

THE GAZETTE OF INDIA
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PART – III – SECTION 4
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SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION

Mumbai, the 8th October, 2020

**SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF
DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2020**

No. SEBI/ LAD-NRO/GN/2020/35 – In exercise of the powers under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2020.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008,-
 - I. In regulation 2,
 - a. in sub-regulation (1), clause (h) shall be substituted with the following, namely, -

“(h)“Private placement” means an offer or invitation to subscribe or issue of securities to a select group of persons by a company (other than by way of public offer) through private placement offer-cum-application, which satisfies the conditions specified in section 42 of the Companies Act, 2013.”

b. in sub-regulation (2) the words and symbols “Companies Act, 1956” shall be substituted with the words and symbols “Companies Act, 2013”.

II. In regulation 4, in sub-regulation (4), the words and symbols “Section 117B of the Companies Act, 1956 (1 of 1956)” shall be substituted with the words and symbols “Section 71 of the Companies Act, 2013 (18 of 2013)”.

III. In regulation 5, in sub-regulation (2), clause (a) shall be substituted with the following, namely, -

“disclosures specified in Companies Act, 2013 and Rules prescribed thereunder;”.

IV. In regulation 6A, in sub-regulation (3), the words and symbols “Companies Act, 1956 or “ and “whichever is applicable” shall be omitted.

V. In regulation 15, the existing sub-regulation (2), shall be substituted with the following, namely,-

“(2) Every debenture trustee shall amongst other matters, accept the trust deeds which shall contain the matters as prescribed under section 71 of Companies Act, 2013 and Form No. SH.12 of the Companies (Share Capital and Debentures) Rules, 2014. Such trust deed shall consist of two parts:

a. Part A containing statutory/standard information pertaining to the debt issue.

b. Part B containing details specific to the particular debt issue.”

- VI. In regulation 16, in sub-regulation (1), the words and symbols “Companies Act, 1956” shall be substituted with the words and symbols “Companies Act, 2013.”
- VII. In regulation 18, in sub-regulation (2), the words “twenty one days” shall be substituted the words “fifteen days”.
- VIII. In regulation 19, in sub-regulation (1), the words and symbols “sub-section 1 of section 75 of the Companies Act, 1956 (1 of 1956)” shall be substituted with the words and symbols “sub-section (1) and sub-section (2) of section 40 of the Companies Act, 2013 (18 of 2013).”
- IX. In regulation 20, in sub-regulation (1), in clause (a), the words and symbols “Companies Act, 1956” shall be substituted with the words and symbols “Companies Act, 2013.”
- X. After regulation 21A and before regulation 22, the following new regulation shall be inserted, namely,-

“Creation of Security

21B. The issuer shall give an undertaking in the Information Memorandum that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.”

- XI. In regulation 26,
 - a. in sub-regulation (2), the words and symbols “Schedule II of the Companies Act, 1956” shall be substituted with the words and symbols “the Companies Act, 2013 and the Rules made thereunder.”

b. after sub-regulation (6), the following new sub-regulation shall be inserted, namely,-

“(7) The issuer shall create a recovery expense fund in the manner as maybe specified by the Board from time to time and inform the Debenture Trustee about the same.”

XII. In regulation 28, the words and symbols “section 621 of the Companies Act, 1956” shall be substituted with the words and symbols “section 439 of the Companies Act, 2013”.

XIII. In Schedule I, in para 3, in sub-para B,

a. the following shall be inserted as a new column in the table after the existing column titled “Events of Default”, namely,-

“

Creation of recovery expense fund	a. Details and purpose of the recovery expense fund.
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“

b. the following shall be inserted as a new column in the table after the existing column titled “Record Date”, namely, -

“

All covenants of the issue (including side letters, accelerated payment clause, etc.)	
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“

c. the column titled “Events of Default” in the table, shall be substituted with the following, namely, -

“

Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	
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“

- d. the following shall be inserted as a new column after the new column titled “Creation of Recovery Expense Fund”, namely, -

“

Conditions for breach of covenants (as specified in Debenture Trust Deed)	
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“

- e. the column titled “Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document)]” shall be substituted with the following, namely,-

“

Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum.	
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- f. the following shall be inserted as a new column in the table after the existing column titled “Role and Responsibilities of Debenture Trustee”, namely, -

“

Risk factors pertaining to the issue	
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“

- g. At the end of the table, the following shall be inserted after point 3. in the Notes, namely, -

“4. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of offer document/ information Memorandum , in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.”

- XIV. In Schedule II, para 4, the words and symbols “Companies Act, 1956” shall be substituted with the words and symbols “Companies Act, 2013.”

Sd/-

AJAY TYAGI
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The Securities and Exchange Board of India (Issue And Listing Of Debt Securities) Regulations, 2008, were published in the Gazette of India on 6th June, 2008 vide No. LADNRO/GN/2008/13/127878.
2. They were subsequently amended on:
 - a) 12th October, 2012 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 vide No. LADNRO/GN/2012-13/19/5392.
 - b) 31st January, 2014 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 vide No. LADNRO/GN/2013-14/43/207.

- c) 23rd May, 2014 by Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/03/1089.
- d) 24th March, 2015 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 vide No. LAD-NRO/GN/2014-15/25/539.
- e) 2nd September, 2015 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.
- f) 25th May, 2016 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2016 vide No. LAD-NRO/GN/2016-17/004.
- g) 6th March, 2017 by Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide No. LAD-NRO/GN/2016-17/037.
- h) 13th June, 2017 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2017 vide No. SEBI/LAD-NRO/GN/2017-18/009.
- i) 15th December 2017 by Securities and Exchange Board of India (Issue and Listing of Debt Securities)(Second Amendment) Regulations, 2017 vide No. SEBI/LAD-NRO/GN/2017-18/023.
- j) 9th October, 2018 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2018 vide no. SEBI/LAD-NRO/GN/2018/42.
- k) 7th May, 2019 by Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019 vide no. SEBI/LAD-NRO/GN/2019/43.
- l) 17th April, 2020 by SEBI (Regulatory Sandbox) (Amendment) Regulations, 2020 vide no. SEBI/LAD-NRO/GN/2020/10.
