresses.
  - (i) The name, logo and address of the registrar to the issue, along with its telephone number, fax number, website address and e-mail address.
  - (j) Issue schedule:
    - (i) Date of opening of the issue.
    - (ii) Date of closing of the issue.
    - (iii) Last date for request for split.
    - (iv) The names of the recognised stock exchanges where the IDRs of the issuer are listed and the details of in-principle approval for listing of the IDRs proposed to be offered in the rights issue.
- (B) **Back Cover Pages:** The back inside cover page and back outside cover page of the addendum shall be in white.
- (II) Instructions for Applicants:**
- (A) Disclosure in relation to the process for announcement of record date, terms of payments and procedure and time schedule for allotment and issue of certificates, credit of IDRs to the investors' demat account.
  - (B) How to apply, availability of application forms and offer document for rights offering and mode of payment for all category of investors.
  - (C) A statement that the IDR holders who have not received the application form may, along with the requisite application money, apply in writing on a plain paper.
  - (D) The format to enable the IDR holders to make the application on plain paper specifying therein necessary particulars such as name, address, ratio of rights issue, issue price, number of IDRs held, ledger folio numbers, depository participant ID, client ID, number of IDRs entitled and applied for, additional IDRs if any, amount to be paid along with application, and particulars of cheque, etc. to be drawn in favour of the issuer's account.
  - (E) A statement that the IDR holders making the application otherwise than on the application form shall not renounce their rights and shall not utilise the application form for any purpose including renunciation even if it is received subsequently.
  - (F) Provisions relating to punishment for fictitious applications, including the disclosures that any person who:
    - (1) makes in a fictitious name an application to a company for acquiring, or subscribing for, any IDRs therein, or
    - (2) otherwise induces a company to allot, or register any transfer of, IDRs therein to him, or any other person in a fictitious name, shall be punishable in accordance with the provisions of law.

- (G) Mode of making refunds:
  - (1) The mode in which the issuer shall make refunds to applicants in case of oversubscription.
  - (2) If the issuer proposes to use more than one mode of making refunds to applicants, the respective cases where each such mode will be adopted shall be disclosed.

**(III) General Information:**

- (A) Name, address and contact information including telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the domestic depository, the overseas custodian bank with the address of its office in India, the merchant banker, the underwriter to the issue, syndicate members, bankers to the issue, self certified syndicate banks, auditors of the issuer, legal advisors to the issue and any other intermediary which may be appointed in connection with the issue of IDRs.
- (B) Names, addresses and contact information of experts and counsel.
- (C) The names, addresses, telephone numbers, fax numbers and e-mail addresses of the Company Secretary and compliance officer of the issuer in India.
- (D) The statement of inter-se allocation of responsibilities among lead investment bankers, where more than one merchant banker is associated with the issue.
- (E) The details of underwriting of the IDRs, if any:
  - (1) The names, address, telephone numbers, fax numbers and e-mail address of the underwriters and the amount underwritten by them.
  - (2) A declaration by the board of directors of the issuer that, as far as the directors are aware, the underwriters of IDRs have sufficient resources to discharge their respective obligations.
- (F) In case of partial underwriting of the issue, the extent of underwriting.
- (G) The details of final underwriting arrangement in the addendum for rights offering filed with the designated stock exchange, indicating actual number of IDRs underwritten.
- (H) Method and expected timetable of the issue.
- (I) A statement by the issuing company that all moneys received out of issue of IDR shall be transferred to a separate domestic bank account, name and address of the bank and the nature and number of the account to which the amount shall be credited.
- (J) Details of availability of the offer document along with the addendum and forms, i.e., date, time, place etc.
- (K) Amount and mode of payment seeking issue of IDR.
- (L) A brief statement about the history, corporate structure and business overview of the issuer and major events in the past.
- (M) A brief status or statement on the compliance status of the issuer of its obligations under Depository Agreement and the provisions of the listing agreement entered between the issuer and the stock exchanges, wherever its securities are listed, including the listing agreement entered with recognised stock exchanges in India.

**(IV) Management (Board of Directors):**

- (A) Name, age, qualifications, experience, address, occupation and date of expiration of the current term of office of executive or whole time directors, giving their directorships in other companies, as the case may be.
- (B) The nature of any family relationship between any of the directors.
- (C) Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which of the directors was selected as a director or member of senior management.

- (D) Details of service contracts entered into by the directors with the issuer providing for benefits upon termination of employment and a distinct negative statement in the absence of any such contract.

**(V) Financial Information of the Issuer:**

- (A) Convenience translation of the latest annual audited statements of consolidated profit and losses, assets and liabilities and cash flows, in Indian Rupees at the closing rate of exchange, as at the date on which the financial information is presented, as filed with the recognised stock exchanges, pursuant to Clause 36 of the Model Listing Agreement specified vide circular no. SEBI/CFD/DIL/IDR/1/2009/16/06 dated June 16, 2009.
- (B) Convenience translation of the latest periodical financial results, in Indian Rupees (at the closing rate of exchange as at the date on which the financial information is presented), as filed with the recognised stock exchanges, pursuant to Clause 37 of the aforementioned Model Listing Agreement.
- (C) One standard financial unit shall be used in the Letter of Offer.
- (D) Link from where the investors can download the soft copy of detailed Annual Report of the issuer and their periodical filings.

**(VI) Risk Factors and Management Perception, if any:**

- (A) Risk factors shall be disclosed as follows:
  - (1) Risk factors associated with the issuing company's business
  - (2) Risk factors associated with the country of the issuing company proposing to issue IDR
  - (3) Risk factors associated with the IDR / underlying shares
- (B) Risk factors shall be classified as those which are specific to the project and internal to the issuing company and those which are external and beyond the control of the issuing company.
- (C) Risk factors shall be determined on the basis of their materiality. Materiality shall be decided taking the following factors into account:
  - (1) Some events may not be material individually but may be found material collectively
  - (2) Some events may have material impact qualitatively instead of quantitatively
  - (3) Some events may not be material at present but may be having material impacts in future
- (D) The Risk factors shall appear in the addendum in the following manner:
  - (1) Risks envisaged by the management of the issuing company
  - (2) Proposals, if any, to address the risks
  - (3) Any 'notes' required to be given prominence shall appear immediately after the risk factors

**(VII) Capital Structure:**

- (A) The authorised, issued and subscribed capital after suitable incorporation of the outstanding convertible securities (number of securities, description and aggregate nominal value).
- (B) Paid-up capital.(segregating IDRs).
- (C) The following details of outstanding instruments:
  - (1) Details of options, if any.

- (2) Details of convertible securities, if any.
- (D) The shareholding pattern and IDR holding pattern as per the latest filing with the recognised stock exchange(s).
- (E) The details of the shareholders holding more than three per cent. of the share capital of the issuer.
- (F) The details of IDRs lock-in, pledge of and encumbrance on such IDRs held by promoters, if applicable.
- (G) The details of IDRs acquired by promoters and promoter group, if applicable in the last six months immediately preceding the date of filing of the offer document along with addendum for rights offering with the designated stock exchange, in case of a fast track issue and in any other case, the date of filing draft offer document along with addendum for rights offering with the Board.

**(VIII) Particulars of the Issue:**

- (A) Objects of the Issue:
  - (1) The purpose of the issue.
  - (2) Break-up of the cost of project for which the money is raised through the IDR issue.
  - (3) The means of financing such project.
  - (4) The proposed deployment status of the proceeds at each stage of the project.
  - (5) Interest of promoters (if any) and directors, as applicable to the project or objects of the issue.
- (B) Interim Use of Funds: Investment avenues in which the management proposes to deploy issue proceeds, pending its utilisation in the proposed project.
- (C) Any special tax benefits to the IDR holders.

**(IX) Market price information and other information concerning the shares/ IDRs:**

Following information should be provided exchange-wise, if the securities are listed in more than one exchange. This information should be updated as on last practicable date before the date of offer document.

- (A) Week-end prices for the last four weeks and highest and lowest prices of equity shares during the period with the relative dates.
- (B) Stock market quotation of shares of the company (high/low price in each of the last three years and monthly high/low price during the last six months).
- (C) The same details shall be provided for IDRs listed in recognised stock exchange.

**(X) Exchange Rates:**

- (A) Brief history of the pattern of exchange rates between the country of incorporation/where shares are listed and India.
- (B) High, Low, Average Rates for the last twelve months.

**(XI) Material Litigations and Defaults:**

- (A) Material litigation / liabilities/defaults including arrears / potential liabilities of the issuing company, its promoters / controlling shareholders / directors and its subsidiaries and associates.
- (B) Materiality shall be determined on the basis of factors which are specific to the project and to the issuing company, its promoters / controlling shareholders / directors, its subsidiaries and associates, which may have a bearing on the performance of the issuing company.

- (C) Materiality shall be decided taking the following factors into account:
- (1) Some litigation/defaults may not be material individually but may be found material collectively.
  - (2) Some litigation/defaults may have material impact qualitatively instead of quantitatively.
  - (3) Some litigation/defaults may not be material at present but may be having a material impact in future.

**(XII) Material Development:** Any material development after the date of the latest balance sheet and its impact on performance and prospects of the issuer in accordance with the home country regulations.

**(XIII) Material Contracts and Documents for Inspection:** Place at which inspection of the documents specified under rule 7 of the Companies (Issue of Indian Depository Receipts) Rules, 2004, the offer document along with the addendum, the financial statements and auditor's report thereof will be allowed during the normal business hours.

**(XIV) Other Regulatory and Statutory Disclosures:**

- (A) Authority for the issue and details of resolution passed for the issue.
- (B) A statement by the issuer that the issuer, promoters, directors or person(s) in control of the promoter or the issuer, if applicable, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board or the securities regulator of its home country.
- (C) It may be disclosed whether the issuer, promoters, the relatives of promoters, group companies, if applicable, are identified as willful defaulters by Reserve Bank of India or such other authorities in its home country.
- (D) Disclaimer clauses:  
The addendum for rights offering shall contain the following disclaimer clauses in bold capital letters:

- (1) Disclaimer Statement with respect to SEBI:

*(To be written in bold capital letter)*

"It is to be distinctly understood that submission of offer document and the addendum to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document and the addendum. Lead merchant banker, has certified that the disclosures made in the addendum are generally adequate and are in conformity with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 in force for the time being. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

It should also be clearly understood that while the issuer is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the addendum, the lead merchant banker is expected to exercise due diligence to ensure that the issuer discharges its responsibility adequately in this behalf and towards this purpose, the lead merchant banker..... has furnished to the Securities and Exchange Board of India

(SEBI) a due diligence certificate dated .....which reads as follows: (*due diligence certificate submitted to the Board to be reproduced here*)

The filing of the offer document along with the addendum does not, however, absolve the issuer from any liabilities under the Companies (Issue of Indian Depository Receipts) Rules, 2004 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the lead merchant banker any irregularities or lapses in offer document and the addendum."

- (2) Disclaimer Statement from the issuer and lead merchant banker:  
A statement to the effect that the issuer and the lead merchant banker accept no responsibility for statements made otherwise than in the offer document for the rights offering or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the issue will be deemed to have been represented by the issuer and lead manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire IDRs of the Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this issue.

- (3) Disclaimer in respect of jurisdiction: A brief paragraph mentioning the jurisdiction under which provisions of law and the rules and regulations are applicable to the offer document for rights offering.
- (4) Disclaimer statement of the stock exchanges, if any.
- (5) Disclaimer statement of the Reserve Bank of India (if applicable).
- (E) Broad details of fees payable to various intermediaries involved in the IDR rights offering.
- (F) Arrangements or any mechanism evolved by the issuer for redressal of investor grievances in respect of IDRs and the time normally taken by it for disposal of various types of investor grievances.

**(XV) Undertakings by the issuer in connection with the issue:**

The issuer shall undertake that:

- (1) the complaints received in respect of the issue shall be attended to by the issuer expeditiously and satisfactorily.
- (2) that steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the IDRs are to be listed are taken within seven working days of closing of the issue.
- (3) funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue by the issuer.

- (4) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (5) that adequate arrangements shall be made to collect all applications.
- (6) that adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- (7) that the IDRs shall be credited to the demat account / refunds made within a period of fifteen days and interest in case of delay in refund at the prescribed rate.

**(XVI) Utilisation of Issue Proceeds:** The addendum for the rights offering shall contain a statement of the board of directors of the issuer in relation to the use of issue proceeds.

**(XVII) Restrictions on foreign ownership of Indian securities, if any:**

- (A) Investment by NRIs.
- (B) Investment by FIIs.

**(XVIII) Any other material disclosures (as deemed necessary):**

**(XIX) Declaration:**

- (A) The addendum for the rights offering shall be approved by the Board of Directors of the issuer and shall be signed by all directors, the Chief Executive Officer, i.e., the Managing Director or Manager within the meaning of the respective applicable corporate laws of the home country and the Chief Financial Officer, i.e., the whole-time finance director or any other person heading the finance function and discharging that function.
- (B) The following statement shall be disclosed:
 

“No statement made in this addendum contravenes any of the provisions of the applicable corporate laws in the home country or of provisions of Companies (Issue of Indian Depository Receipts) Rules, 2004. All the legal requirements connected with the issue as also the Regulations, guidelines, instructions, etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.”
- (C) The signatories shall further certify that all disclosures made in the offer document and the addendum for rights offering are true and correct.

## **PART B**

**[See regulation 106I(1)]**

### **DISCLOSURES IN ABRIDGED LETTER OF OFFER FOR RIGHTS ISSUE OF INDIAN DEPOSITORY RECEIPTS**

- (1) A listed issuer making a rights issue of IDRs shall make disclosures, as required under its home country regulations, if any and as specified in Part B of this Schedule, in the abridged letter of offer for rights offering.
- (2) Notwithstanding the above, where disclosures of matters similar or equivalent to those set out in this Schedule are required to be made in a particular form or by reference to particular

requirements of home country regulations, the same shall prevail over the requirements of this Schedule and shall be deemed to be complied with by such disclosures made in the offer document on the basis of the home country regulations.

- (3) The order in which items shall appear in the abridged letter of offer for rights offering shall correspond, wherever applicable, to the order in which items appear in the offer document and the addendum for rights offering.
- (4) The abridged letter of offer for rights offering shall also include the following disclosures:
  - (a) Provisions pertaining to applications forms;
  - (b) Rights entitlement ratio;
  - (c) Fractional entitlements;
  - (d) Renunciation;
  - (e) Application for Additional IDRs;
  - (f) Intention of promoters to subscribe to their rights entitlement, if any.
- (5) General Instructions:
  1. The information to be provided under each of the heads specified below shall be as per the requirement of Part A of this Schedule except when specified otherwise.
  2. The abridged letter of offer shall be printed in a font size which shall not be visually smaller than Times New Roman Size 10.
  3. 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 letter of offer is mutilated.

The abridged letter of offer for the issue of Indian Depository Receipts (IDR) shall contain the following disclosures:

**I. Instructions for applicants:**

How to apply, availability of letter of offer, abridged letter of offer and application forms, mode of payment and how to apply through white sheet, if relevant.

**II. General Information:**

- (A) The name of the issuing company and address of the registered office of the issuing company, along with telephone number, fax number, e-mail address and website address, and where there has been a change in the address of the registered office or name of the issuing company, details thereof.
- (B) Name, address and contact information of the principal office of the issuing company in India.
- (C) Name, address and contact information of the domestic depository, the overseas custodian bank with the address of its office in India, the merchant banker, the underwriter to the issue, advisors to the issue and any other intermediary which may be appointed in connection with the issue of IDR.
- (D) Names, addresses and contact information of experts and counsel.
- (E) Name, address and contact information of the compliance officer in relation to the issue of IDR. The compliance officer should be placed in India.
- (F) Name, address and contact information of Stock Exchanges where applications are made or proposed to be made for listing of the IDR.
- (G) Disclosure about provisions relating to punishment for fictitious applications.
- (H) Statement/declaration for refund of excess subscription.
- (I) Statement that an interest of 15% p.a. would be paid to the investors if the allotments letters / refund orders are not despatched within 15 days of the closure of the rights issue, as the case may be.
- (J) Declaration about issue of allotment letters/certificates/ IDR within the stipulated period.

- (K) Date of opening of issue.
- (L) Date of closing of issue.
- (M) Last date for request for split.
- (N) Method and Expected Timetable of the issue.
- (O) Date of earliest closing of the issue.
- (P) Declaration by the merchant banker with regard to adequacy of resources of underwriters to discharge their respective obligations, in case of being required to do so.
- (Q) A statement by the issuing company that all moneys received out of issue of IDR shall be transferred to a separate domestic bank account, name and address of the bank and the nature and number of the account to which the amount shall be credited.
- (R) Details of availability of letter of offer and forms, i.e., date, time, place etc.
- (S) Amount and mode of payment seeking issue of IDR.
- (T) Disclosure on Investor Grievances and Redressal System.
- (U) That the issuing company undertakes to subject itself to the jurisdiction of Indian Courts having jurisdiction over the place where the stock exchange is situated regarding grievances of the IDR applicants and IDR holders.

**III. Capital Structure of the issuing company:**

- (A) Authorised, issued, subscribed and paid up capital (Number of instruments, description, aggregate nominal value).
- (B) Size of present issue.(Segregating issue of IDRs)
- (C) Paid-up Capital:
  - (1) before the issue;
  - (2) after the issue (if the IDR issue involves issue of fresh equity shares); and
  - (3) share premium account (before and after the issue).

**IV. Terms of the Present Issue:**

- (A) Authority for the issue, terms of payment and procedure and time schedule for allotment and issue of certificates/ refund orders.
- (B) The clause "Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders" shall appear.

**V. Particulars of the Issue:**

- (A) Objects of the issue.
- (B) Project cost.
- (C) Means of financing.

**VI. Company, Management and Project:**

- (A) History and present business of the company.
- (B) Details of major shareholders disclosed in Letter of Offer.
- (C) Names, address and occupation of manager, managing director, and other Directors (including nominee-directors and whole-time directors) giving their directorships in other companies.

**VII. Outstanding Material Litigations and Defaults (in a summarised tabular form)**

**VIII. Material Development:** Any material development after the date of the latest balance sheet and its impact on performance and prospects of the company.

**IX. Time and Place of Inspection of material contracts. (List of material contracts not required)**

- X. Financial Performance of the Issuing company as per last completed accounting year for which audit has been completed and for the latest stub period for which audit/limited review has been completed.**
- XI. Disclosure on Investor Grievances and Redressal System.**
- XII. Brief details of the Domestic Depository, Overseas Custodian Bank and Depository Agreement.**
- XIII. Signatories to the Letter of offer.]**

**C. B. BHAVE  
CHAIRMAN**