



भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

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SEBI/HO/DDHS/DDHS-POD1/P/OW/2023/15712/1
April 19, 2023

Mr. Milind Talegaonkar
Company Secretary and Compliance Officer
Eris Lifesciences Limited,
Shivarth Ambit, Plot No. 142/2,
Ramdas Road, off SBR,
Near Swati Bunglows, Bodakdev,
Ahmedabad – 380054

Sir,

Sub: Request for Informal guidance by way of an interpretive letter under the provisions of SEBI (Informal Guidance) Scheme, 2003 ("Scheme") received from Eris Lifesciences Limited ("the Company")

1. This has reference to your letter dated March 13, 2023, seeking guidance on the 'outstanding borrowings' to be considered for disclosure purpose as specified in the Circular titled 'Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper' dated August 10, 2021 ('2021 Circular') issued under the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 ('NCS Regulations').
2. In the aforesaid letter, you have *inter-alia* stated the following:
 - 2.1. The Company shall have borrowing of Rs.100 crores or above at the end of March 31, 2023. However, each of those borrowings shall either be:
 - a. Other than long-term borrowings. For instance, working capital loan facility which are availed and repaid as needed over the tenure of such facility; or
 - b. Duly supported by creation of suitable charges or other encumbrances over the assets of the listed entity for securing the

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दूरभाष : 2644 9950 / 4045 9950 (आई.बी.एल.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

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repayment of the principle and interest availed under the long term borrowing.

- 2.2. As per para 3 of Chapter XII of the 2021 Circular, a Company identified as Large Corporate shall make applicable disclosures certified by both CFO and CS of the Company within the prescribed time limits in the prescribed formats namely Annexure-A, B1 and B2. Each of these disclosure forms use the word 'borrowing' in an unrestricted and unqualified manner i.e. without stipulating that only those borrowing that are unsecured, long term and attracting rating requirements stipulated in the language of the 2021 Circular needed to be considered for the purpose of making entries in those forms.
3. In view of the above, you have sought an interpretative letter under the scheme on the whether the fields prescribed in the prescribed formats Annexure A, B1 and B2 should be read with purposive interpretation and accordingly 'borrowing' as appearing in those forms be construed to be only those outstanding borrowing which are simultaneously long-term, unsupported and attracting stipulated credit rating requirements as appearing in the 2021 Circular.
4. In this regard, It is stated as follows:
- 4.1. The framework provided in the Chapter XII of the 2021 Circular pertaining to mandatory requirement of raising of minimum 25% of the incremental borrowing through issuance of debt securities shall be applicable to the following:
- a) All entities that have their specified securities or debt securities or non-convertible redeemable preference shares, listed on a recognised Stock Exchange(s) in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - b) All listed entities that have an outstanding long term borrowing of Rs. 100 crore or above, where outstanding long-term borrowings shall mean any outstanding borrowing with original maturity of more than one year and shall exclude external commercial borrowings and inter-corporate borrowings between a parent and subsidiary(ies); and
 - c) All listed entities have a credit rating of "AA and above" where credit rating shall be of the unsupported bank borrowing or plain vanilla bonds of an entity, which have no structuring/ support built in; and in case,



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where an issuer has multiple ratings from multiple rating agencies, the highest of such ratings shall be considered.

- d) The applicability of the framework to the listed entities shall be determined on the last day of the Financial Year (i.e. March 31 or December 31).

4.2. Thus, Large Corporate shall be interpreted as a listed entity having at least one credit rating of "AA and above" for any of its unsupported bank borrowing or plain vanilla bonds and have an outstanding long term borrowing of Rs. 100 crore or above where computation of the outstanding long term borrowing amount shall include any borrowings as specified in the para 4.1 (b) irrespective of the credit rating assigned to such outstanding long term borrowings.

4.3. A listed entity which is identified as a Large Corporate is required to make the disclosures specified in paragraph 3 of the Chapter XII of the 2021 Circular as per the annexure specified. For the purpose of the said disclosures the term 'borrowing' as mentioned in the annexures pertaining to the disclosures may be read in conjunction with paragraph 1.2 of Chapter XII of the 2021 Circular and accordingly, the relevant details pertaining to "outstanding long-term borrowings" as specified in paragraph 1.2 of Chapter XII of the 2021 Circular may be disclosed.

5. The above position is based on the facts and circumstances described by you in your letter under reference. Different facts or conditions might lead to different interpretation. Further, this letter does not express a decision of the Board on the questions referred.
6. You may note that the above position is expressed only with respect to the guidance sought in your letter under reference in respect of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Circulars issued thereunder as referred above and does not affect the applicability of any other law or requirement of any other SEBI Regulation, Guidelines and Circulars administered by SEBI or the laws administered by any other authority.

Yours faithfully,


Pradeep Kamakrishnan