

CIRCULAR

SEBI/HO/DDHS/RACPOD1/CIR/P/2023/003

January 05, 2023

To,

Issuers who have listed and/ or propose to list Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper; Recognized Stock Exchanges;

All Debenture Trustees registered with SEBI;

All Credit Rating Agencies registered with SEBI;

All Depositories registered with SEBI

Madam/ Sir,

Sub: Extension of timelines for entering and verification of the details of the existing outstanding non-convertible securities in the ‘Security and Covenant Monitoring’ system hosted by Depositories

1. SEBI vide Circular SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2021/618 dated August 13, 2021 specified the manner of recording of charges by Issuers and manner of monitoring and other responsibilities of stakeholders for ‘Security and Covenant Monitoring’ using Distributed Ledger Technology (DLT). Further, vide circular SEBI/HO/MIRSD/CRADT/CIR/P/2022/38 dated March 29, 2022 the Operating Guidelines of the said system using DLT, including roles and responsibilities of the various stakeholders involved, were specified.
2. Pursuant to receipt of representations from depositories for extension in the timeline of entering the legacy data being requested by the issuers, para 8.d of the SEBI Circular dated March 29, 2022 was accordingly modified providing that for existing outstanding non-convertible securities, issuers shall ensure that they enter the details into the system on or before October 31, 2022 and Debenture Trustees (DTs) shall verify the same by December 31, 2022.
3. SEBI is in receipt of further representations from DTs citing operational/ technical difficulties owing to the advanced nature of the technology involved and seeking extension of timeline for verifying the entries made by issuer. Accordingly, it has been decided that for existing outstanding non-convertible securities, issuers shall ensure that

they enter the details into the system on or before January 31, 2023 and DTs shall verify the same by February 28, 2023. DTs shall submit a fortnightly progress report of status of compliance regarding the details pertaining to existing outstanding non-convertible securities being entered in the system by the issuers and verification of the same by DT, till the extension of the timeline for compliance is in place. The progress report shall be submitted within five days of the end of the fortnight.

4. This circular is issued in exercise of the powers conferred upon SEBI under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with the provisions of Regulation 2A of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, Regulation 55 of the Securities and Exchange Board of India (Issue And Listing Of Non-Convertible Securities) Regulations, 2021, Regulation 29 of the Securities and Exchange Board of India (Issue and Listing of Municipal Debt Securities) Regulations, 2015, Regulation 48 of SDI Regulations, 2008 and Regulation 20 of SEBI (Credit Rating Agencies) Regulations, 1999 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 on SEBI website at www.sebi.gov.in under the categories “*Legal Framework*” and “*Circulars*”.

Yours faithfully,

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