



# Central Depository Services (India) Limited

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## COMMUNIQUE TO DEPOSITORY PARTICIPANTS

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CDSL/OPS/DP/POLCY/2023/289

May 10, 2023

### SEBI CIR - ADDITIONAL REQUIREMENTS FOR THE ISSUERS OF TRANSITION BONDS

DPs are advised to refer SEBI Circular no. **SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2023/66** dated **May 04, 2023**, regarding **Additional requirements for the issuers of transition bonds [refer Annexure]**.

DPs are advised to take note of the circular.

Queries regarding this communiqué may be addressed to: **CDSL – Helpdesk** Emails may be sent to: [helpdesk@cdslindia.com](mailto:helpdesk@cdslindia.com) and telephone number 08069144800.

sd/-

**Nilesh Shah**  
Asst. Vice President – Operations

**CIRCULAR**

SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2023/66

May 04, 2023

To,

**Issuers who have listed and/ or propose to list green debt securities;  
Recognized Stock Exchanges; and  
Registered Depositories**

Madam/ Sir,

**Sub: Additional requirements for the issuers of transition bonds**

1. On February 2, 2023, the revised definition of '*green debt security*' was notified in the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021<sup>1</sup>. On February 6, 2023, SEBI issued the revised disclosure requirements for such issuances.
2. '*Transition bonds*' is one of the sub categories of the revised definition of '*green debt security*'. As per the SEBI (Issue and Listing of Non-Convertible Securities), transition bonds comprise of "*funds raised for transitioning to a more sustainable form of operations, in line with India's Intended Nationally Determined Contributions.*"
3. In order to facilitate transparency and informed decision making amongst the investors in the transition bonds and to ensure that the funds raised through transition bonds are not being misallocated, it has been decided to prescribe certain additional requirements for issuance and listing of *transition bonds*. Accordingly, the following are prescribed:

An issuer desirous of issuing transition bonds shall make the following additional disclosures:

**3.1 Disclosure in the offer document for public issues /private placements of such transition bonds:**

- a. To differentiate transition bonds from other categories of green debt security, Issuer of transition bonds shall use a denotation '**GB-T**'. The denotation shall be disclosed in the offer documents on the cover page and in *type of instrument* field in the term sheet.
- b. Transition Plan, which shall contain the following:
  - (i) *Details of interim targets\*/ milestones along with an indicative timeline for achieving the targets.*  
*\*interim targets should also reflect the indicative figure regarding how much emissions the issuer is envisaging to reduce*

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<sup>1</sup> See Regulation 2(1)(q) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(ii) *Brief of the project implementation strategy*

(iii) *Details regarding the usage of technology for the project implementation*

(iv) *Mechanism to oversee the utilization of the funds raised through transition bonds and the implementation of the transition plan. Issuers may form a committee to oversee the implementation and ensure timely completion of the defined targets.*

### **3.2 Disclosure in the Centralised Database for corporate bonds:**

- a. An issuer shall disclose the denotation in the Centralized Database for corporate bonds/ debentures by filling the denotation i.e. **GB-T** in sub point 6 i.e. Others (Please specify) of point 10. i.e. Type of Instrument of Annex-XIV-A to Chapter XIV (Centralized Database for corporate bonds/ debentures) of the Operational Circular dated August 10, 2021 (and as amended from time to time).
- b. The Depositories shall update the denotation i.e. **GB-T** as prefix in “instrument details” field in Centralized Database for corporate bonds/ debentures

### **3.3 Disclosure to Stock Exchanges, in case of a revision in the transition plan:**

An Issuer of transition bonds, during the year, shall disclose the revised transition plan along with an explanation for any such revision to the already disclosed plan; if applicable.

### **3.4 Disclosure in the Annual report:**

The Issuer, shall disclose the transition plan along with a brief on the progress of the implementation of the transition plan.

4. Stock Exchanges shall monitor the continuous disclosures made by issuers of transition bonds as specified at para 3.3 and 3.4 above.
5. This provisions of this circular shall come into force with immediate effect. The provisions of this circular shall be appended as new Chapter IX-B of the Operational Circular
6. 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.
7. This Circular is available at [www.sebi.gov.in](http://www.sebi.gov.in) under the link “Legal→Circulars”.

Yours faithfully,  
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