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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 8th October, 2020

SECURITIES AND EXCHANGE BOARD OF INDIA (DEBENTURE TRUSTEES) (AMENDMENT) REGULATIONS, 2020.

No. SEBI/LAD-NRO/GN/2020/34 — In exercise of the powers conferred 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 (Debenture Trustees) Regulations, 1993, namely: —

1. These regulations may be called the Securities and Exchange Board of India (Debenture Trustees) (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 (Debenture Trustees) Regulations, 1993,

—

I. regulation 14 shall be substituted by the following namely, —

“Every debenture trustee shall amongst other matters, accept the trust deeds which shall contain the matters as specified in section 71 of Companies Act, 2013 and Form No. SH.12 specified under 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.”

II. in regulation 15,

- i. in sub-regulation (1), clause (h) shall be substituted by the following, namely, —
“ensure the implementation of the conditions regarding creation of security for the debentures, if any, debenture redemption reserve and recovery expense fund;”
- ii. in sub-regulation (1), clause (t) shall be substituted by the following, namely, —
“In case where listed debt securities are secured by way of receivables/book debts, it shall, -
 - (i) on a Quarterly basis-
 - (a) carry out the necessary due diligence and monitor the asset cover in the manner as may be specified by the Board from time to time.
 - (ii) on a Half-Yearly basis-
 - (a) obtain a certificate from the statutory auditor of the issuer giving the value of receivables/book debts including compliance with the covenants of the Offer Document/Information Memorandum in the manner as may be specified by the Board from time to time.”

- iii. in sub-regulation (2), in clause (b), after the word “default” and before the words “or which”, the words and symbols “or breach of covenants (as specified in the Offer Document/Information Memorandum and/or debenture trust deed)” shall be inserted.
- iv. after sub-regulation (5), the following sub-regulations (6) and (7) shall be inserted, namely, -
 - “(6) Before creating a charge on the security for the debentures, the debenture trustee shall exercise independent due diligence to ensure that such security is free from any encumbrance or that it has obtained the necessary consent from other charge-holders if the security has an existing charge, in the manner as may be specified by the Board from time to time.

(7) Subject to the approval of the debenture holders and the conditions as may be specified by the Board from time to time, the debenture trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India.”

AJAY TYAGI
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnotes:

1. The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Principal Regulations, were published in the Gazette of India on December 29, 1993 vide SEBI/LE/12/93.

2. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, were subsequently amended on:

a. November 28, 1995 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 1995 vide S.O. No.939 (E).

b. January 5, 1998 by the Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 1998 vide S.O. No.16(E).

c. September 30, 1999 by the Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 1999 vide S.O. No.795(E).

d. February 17, 2000 by the Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2000 vide S.O. No.135(E).

e. August 8, 2000 by the Securities and Exchange Board of India (Debenture Trustees) (Second Amendment) Regulations, 2000 vide S.O. No.743(E).

f. March 28, 2000 by the Securities and Exchange Board of India (Appeal to Securities Appellate Tribunal) (Amendment) Regulations, 2000 vide S.O. No.278(E).

g. May 29, 2001 by the Securities and Exchange Board of India (Investment Advice by Intermediaries) (Amendment) Regulations, 2001 vide S.O. No. 476(E).

h. September 27, 2002 by the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 vide S.O. No.1045(E).

i. July 4, 2003 by the Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2003 vide S.O.No. 763(E).

j. March 10, 2004 by the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004 vide S.O. No. 398(E).

k. September 7, 2006 by the Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2006 vide S.O No.1451 (E).

l. May 26, 2008 by the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 vide Notification No. LAD/NRO/GN/2008/11/126538.

m. April 13, 2011 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2011 vide Notification No. LAD/ NRO/ GN/ 2011 - 12/03/12650.

- n. July 5, 2011 by the Securities and Exchange Board Of India (Debenture Trustees) (Amendment) Regulations, 2011 No. LAD-NRO/GN/2011-12/13/21222.
- o. December 14, 2011 by the Securities and Exchange Board of India (Debenture Trustees) (Second Amendment) Regulations, 2011 No. LAD-NRO/GN/2011-12/30/37715.
- p. May 23, 2014 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide Notification No. LAD-NRO/GN/2014-15/03/1089.
- q. December 8, 2016 by the Securities and Exchange Board of India (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016 vide Notification No. SEBI/LAD/NRO/GN/2016-17/023.
- r. March 6, 2017 by the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide Notification No. LAD-NRO/GN/2016-17/037 read with March 29, 2017 by the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide Notification No. LAD - NRO/GN/2016-17/038.
- s. July 13, 2017 by Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2017 vide Notification No. SEBI/LAD-NRO/GN/2017-18/011.
- t. May 07, 2019 by Securities and Exchange Board of India (Debenture Trustees) (Amendment) Regulations, 2019 vide Notification No. SEBI/LAD -NRO/GN/2019/14.
- u. April 17, 2020 by SEBI (Regulatory Sandbox) (Amendment) Regulations, 2020 vide Notification No. SEBI/LAD-NRO/GN/2020/10.
