

**Statement indicating deviation in the use of proceeds of issue of listed NCDs and NCRPs**

SEBI vide its <sup>1</sup>Notification No. SEBI/HO/DDHS/08/2020 dated January 17, 2020 notified the format for the statement indicating deviation or variation in the use of proceeds of issue of listed non-convertible debt securities(NCDs) or listed non-convertible redeemable preference shares (NCRPs).

In pursuance with Regulations 52(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a statement indicating deviation or variation, if any, in the use of proceeds/funds of listed NCD and listed NCRPs, from the objects as stated in the offer document/Information memorandum, raised by entities through their issuance, shall submit a statement indicating such deviation or variation in format prescribed by SEBI vide this circular.

**I. COMPLIANCE**

Submission shall be made by the listed entities on **half yearly basis** commencing from the **half year ended March 31, 2020** as prescribed by SEBI.

**II. FREQUENCY OF DISCLOSURE**

The statement indicating deviation or variation shall be submitted to the Stock Exchange(s) on half yearly basis within **45 days of end of the half year** until such funds are fully utilised or the purpose for which these proceeds were raised has been achieved.

**III. ROLE OF AUDIT COMMITTEE**

The statement mentioned above shall be placed before audit committee for their review on half yearly basis. The comments of audit committee shall form part of the report to be disclosed to stock exchange, as part of the format. Therefore, the disclosure for the deviation shall also be placed before the audit committee before its submission to Stock exchange.

In cases where the listed entity is not required to have an audit committee under the provisions of SEBI LODR Regulations or Companies Act, 2013, the word 'Audit Committee' shall be replaced with 'Board of Directors'.

*Note: Above compliance shall also be applicable on the Private Companies whose debentures are listed on the Stock exchange.*

For the detailed reading of original notification you may click on the below given hyperlink:

<sup>1</sup><https://www.sebi.gov.in/legal/circulars/jan-2020/format-for-statement-indicating-deviation-or-variation-in-the-use-of-proceeds-of-issue-of-listed-non-convertible-debt-securities-or-listed-non-convertible-redeemable-preference-shares-ncrps-45710.html>

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**Suggestions may be sent to [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com)**

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