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EXTRAORDINARY

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 25th May, 2016

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) (AMENDMENT) REGULATIONS, 2016

No. SEBI/ LAD-NRO/GN/2016-17/004.—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 further 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, 2016.
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, in sub-regulation (1),-

- (1) in clause (m), for the symbol “.”, the symbol “;” shall be substituted.
- (2) after clause (m), the following clause shall be inserted namely, -

"(n) "wilful defaulter" means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such."

(II) In regulation 4, for sub-regulation (1), the following sub-regulation shall be substituted, namely, -

“(1) No issuer shall make any public issue of debt securities if as on the date of filing of draft offer document or final offer document as provided in these regulations:

- (a) the issuer or the person in control of the issuer or its promoter or its director is restrained or prohibited or debarred by the Board from accessing the securities market or dealing in securities; or
- (b) the issuer or any of its promoters or directors is a wilful defaulter or it is in default of payment of interest or repayment of principal amount in respect of debt securities issued by it to the public, if any, for a period of more than six months.”

(III) In Schedule I, in paragraph 3, after sub- paragraph B, the following sub- paragraph shall be inserted namely,-

“C. Disclosures pertaining to wilful default

(1) In case of listing of debt securities made on private placement, the following disclosures shall be made:

- (a) Name of the bank declaring the entity as a wilful defaulter;
- (b) The year in which the entity is declared as a wilful defaulter;
- (c) Outstanding amount when the entity is declared as a wilful defaulter;
- (d) Name of the entity declared as a wilful defaulter;
- (e) Steps taken, if any, for the removal from the list of wilful defaulters;
- (f) Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions;
- (g) Any other disclosure as specified by the Board.

(2) The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages.

(3) Disclosures specified herein shall be made in a separate chapter or section, distinctly identifiable in the Index / Table of Contents.”

U.K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The Securities and Exchange Board of India (Issue and Listing of Debt Securities)Regulations, 2008 was published in the Gazette of India on 6th June, 2008 vide No.LAD-NRO/GN/2008/13/127878.
2. The Securities and Exchange Board of India (Issue and Listing of Debt Securities)Regulations, 2008 was subsequently amended on:
 - (a) October 12th, 2012 by SEBI (Issue and Listing of Debt Securities) (Amendment)Regulations, 2012 vide No. LAD-NRO/GN/2012-13/19/5392.
 - (b) January 31st, 2014 by SEBI (Issue and Listing of Debt Securities)(Amendment)Regulations, 2014 vide No. LAD-NRO/GN/2013-14/43/207.
 - (c) 23rdMay, 2014 by Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 vide No. LAD-NRO/GN/2014-15/03/1089.
 - (d) March 24th, 2015 by SEBI (Issue and Listing of Debt Securities)(Amendment) Regulations, 2015 vide No. LAD-NRO/GN/2014-15/25/539.
 - (e) September 2nd, 2015 by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.