

Measures towards Ease of Doing Business - amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 regarding streamlining compliance for listed Non-Convertible Securities and disclosure in respect of appointment of Debenture Trustee in the offer document respectively

1. Objective

This Board Memorandum proposes measures towards Ease of Doing Business by:

- 1.1. streamlining compliance requirements for listed Non-Convertible Securities by making amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "LODR Regulations"); and
- 1.2. streamlining disclosure in respect of appointment of Debenture Trustee in the offer document as per SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (hereinafter referred to as "NCS Regulations").

2. Background

- 2.1. The Hon'ble Finance Minister in the budget announcements for FY 2023-24, inter-alia, made an announcement to simplify, ease and reduce cost of compliance for participants in the financial sector through a consultative approach.
- 2.2. In order to align the process of review with the budget announcement and enhance ease of doing business, SEBI constituted Working Group to examine and give recommendations on Ease of Doing Business (hereinafter referred as 'EoDB').

3. Review Process and Analysis

- 3.1. The recommendations of the Working Group were placed before the Corporate Bonds and Securitization Advisory Committee (hereinafter referred as 'CoBoSAC') in the meeting held on April 10, 2024 and July 31, 2024.

3.2. Taking into account the recommendations of the Working Group and CoBoSAC, SEBI published the following consultation papers:

3.2.1. Consultation paper titled “Consultation paper on measures towards Ease of Doing Business and streamlining compliance requirements for Non-Convertible securities – review of LODR Regulations” on August 16, 2024 seeking comments/ views/ suggestions from the public on the proposals mentioned therein and reproduced hereunder:

3.2.1.1. Alignment of provision regarding approval and authentication of financial results for entities having listed non-convertible securities with that for equity listed entities;

3.2.1.2. Alignment of provision regarding disclosure of fraud/ default in respect of price sensitive information for entities having listed non-convertible securities with that of equity listed entities under Schedule III;

3.2.1.3. Reduction in timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities to ‘atleast three working days’ from ‘atleast seven working days’;

3.2.1.4. Filing of all disclosures by listed entity (having listed non-convertible securities) with Stock Exchanges to be in XBRL format in line with provision specified for equity listed entities; and

3.2.1.5. Relaxation from the ISIN restriction limit for issuers desirous of listing originally unlisted ISINs (outstanding as on December 31, 2023).

3.2.2. Consultation paper titled “Consultation paper on streamlining disclosure in respect of appointment of Debenture Trustee (DT) in the offer document” on August 17, 2024 seeking comments/ views/ suggestions from the public on the proposal mentioned therein and reproduced hereunder:

3.2.2.1. Replace the term ‘consent letter’ with the term ‘debenture trustee agreement’ in clause 3.3.32 of Schedule I of NCS Regulations, 2021. The said debenture trustee agreement (DTA) shall be made accessible to investors using ‘QR code’ in the offer document.

3.3. Analysis of public comments:

3.3.1. Consultation paper dated August 16, 2024: 14 entities responded to the public consultation paper. The respondents included Stock Exchanges, listed entities, Debenture Trustee, Stock broker, Industry Association, practicing company secretaries and individuals. Summary of the responses received is as under:

Propo al No.	Proposal Description	Agr ee	Partial y Agree	Disagr ee	Neutral/ No commen ts	Total Coun t
1	Alignment of provision regarding approval and authentication of financial results for entities having listed non-convertible securities with that for equity listed entities.	9	0	0	5	14
		64%	0%	0%	36%	100%
2	Alignment of provision regarding disclosure of fraud / default in respect of price sensitive information for entities having listed non-convertible securities with that of equity listed entities under Schedule III.	8	0	1	5	14
		57%	0%	7%	36%	100%

Propo al No.	Proposal Description	Agr ee	Partial y Agree	Disagr ee	Neutral/ No commen ts	Total Coun t
3	Reduction in timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities to 'atleast three working days' from 'atleast seven working days'.	10	1	1	2	14
		71%	7%	7%	14%	100%
4	Filing of all disclosures by listed entity (having listed non-convertible securities) with Stock Exchanges to be in XBRL format in line with provision specified for equity listed entities.	9	1	0	4	14
		64%	7%	0%	29%	100%
5	Relaxation from the ISIN restriction limit for issuers desirous of listing originally unlisted ISINs (outstanding as on	10	1	0	3	14
		71%	7%	0%	21%	100%

Propo al No.	Proposal Description	Agr ee	Partial ly Agree	Disagr ee	Neutral/ No commen ts	Total Coun t
	December 31, 2023) and yet to mature					

3.3.2. Consultation paper dated August 17, 2024: 19 entities responded to the public consultation paper. The respondents included individuals, investors, listed entities, debenture trustees, stock brokers, stock exchanges. Summary of the responses received is as under:

Proposal No.	Proposal Description	Agree	Partially Agree	Disagree	Neutral/ No comments	Total Count
1	Replace the term 'consent letter' with the term 'debenture trustee agreement' in clause 3.3.32 of Schedule I of NCS Regulations, 2021. The said DTA shall be made accessible to investors using 'QR	10	2	7	0	19
		52%	11%	37%	0%	100%

Proposal No.	Proposal Description	Agree	Partially Agree	Disagree	Neutral/ No comments	Total Count
	code' in the offer document.					

3.4. The proposals consulted in the abovementioned consultation papers, suggestions received from the public and views of SEBI thereon are summarized at Annexure A and Annexure B respectively.

3.5. Based on recommendations of the working group, CoBoSAC, review of comments received from public and internal deliberations, this memorandum is placed before the Board for approval.

4. Part A- Recommendations requiring amendments to LODR Regulations

4.1. Alignment of provision regarding approval and authentication of financial results for entities having listed non-convertible securities with that for equity listed entities (Table I of Annexure A)

4.1.1. Background:

Currently, Regulation 52(2)(b) of the LODR Regulations, which applies to entities having listed non-convertible securities, requires quarterly results to be taken on record by the board of directors and to be signed by the managing director/ executive director, whereas Regulation 33(2)(a) and (b) of the LODR Regulations, which applies to entities with listed specified securities, requires the quarterly financial results to be approved by the board of directors and signed by the chairperson or managing director, or a whole time director or in the absence of all of them, by any other director duly authorized by the board of directors.

4.1.2. Extant Regulatory framework:

4.1.2.1. Regulation 33(2)(a) and 33(2)(b) of the LODR Regulations reads as under:

"33(2) The approval and authentication of the financial results shall be done by listed entity in the following manner:

(a) The quarterly financial results submitted shall be approved by the board of directors:

.....

(b) The financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results."

4.1.2.2. Regulation 52(2)(b) of the LODR Regulations reads as under:

"52(2) The listed entity shall comply with following requirements with respect to preparation, approval, authentication and publication of annual and quarterly financial results:

....

(b) The quarterly results shall be taken on record by the board of directors and signed by the managing director/ executive director."

4.1.3. Proposal:

In order to ensure parity between provisions under LODR Regulations for equity and debt listed entities, it is proposed to modify regulation 52(2)(b) of the LODR Regulation as under:

"The quarterly financial results submitted shall be approved by the board of directors. Further, the financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results."

4.2. Alignment of provision regarding disclosure of fraud/ default in respect of price sensitive information for entities having listed non-convertible securities with that of equity listed entities under Schedule III. (Table II of Annexure A)

4.2.1. Background:

Schedule III of LODR Regulations prescribes disclosure of events and information that have bearing on the price of the securities. Part A of Schedule III read with Regulation 30 specifies in respect of listed specified securities whereas Part B of Schedule III read with Regulation 51(2) specifies in respect of listed non-convertible securities. Both the said parts have a provision in respect of disclosure of fraud/ default by promoters and Key Managerial Personnel (hereinafter referred to as “KMP”).

4.2.2. Extant regulatory provision:

4.2.2.1. Clause A.6 of Part-A of Schedule III inter-alia reads as under:

“Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad

For the purpose of this sub-paragraph:

(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding

balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.”

4.2.2.2. Clause A.17 of Part-B of Schedule III reads as under:

“fraud/ defaults by promoter or key managerial personnel or director or employees of listed entity or by listed entity or arrest of key managerial personnel or promoter.”

4.2.3. Proposal:

In the absence of specific definition of fraud and default for debt listed entities, it is proposed to align clause A.17 of Part-B of Schedule III of LODR Regulations with clause A.6 of Part-A of Schedule III of LODR Regulations.

4.3. Reduction in timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities to ‘atleast three working days’ from ‘atleast seven working days’ (Table III of Annexure A)

4.3.1. Background:

Regulation 60(2) of the LODR Regulations which is applicable for an entity having listed non-convertible securities mandates a listed entity to give notice in advance of at least seven working days, excluding the date of intimation and the record date, to the stock exchange(s) of the record date, whereas regulation 42 of the LODR Regulations, which is applicable for equity listed entities, mandates a listed entity to give intimation of record date at least seven working days in advance excluding the date of intimation and the record date. However, in case of right issues, notice has to be given atleast three working days in advance.

4.3.2. Extant regulatory provision:

4.3.2.1. Regulation 60 of the LODR Regulation provides the following:

“(1) The listed entity shall fix a record date for purposes of payment of interest, dividend and payment of redemption or repayment amount or for such other purposes as specified by the stock exchange.

(2) The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.”

4.3.2.2. Regulation 42(2) of LODR Regulations reads as under:

“The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date:

Provided that in the case of rights issues, the listed entity shall give notice in advance of atleast three working days (excluding the date of intimation and the record date).”

4.3.2.3. Regulation 23(7) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021(hereinafter referred to as “NCS Regulations”), inserted vide notification dated July 10, 2024, reads as under:

“(a) The issuer shall fix a record date for the purposes of payment of interest, dividend and payment of redemption or repayment amount or for such other purposes as specified by the Board.

(b) Such record date shall be fixed at fifteen days prior to the due date of payment interest or dividend, repayment of principal or any other corporate actions”

4.3.3. Proposal:

4.3.3.1. Since the record date is already standardized i.e. 15 days prior to the due date of payment obligations, it is proposed that the timeline for giving notice in advance about intimation of record date to Stock Exchanges by entity having listed non-convertible securities may be reduced from 'atleast seven working days' to 'atleast three working days', excluding the date of intimation and the record date. Accordingly, it is proposed to modify the following provisions:

(1) To align regulation 60(1) of the LODR Regulations with Regulation 23(7) of the NCS Regulations, regulation 60(1) of the LODR Regulations is proposed to be modified as under:

"The listed entity shall fix a record date in terms of regulation 23 (7) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(2) To reduce the period of intimation of record date to Stock Exchanges by entity having listed non-convertible securities from 'atleast seven working days' to 'atleast three working days', regulation 60(2) of the LODR Regulations is proposed to be modified as under:

"The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date."

4.4. Filing of all disclosures by listed entity (having listed non-convertible securities) with Stock Exchanges to be in XBRL format in line with provision specified for equity listed entities (Table IV of Annexure A)

4.4.1. Background:

Currently, in the absence of any specific provision in the LODR Regulations and Master Circular for listing obligations and disclosure

requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper dated May 21, 2024 (hereinafter 'LODR Master Circular') regarding filing of information under XBRL or PDF format, entities are filing disclosures with the Stock Exchanges under both XBRL as well as PDF format.

4.4.2. Extant regulatory provision:

Regulation 36(4) of LODR Regulations which is applicable for equity listed entities inter-alia reads as under:

“(4) The disclosures made by the listed entity with immediate effect from date of notification of these amendments-

(a) to the stock exchanges shall be in XBRL format in accordance with the guidelines specified by the stock exchanges from time to time; and

(b) to the stock exchanges and on its website, shall be in a format that allows users to find relevant information easily through a searching tool:

Provided that the requirement to make disclosures in searchable formats shall not apply in case there is a statutory requirement to make such disclosures in formats which may not be searchable, such as copies of scanned documents.”

4.4.3. Proposal:

Currently, there is no provision under the LODR Regulations which mandated debt listed entity to file information with the Stock Exchanges in a specific format. As a result, debt listed entities are filing disclosures under both XBRL as well as pdf format. Thus, in order to ensure parity between provisions under LODR Regulations for equity and debt listed entities, it is proposed to have similar provision regarding disclosures to be filed in XBRL format for debt listed entities as specified for equity listed entities. Further, based on deliberations in CoBoSAC, it is proposed that for submission of financial results to stock exchanges, stock exchanges may provide a suitable glide path.

5. Part B- Recommendations not requiring amendments to LODR Regulations

5.1. Relaxation from the ISIN restriction limit for issuers desirous of listing originally unlisted ISINs (outstanding as on December 31, 2023) (Table V of Annexure A)

5.1.1. Background:

5.1.1.1. Regulation 62A of the LODR Regulations mandates a listed entity (whose non-convertible debt securities are listed) to list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s). Additionally, it provides an option to a listed entity, to list its outstanding unlisted non-convertible debt securities issued on or before December 31, 2023.

5.1.1.2. Chapter VIII (Specifications related to ISIN for debt securities) of SEBI Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated May 22, 2024 (hereinafter 'NCS Master Circular'), inter-alia provides that in respect of a private placement, a maximum of 14 ISINs maturing in a financial year shall be allowed for an issuer of debt securities.

5.1.2. Extant regulatory provision:

5.1.2.1. Regulation 62A of LODR Regulations w.r.t "Listing of subsequent issuances of non-convertible debt securities" inter-alia reads as under:

"62A.(1) A listed entity, whose non-convertible debt securities are listed shall list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s).

(2) A listed entity, whose subsequent issues of unlisted non-convertible debt securities made on or before December 31,

2023 are outstanding on the said date, may list such securities, on the stock exchange(s).

.....”

5.1.2.2. Clause 1.1 of Chapter VIII of NCS Master Circular reads as under:

“1. In respect of private placement of debt securities, the following shall be complied with regard to ISINs, utilised to issue debt securities from April 1, 2023:

1.1 A maximum number of fourteen ISINs maturing in any financial year shall be allowed for an issuer of debt securities. In addition, a further six ISINs shall also be available for the issuance of the capital gains tax debt securities.....”

5.1.3. Proposal

In order to encourage issuers to list their grandfathered outstanding unlisted ISINs, it is proposed that unlisted ISINs outstanding as on December 31, 2023, converted to listed ISINs, subsequent to introduction of Regulation 62A, may be exempted from the limit of 14 ISINs specified in clause 1 of Chapter VIII of the NCS Master Circular.

6. Part C- Recommendations requiring amendments to NCS Regulations

6.1. Replace the term ‘consent letter’ with the term ‘debenture trustee agreement’ in clause 3.3.32 of Schedule I of NCS Regulations, 2021. The said DTA shall be made accessible to investors using ‘QR code’ in the offer document (Table I of Annexure B)

6.1.1. Background:

While the NCS Regulations requires the disclosure of consent letter (for appointment) from the debenture trustee in the offer document, the legal document which validates the appointment of the debenture trustee is the DTA and not consent letter. As per the market practice, the Issuer first obtains the consent letter from the DTs, and then the DTA is executed between them at a later stage, prior to initiation of assignment.

6.1.2. Extant Regulatory framework:

6.1.2.1. Regulation 13 of SEBI (Debenture Trustees) Regulations, 1993, mandates all DTs to enter into a written agreement, referred to as DTA, with the body corporate before the opening of the subscription list for issue of debentures, that inter-alia reads as under:

“Obligation before appointment as debenture trustees.

13. No debenture trustee who has been granted a certificate under regulation 8 shall act as such in respect of each issue of debenture unless—

(a) he enters into a written agreement with the body corporate before the opening of the subscription list for issue of debentures;

(b) the agreement under clause (a) shall inter-alia contain:

(i) an undertaking by the body corporate to comply with all regulations/ provisions of Companies Act, 2013, guidelines of other regulatory authorities in respect of allotment of debentures till redemption;

(ii) the time limit within which the security for the debentures shall be created or the agreement shall be executed in accordance with the Companies Act, 2013 or provisions as prescribed by any regulatory authority as applicable.”

6.1.2.2. Clause 3.3.32 of Schedule I of NCS Regulations, inter-alia, specifies the following Disclosures for Issue of Securities as part of the offer document:

“The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.”

6.1.3. Proposal:

6.1.3.1. In order to streamline the disclosure in respect of the appointment of the DT in the offer document and to provide better clarity on the roles and responsibilities of the DT, it is proposed

to replace the term 'consent letter' with the term 'debenture trustee agreement' in clause 3.3.32 of Schedule I of NCS Regulations.

Keeping ease of doing business in mind, the copy of the DTA shall be made accessible to the investors using 'QR code' or 'web-link' in the offer document. However, listed entities opting for General Information Document (GID) – Key Information Document (KID) mechanism or shelf-tranche prospectus mechanism, shall disclose:

- a. copy of the consent letter given by the DTs as part of the GID or shelf prospectus; and
- b. copy of the DTA as part of the KID or tranche prospectus.

6.1.3.2. Accordingly, it is proposed to modify the clause 3.3.32 of Schedule I of NCS Regulations as under:

“The names of the debenture trustees(s), a statement to the effect that the debenture trustee has consented to its appointment along with a copy of the agreement executed by the debenture trustee with the issuer in accordance with regulation 13 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 made accessible through a web-link or a static quick response code displayed in the issue document: Provided that in case the issuer files a general information document or shelf prospectus, the issuer may disclose a copy of the letter obtained from the debenture trustee consenting to its appointment instead of the agreement.

Explanation. – In case the issuer files a key information document or tranche prospectus in accordance with these regulations, the issuer shall disclose a copy of the agreement stated above.”

6.1.3.3. Consequentially, in view of duplication, the word 'trustees' may be deleted from clause 3.3.31 of Schedule I of NCS Regulations.

7. Proposal to the Board:

7.1. The Board is requested to

7.1.1. consider and approve the proposals under para 4.1.3, 4.2.3, 4.3.3, 4.4.3, 5.1.3 and 6.1.3 above.

7.1.2. approve the consequent draft amendment notification placed at Annexure C;

7.1.3. authorize the Chairperson to make consequential and incidental changes and take necessary steps to give effect to the decisions of the Board.

Encls:

- 1. Annexure A (06 pages)**
- 2. Annexure B (03 pages)**
- 3. Annexure C (09 pages)**

Annexure – A

Table I: Alignment of provision regarding approval and authentication of financial results for entities having listed non-convertible securities with that for equity listed entities (Para 4.1 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1.	Alignment of provision regarding approval and authentication of financial results for entities having listed non-convertible securities with that for equity listed entities (Para 4.1 of board memorandum). Proposal: It is proposed to modify regulation 52(2)(b) of the LODR Regulation as follows: “The quarterly financial results submitted shall be approved by the board of directors. Further, the financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results”	NIL	Not applicable

	Rationale: To ensure parity between provisions under LODR Regulations for equity and debt listed entities.		
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Table II: Alignment of provision regarding disclosure of fraud / default in respect of price sensitive information for entities having listed non-convertible securities with that of equity listed entities under Schedule III. (Para 4.2 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1	Alignment of provision regarding disclosure of fraud / default in respect of price sensitive information for entities having listed non-convertible securities with that of equity listed entities under Schedule III Proposal: It is proposed to align clause A.17 of Part-B of Schedule III of LODR regulations with clause A.6 of Part-A of	Alignment of definition of fraud with that of debt listed entities would bring in disclosures of fraud even by subsidiaries of debt listed entities. Also this would get extended to private companies who have their debt listed on a recognised stock exchange. This scenario can overburden the compliance on debt listed entities as well as private entities who have their debt listed and their subsidiaries. Rationale: Debt listed entities have their debt secured. So even in case of fraud the priority is given to debt holder for repayment of loan as against equity holder in case of equity listed entity. Hence introduction of def. would not serve the purpose. Presently under reg.30 events specified under Para A of Part A of Schedule III of	Suggestion may not be accepted. Rationale: Presently, debt listed entities are mandated to disclose fraud/default by promoter or key managerial personnel or director or employees of listed entity or by listed entity. In order to have clarity as to which frauds are to be disclosed in the said clause, definition of fraud in line with what is specified for equity listed entities is

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
	Schedule III of LODR Regulations Rationale: Currently, there is no specific definition of fraud and default for debt listed entities in the LODR Regulations.	LODR regulation are deemed material events and these events are necessarily required to be disclosed by the equity listed entities. However events enumerated under para B are required to be disclosed based on application of the guidelines for materiality which equity listed entities are required to frame. On similar lines if Para A and Para B is introduced in provisions of debt listed entity then based on threshold value or the expected quantitative impact of event disclosure of event can be considered. Usually in cases of privately placed debt instruments adequate disclosures are made to the group of investors hence the overburden of making same disclosures to the exchange can be duplication of information passed to selected group of investors.	proposed to be introduced. Since disclosure of fraud is already a requirement, specifying a definition of fraud does not amount to additional compliance burden.

Table III: Reduction in timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities to ‘atleast three working days’ from ‘atleast seven working days’ (Para 4.3 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1	Reduction in timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities to ‘atleast three working days’ from ‘atleast seven working days’ Proposal: It is proposed that the timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities may be reduced from ‘atleast seven working days’ to atleast three working days. Further, it is proposed to align the provisions specified for fixation of record date and thus, Regulation 60(1) of the LODR Regulations	(1) Reduction in timeline for intimation of record date to Stock Exchanges from atleast seven working days to atleast three working days is a welcome step. However it is felt that there should not be any requirement of intimation of record date to stock exchange. Rationale: The record date is a calculated date and the method of calculation is very well mentioned in the Offer document. Also the record date for each interest payment or principal repayment is uploaded on the DLT platform of depositories presently NSDL. Hence the Exchange may capture the information from DLT platform for intimation of the investors. This will reduce the burden of compliance and the consequences of non-compliance for the issuer to	Suggestion may not be accepted. Rationale: Intimation of record date to Stock Exchanges and its further dissemination to public at large through their website, is in the interest of the investors. Accessing DLT by stock exchange would add to the complexity at this stage, Thus, the present requirement of sending intimation to stock Exchange by a listed entity may be retained.

	may be amended as under: “The listed entity shall fix a record date in terms of regulation 23 (7) of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.” Rationale: As the record date is already standardized i.e. 15 days prior to the due date of payment obligations vide notification dated July 10, 2024. (amendment to SEBI NCS Regulations)	some extent. This will actually serve the purpose of simplifying the provisions of law for ease of doing business. (2) The suggestion is to reduce the timeline for intimation of record date to Stock Exchanges by entity having listed non-convertible securities from ‘atleast seven working days’ to atleast two working days. Rationale: SEBI recently amended Regulation 29 and Regulation 50 of SEBI LODR Regulations for prior intimation for board meeting to be given to Stock Exchange at least two clear working days. Further the debentures are not frequently traded unlike equity shares. In case debentures are traded also then the settlement period for debentures is T plus 1 only.	Presently, in case of right issue specified under regulation 42(2) of the LODR Regulations, listed entity is required to give notice in advance of atleast three working days. While regulation 29 and 50 specifies providing of intimation to Stock Exchanges about the board meeting, regulation 42(2) which provides for intimation regarding the record date is more closely related to the proposal. Accepting the suggestion to reduce the timeline to two working days would amount to disparity between equity and debt listed entities.
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Table IV: Filing of all disclosures by listed entity (having listed non-convertible securities) with Stock Exchanges to be in XBRL format in line with provision specified for equity listed entities (Para 4.4 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1	Filing of all disclosures by listed entity (having listed non-convertible securities) with Stock Exchanges to be in XBRL format in line with provision specified for equity listed entities Proposal: it is proposed to have similar provision regarding disclosures to be filed in XBRL format for debt listed entities as specified for equity listed entities i.e. Regulation 36(4) of the LODR Regulations. Rationale: Currently, there is no provision under the LODR Regulations which mandated debt listed entity to file information with the Stock	Filing of Disclosure for following regulations are proposed to be not implemented in XBRL. Reg 53: Equity listed companies are required to file AOC 4 XBRL which is filed with Registrar of Companies - MCA Portal. Same can be implemented with Debt listed entities. However AOC 4 XBRL is not applicable to all debt listed companies e.g. NBFCs. Adding new compliance for filing XBRL will increase the compliance burden on Listed entities and defeat the object of ease of doing business. Reg 61(4): It is a third party certificate submitted by Company for dissemination under Regulation 40 of LODR where Certificate is disseminated as scanned / Digitally signed copy for Equity and Debt listed	In case of submission of financial results to Stock Exchanges, there is requirement in the LODR regulations for both equity and debt listed entities to disclose financial results within 30 minutes from the end of the board meeting. In case of equity listed entities, there is a guideline specified jointly by Stock Exchanges that financial results can be disclosed in pdf format within the aforesaid 30 mins, however the same has to filed in XBRL format within 24 hours. In case of debt listed entities, it was discussed in the CoBoSAC meeting that financial results can be disclosed in pdf format within 30 mins, however the same has to mandatorily file in XBRL format within 72 hours for the first 3 years and thereafter within 24 hours (glide path). Stock Exchanges may be

	Exchanges in the XBRL format. As a result, debt listed entities are filing disclosures under both XBRL as well as pdf format. Thus, in order to ensure parity between provisions under LODR Regulations for equity and debt listed entities, the above is proposed.	entities. Reg 59: In case of further issuance, companies need to file documents in physical and scanned format with Exchange	advised accordingly in this regard. Given the above, it is already proposed to empower stock exchanges to establish suitable guidelines. Concerns, if any, regarding filings which cannot be filed in XBRL and has to be disseminated as scanned / digitally signed copy, can be appropriately addressed under the above provision.
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Table V: Relaxation from the ISIN restriction limit for unlisted ISINs (outstanding as on December 31, 2023) in case such ISINs are listed (Para 4.5 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1	Relaxation from the ISIN restriction limit for unlisted ISINs (outstanding as on December 31, 2023) in case such ISINs are listed Proposal: It is proposed that unlisted ISINs outstanding as on December 31, 2023, converted to listed ISINs, subsequent to	It is suggested that in addition to the proposal, the number of ISINs for plain vanilla debt securities from 9 to 12 per financial year and exclude subordinated debt securities (including subordinated bonds and perpetual bonds) from the existing purview of the 9 ISINs. This proposal will also serve the Government and SEBI's objective of increasing liquidity of the	While the respondent is in agreement with the proposal. Additional suggestion may not be accepted. Rationale: SEBI's ISIN restriction is applicable only in respect of private placement of debt securities. No such limit is applicable in case of public issuance of debt securities. Further, ISIN restriction is on

	introduction of Regulation 62A, may be exempted from the limit of 14 ISINs specified in clause 1 of Chapter VIII of the NCS Master Circular. Rationale: To encourage issuers to list their grandfathered outstanding unlisted ISINs	debt securities markets by allowing more frequent issuances of debt securities in a given year by seasoned issuers. The above limit should exclude additional ISINs that may be permitted under the Liquidity Window facility.	the number of ISINs maturing in a financial year and not on the no. of issuances in a year.
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Annexure – B

Table I: Replace the term ‘consent letter’ with the term ‘debenture trustee agreement’ in clause 3.3.32 of Schedule I of NCS Regulations, 2021. The said DTA shall be made accessible to investors using ‘QR code’ in the offer document (Para 6 of board memorandum)

S. No.	Proposal in Consultation Paper	Public Comments not in support of the proposal	SEBI views on such public comments
1	Replace the term ‘consent letter’ with the term ‘debenture trustee agreement’ in clause 3.3.32 of Schedule I of NCS Regulations, 2021. The said debenture trustee agreement (DTA) shall be made accessible to investors using ‘QR code’ in the offer document. Proposal: It is proposed to replace the term ‘consent letter’ with the term ‘debenture trustee	Consent letter is required to be submitted along with General Information Document for in-principle approval. Replacing consent letter with Debenture Trustee Agreement would require companies to execute agreement with all debentures trustees once in a year for obtaining in principle approval and before proposing any debt issue. Companies would be under obligation to consider only those debentures trustees with whom the agreement have been execute. This would be practically difficult for taking decisions on the management level as well.	The argument holds merit. The listed entities utilizing the GID-KID mechanism and Shelf-tranche prospectus mechanism may face practical difficulties in executing the DTA with the DTs at the GID or shelf stage. Accordingly, we may provide a carve out for listed entities utilizing the GID-KID mechanism and shelf-tranche prospectus mechanism allowing them to continue to disclose consent letter given by the DTs as part of the GID or shelf prospectus. However, they shall disclose the copy of the DTA as part of the KID or tranche prospectus.

	agreement' in clause 3.3.32 of Schedule I of NCS Regulations. The said DTA shall be made accessible to the investors using 'QR code' in the offer document. Rationale: To streamline the disclosure in respect of the appointment of the DT in the offer document and to provide better clarity on the roles and responsibilities of the DT.	As per Regulation 16 of SEBI DT regulation 1993 legalize appointment of DT and not consent letter. However, it needs to be considered that currently as per Regulation 13, DTA has to be executed prior to issue opening date. Since consent letter is being replaced with DTA, we propose implementation of timeline for execution of DTA prior to in-principal approval or any other prior date.	As per the current regulations, DT is appointed with the signing of DTA which happens prior to the issue opening date. Since, finalization of offer document and filing for in-principle approval happens prior to issue opening date, the listed entities will have to execute DTA with the DTs prior to finalization of offer document/ filing for in-principle approval. However, amendment to Regulation 13 of DT Regulations to replace the phrase 'before the opening of the subscription list for issue of debentures' with 'prior to in-principal approval or any other prior date' is not warranted.
		Generating QR Code will require IT infrastructure and expertise hence Issuer should have an option to disclose the Debenture Trustee Agreement with the disclosure document but the issuer should be given the option to disclose via QR code or web-link or annex the same to offer documents.	The comment may be partially accepted and the disclosure may be provided by way of static quick response code or web-link.
		The proposal is a welcome change. However the requirement of disclosing	The comment holds merit. Clause 3.3.31 of Schedule I of NCS Regulations require

		consent letter continues under clause 3.3.31 of Schedule I of the NCS Regulations.	disclosure of consent of trustees among others to be disclosed as part of the offer document. Since clause 3.3.32 has disclosure in respect of consent of trustees, the word 'trustees' can be removed from clause 3.3.31.
		The existing practice of issuance of Consent Letter is appropriate. However, the sequence of issuance of Consent letter should be as per below sequence - DT to issue Engagement Letter or Offer Letter - Execution of DTA - Issuance of Consent Letter Consent Letter is a confirmation that the Issuer and DT has entered into a formal agreement as per Regulation 13 of DT Regulation. Both documents can be added as viewed as QR Code on the website of Issuer.	The comment may not be accepted as the consent letter is a mere letter saying the DT consents to acting as the trustee for the said issuance. Further, there is no value addition in having a consent letter after the DTA is in place.

		The proposal should be enhanced to ensure that the DTA is actually made available in digital and printed versions of the offer document and not just in the form of a QR code and instead of only entering the link of DTA, a brief summary of the roles and responsibilities of the debenture trustee are outlined with the offer document itself enabling investors to understand implications and investors protection available under DTA.	Investor charter outlines the roles and responsibilities of the DTs. Further, the purpose of the quick response code or web-link is to provide the requisite information without diluting the flow of information to the investors. The investors shall be able to access the DTA using the static quick response code/ web-link and can understand the roles and responsibilities of the DTs.
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Annexure – C

Draft Amendment Notification

Amendment shall be notified after following the due process