To,
Issuers who have listed and/ or propose to list Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper;
All Recognized Stock Exchanges;
All Depositories;
All Debenture Trustees registered with SEBI;
All Credit Rating Agencies registered with SEBI;

Madam/ Sir,

Sub: Clarification to SEBI circular dated August 04, 2022 on enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence

1. This has reference to circular no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/106 dated August 04, 2022 on “Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence”.

2. Representations have been received from Depositories and market participants seeking clarifications with respect to para A.3 and para A.4.6 of the aforementioned circular, on whether a new ISIN is to be allocated pursuant to:

   i. a change in underlying security;
   ii. creation of additional security; or
   iii. creation of security in case of unsecured debt securities.

3. It is clarified that, none of the above cases would constitute a change in the structure of the non-convertible debt securities, provided there are no other changes to the terms/ nature of issue of the non-convertible debt securities like maturity date, coupon rate, face value, redemption schedule, nature of the non-convertible debt securities (secured/unsecured) etc. Accordingly, Depository shall not assign a new ISIN in such cases. However, where there is a change in the underlying security, the debenture trustee shall ensure compliance with the

4. This circular is issued in exercise of the powers conferred upon SEBI under Section 11 (1) of the SEBI Act, 1992 read with the provisions of Regulation 2A of the SEBI (Debenture Trustees) Regulations, 1993 and Regulation 55 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Regulation 101(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to protect the interest of investors in securities and to promote the development of, and to regulate, the securities market.

5. This Circular is available at www.sebi.gov.in under the link “Legal→Circulars”.

Yours faithfully,

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